



AGENDA

**PRESCOTT CITY COUNCIL
REGULAR VOTING MEETING
Tuesday, June 7, 2016
5:30 PM**

**Council Chambers
201 South Cortez Street
Prescott, Arizona 86303
(928) 777-1100**

The following Agenda will be considered by the Prescott City Council at its **Regular Voting Meeting** pursuant to the Prescott City Charter, Article II, Section 13. Notice of this meeting is given pursuant to Arizona Revised Statutes, Section 38-431.02. One or more members of the Council may be attending this meeting through the use of a technological device.

◆ **CALL TO ORDER**

◆ **INTRODUCTIONS**

◆ **INVOCATION** Rev. Kimball Arnold
St. Luke's Episcopal Church

◆ **PLEDGE OF ALLEGIANCE** Councilman Sischka

◆ **ROLL CALL**

MAYOR AND CITY COUNCIL

Mayor Oberg	
Mayor Pro Tem Lamerson	Councilwoman Orr
Councilman Blair	Councilman Sischka
Councilman Lazzell	Councilwoman Wilcox

◆ **ANNOUNCEMENTS**

◆ **PROCLAMATION**

- A. Proclaiming June 2016, as National Safety Month
- B. Proclaiming June 14, 2016, as A Day of Recognition for Private Reece D. Moreno, Specialist Tenzin L. Samten, and all of Yavapai County's Fallen Servicemen

◆ **PRESENTATIONS**

- A. Chamber of Commerce - Introduction of new businesses

I. CONSENT AGENDA

CONSENT ITEMS I.A. – I.G. LISTED BELOW MAY BE ENACTED BY ONE MOTION. ANY ITEM MAY BE REMOVED AND DISCUSSED IF A COUNCILMEMBER SO REQUESTS.

- A. Approval of minutes for City Council meetings held on May 12, 2016, May 17, 2016 and May 26, 2016
- B. Adoption of Resolution No. 4329-1538, approving an Intergovernmental Agreement with the State of Arizona, through the Arizona State Forester, for the protection of forest, wild and rural lands, and structures (City Contract No. 2016-280; General Fund 100%)
- C. Approval to purchase 15 ea. replacement Smart Bin control boxes from Tech Logic Corporation in the amount of \$17,755.86 (City Contract No. 2016-303; Yavapai County Free Library District Automation Fund)
- D. Approval of submission of an application for a U.S. Department of Justice COPS Hiring Program grant to fund three (3) entry-level police officer positions for three years (Grant 75%, General Fund 25%)
- E. Approval of Amendment No. 1 to City Contract No. 2016-175A1, an agreement with Stanley Consultants, Inc., for engineering services for the Carleton-Alarcon Pavement Reconstruction Project, in an amount not to exceed \$19,100.00 (Streets Fund)
- F. Approval of purchase of UPS battery backup, installation, and electrical services from Titan Power, in the amount of \$10,052.86, using State of Arizona Contract No. ADSP012-026687 pricing (City Contract No. 2016-307; cost-allocated to Various Funds)
- G. Approval of purchase of airport ARFF truck radio equipment from Durham Communications in the amount of \$11,534.17 using State of Arizona Contract No. ADSP013-036881 pricing (City Contract No. 2016-308; Grant Fund (97.5%); Airport Fund (2.5%))

RECOMMENDED ACTION: MOVE to approve Consent Agenda Items I.A.-I.G.

II. LIQUOR LICENSE CONSENT AGENDA

- A. Application for a Series 15 Special Event Liquor License

Yavapai Big Brothers Big Sisters
Holiday Courtyard of the Grand Highland Hotel, 150 S. Montezuma Street
Applicant: Michael Smith
City Application No. 16-0043S
Date/Time of Event Liquor Sales: Friday, July 22, 2016, 9:00 am - 10:00 pm

The application has been reviewed and determined to be in compliance with City requirements.

B. Application for a Series 15 Special Event Liquor License

2016 Prescott Rodeo Dance
Prescott Frontier Days Community Service Foundation
BMO Harris Bank Parking Lot, 303 N. Montezuma Street
Applicant: Richard James Warinner
City Application No. 16-0044S
Date/Time of Event Liquor Sales:
Thursday, June 30, 2016, 8:00 am - 11:59 pm
Friday and Saturday, July 1 and 2, 2016, 12:00 am - 2:00 am, and 10:00 am - 11:59 pm
Sunday, July 3, 2016, 12:00 am - 2:00 am, and 8:00 am - 8:00 pm

The application has been reviewed and determined to be in compliance with City requirements.

C. Application for a Series 15 Special Event Liquor License

2016 World's Oldest Rodeo
Prescott Frontier Days, Inc.
Prescott Rodeo Grounds, 840 Rodeo Drive
Applicant: Christopher John Graff
City Application No. 16-0045S
Date/Time of Event Liquor Sales: Monday, June 27, 2016 through Monday, July 4, 2016, 8:00 am - 11:59 pm

The application has been reviewed and determined to be in compliance with City requirements.

RECOMMENDED ACTION: MOVE to forward special event liquor license applications II.A. through II.C. to the Arizona State Liquor Board with a recommendation of approval/denial.

III. REGULAR AGENDA

- A. Public Hearing and consideration of a Series 15, Special Event Liquor License application for the Whiskey Row Street Dance, applicant Gerald Szoskak for the Boys and Girls Club of Central Arizona

RECOMMENDED ACTION: (1) *MOVE to close the Public Hearing; and (2) MOVE to forward Whiskey Row Street Dance Special Event Liquor License Application No. 16-0040S to the Arizona State Liquor Board with a recommendation of approval between the hours of 4:00 p.m. to _____ p.m., or denial.*

- B. Public Hearing and consideration of a new liquor license application for a Series 18, In-state craft distillery from Dana Anita Murdock, applicant for Thumb Butte Distillery, located at 400 N. Washington

RECOMMENDED ACTION: (1) *MOVE to close the Public Hearing; and (2) MOVE to approve/deny/make no recommendation for Liquor License Application No. 18133001, for a Series 18 In-house craft distillery, for Thumb Butte Distillery, located at 400 N. Washington.*

- C. Public Hearing and consideration of a new liquor license application for a Series 12, Restaurant Liquor License from Randy D. Nations, applicant for Far From Folsom, located at 214 S. Montezuma Street

RECOMMENDED ACTION: (1) *MOVE to close the Public Hearing; and (2) MOVE to approve/deny/make no recommendation for Liquor License Application No. 12133660, for a Series 12 Restaurant Liquor License, for Far From Folsom, located at 214 S. Montezuma Street.*

- D. (1) Acceptance of an Economic Strength Program (ESP) Grant Award (ADOT GRT-16-0005843) in the amount of \$500,000.00 from the Arizona Commerce Authority (ACA) and Arizona Department of Transportation (ADOT); (2) Approval of an Economic Development Agreement with Arizona Eco-Development, LLC (City Contract No. 2016-305) (3) Approval of a Grant Agreement No. GRT-16-0005843 with ADOT for construction of the Corsair Connection (Corsair Avenue to Wilkinson Drive) (City Contract No. 2016-309); and (4) Adoption of Resolution No. 4338-1547

RECOMMENDED ACTION (one motion): *MOVE to (1) accept the Economic Strength Project grant in the amount of \$500,000.00; (2) approve the Economic Development Agreement with Arizona Eco*

Development, LLC (City Contract 2016-305); (3) approve the Grant Agreement with ADOT (City Contract No. 2016-309); and (4) adopt Resolution No. 4338-1547.

- E. Adoption of Ordinance No. 4980-1518, Amending City Code, Title II; Ordinance No. 4981-1519, Amending City Code, Title VIII; Ordinance No. 4982-1520, Amending City Code, Title X; Ordinance No. 4983-1521, Amending City Code, Title XVI; Ordinance No. 4984-1522, creating a new Title XVII and adopting the “General Engineering Standards”; and Resolution No. 4333-1542 adopting the “General Engineering Standards” as a public record

ORDINANCE NO. 4980-1518 AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, AMENDING TITLE II, CHAPTER 2- 1 (“PUBLIC WORKS DEPARTMENT”), SECTION 2-1-9 (“UTILITIES DIVISION; ABBREVIATIONS AND DEFINITIONS”) OF THE PRESCOTT CITY CODE; ADDING A SEVERANCE CLAUSE; AND PROVIDING FOR PENALTIES.

ORDINANCE NO. 4981-1519 AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, AMENDING TITLE VIII, CHAPTER 8-1, SECTIONS 8-1-1 AND 8-1-4; AND AMENDING CHAPTER 8-2, SECTIONS 8-2-1, 8-2-4, 8-2-5, 8-2-6, 8-2-7, 8-2-8, 8-2-10, AND 8-2-17; ADDING A SEVERANCE CLAUSE; AND PROVIDING FOR PENALTIES.

ORDINANCE NO. 4982-1520 AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, AMENDING TITLE X (“DEVELOPMENT REGULATIONS”), CHAPTER 10-1 (“LAND DEVELOPMENT CODE”), AMENDING ARTICLE 6 (“GENERAL DEVELOPMENT STANDARD”) OF THE LAND DEVELOPMENT CODE; AMENDING ARTICLE 7 (“SUBDIVISION AND LAND SPLIT STANDARDS”) OF THE LAND DEVELOPMENT CODE; AMENDING ARTICLE 8 (“REVIEW BODIES”) OF THE LAND DEVELOPMENT CODE; AMENDING ARTICLE 9 (“ADMINISTRATION AND PROCEDURES”) OF THE LAND DEVELOPMENT CODE; AND AMENDING ARTICLE 11 (“DEFINITIONS”) OF THE LAND DEVELOPMENT CODE.

ORDINANCE NO. 4983-1521 AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, AMENDING TITLE XVI, DELETING CHAPTER 16-1 (“STANDARD SPECIFICATIONS AND DETAIL DRAWINGS AND UNIFORM STANDARD SPECIFICATIONS FOR PUBLIC WORKS CONSTRUCTION”); DELETING CHAPTER 16-2 (“DRAINAGE REGULATIONS”), DELETING CHAPTER 16-3 (“DRAINAGE CRITERIA MANUAL”); AMENDING CHAPTER 16-4 (“2007 CITY OF PRESCOTT CONSTRUCTION SITE EROSION AND SEDIMENT”); AMENDING CHAPTER 16-5 (“2007 CITY OF PRESCOTT ILLEGAL DISCHARGE AND ILLEGAL CONNECTION STORMWATER CODE”);

AMENDING CHAPTER 16-6 ("2007 CITY OF PRESCOTT POST CONSTRUCTION STORMWATER RUNOFF CODE"); ADDING A SEVERANCE CLAUSE; AND PROVIDING FOR PENALTIES.

ORDINANCE NO. 4984-1522 AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT YAVAPAI COUNTY, ARIZONA, CREATING A NEW TITLE XVII, CHAPTER 17-1, SECTIONS 17-1-1 AND 17-1-2 OF THE PRESCOTT CITY CODE ADOPTING GENERAL ENGINEERING STANDARDS FOR THE CITY OF PRESCOTT; ADOPTING PENALTIES FOR VIOLATION OF TITLE XVII, CHAPTER 17-1; AND ADOPTING A SEVERANCE CLAUSE.

RECOMMENDED ACTION (separate motions): MOVE to adopt:

- (1) Ordinance No. 4980-1518 Amending City Code, Title II**
- (2) Ordinance No. 4981-1519 Amending City Code, Title VIII**
- (3) Ordinance No. 4982-1520 Amending City Code, Title X**
- (4) Ordinance No. 4983-1521 Amending City Code Title XVI**
- (5) Ordinance No. 4984-1522 creating a new Title XVII and adopting the "General Engineering Standards"**
- (6) Resolution No. 4333-1542 adopting the "General Engineering Standards" as a public record.**

- F. Award of City Contract No. 2016-297 to Earth Resources Corporation, for construction of the Autumn Breeze Street Improvement Project, in the amount of \$44,982.00 (Streets Fund)

RECOMMENDED ACTION: MOVE to award City Contract No. 2016-297.

- G. Approval of Water Service Agreement No. 14-009 (City Contract No. 2016-292) with Embry-Riddle Aeronautical University for campus development

RECOMMENDED ACTION: MOVE to approve Water Service Agreement No. 14-009 (City Contract No. 2016-292).

- H. Adoption of Resolution No. 4324-1533 approving the Amended and Restated Effluent Sale Agreement with The Club at Prescott Lakes, LLC, City Contract No. 2002-208A1

RECOMMENDED ACTION: MOVE to adopt Resolution No. 4324-1533.

- I. Approval of City Contract No. 2016-296 with Southwest Groundwater

Consultants, Inc., in the amount of \$104,588.00 to assess or design long-term monitoring wells for the Big Chino Sub-Basin Data Collection and Monitoring Plan (Alternative Water Fund)

RECOMMENDED ACTION: MOVE to approve City Contract No. 2016-296.

- J. Adoption of Resolution No. 4334-1543 authorizing application for a Clean Water State Revolving Fund Loan from the Water Infrastructure Financing Authority of Arizona (WIFA)

RECOMMENDED ACTION: MOVE to adopt Resolution No. 4334-1543.

- K. Adoption of Resolution No 4336-1545, revising the City budget policy

RECOMMENDED ACTION: MOVE to adopt Resolution No. 4336-1545.

- L. Adoption of Resolution No. 4337-1546 committing \$3,800,000.00 of fund balance in the Streets Special Revenue Fund for acquisition of open space

RECOMMENDED ACTION: MOVE to adopt Resolution No. 4337-1546.

- M. Discussion and possible approval of changes to the Council meeting schedule

RECOMMENDED ACTION: Presented for Council discussion and possible approval of changes to the Council meeting schedule.

- N. Acceptance of City Manager resignation and direction on filling the position permanently, as well as management leadership course in the interim

RECOMMENDED ACTION: To be determined by Council.

- O. Adoption of Resolution No. 4335-1544, adopting the Tentative Budget for Fiscal Year 2017, and setting the Public Hearing for the Final Budget Expenditure Limitation and Tax Levies for the City of Prescott

RECOMMENDED ACTION: MOVE to adopt Resolution No. 4335-

1544.

IV. ADJOURNMENT

EXECUTIVE SESSION

Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

- (i) Discussion or consideration of personnel matters (A.R.S. §38-431.03(A)(1));
- (ii) Discussion or consideration of records exempt by law (A.R.S. §38-431.03(A)(2));
- (iii) Discussion or consultation for legal advice with the city's attorneys (A.R.S. §38-431.03(A)(3));
- (iv) Discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid litigation (A.R.S. §38-431.03(A)(4));
- (v) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. §38-431.03(A)(5));
- (vi) Discussion, consultation or consideration for negotiations by the city or its designated representatives with members of a tribal council, or its designated representatives, of an Indian reservation located within or adjacent to the city (A.R.S. §38-431.03(A)(6));
- (vii) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. §38-431.03(A)(7)).

Confidentiality

Arizona statute precludes any person receiving executive session information from disclosing that information except as allowed by law. A.R.S. §38-431.03(F). Each violation of this statute is subject to a civil penalty not to exceed \$500, plus court costs and attorneys' fees. This penalty is assessed against the person who violates this statute or who knowingly aids, agrees to aid or attempts to aid another person in violating this article. The city is precluded from expending any public monies to employ or retain legal counsel to provide legal services or representation to the public body or any of its officers in any legal action commenced for violation of the statute unless City Council takes a legal action at a properly noticed open meeting to approve of such expenditures prior to incurring any such obligation or indebtedness. A.R.S. §38-431.07(A)(B).

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Prescott City Hall on _____ at _____ m. in accordance with the statement filed by the Prescott City Council with the City Clerk.

Dana R. DeLong, CMC, City Clerk

MEETING DATE/TYPES: VOTING SESSION 6-7-16

DEPARTMENT: City Clerk

AGENDA ITEM: Approval of minutes for City Council meetings held on May 12, 2016, May 17, 2016 and May 26, 2016

Approved By:

Date:

City Clerk: Dana DeLong	06/01//2016
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Item Summary

Attached for approval are the City Council minutes for the Budget Workshop Meeting held on May 12, 2016; and the Study Session, Special Meeting, and Voting Session Meeting held on May 17, 2016.

Attachments

- 1. May 12, 2016, Budget Workshop Meeting Minutes
- 2. May 17, 2016, Study Session Meeting Minutes
- 3. May 17, 2016, Special Meeting Minutes
- 4. May 17, 2016, Voting Meeting Minutes
- 5. May 26, 2016, Budget Workshop Meeting Minutes
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Recommended Action: MOVE to approve the City Council meeting minutes as presented.

PRESCOTT CITY COUNCIL
SPECIAL MEETING
TUESDAY, MAY 12, 2016
PRESCOTT, ARIZONA

MINUTES OF THE SPECIAL MEETING OF THE PRESCOTT CITY COUNCIL HELD ON MAY 12, 2016, in the COUNCIL CHAMBERS located at CITY HALL, 201 SOUTH CORTEZ STREET, Prescott, Arizona.

◆ **CALL TO ORDER**

Mayor Oberg called the meeting to order at 9:02 a.m.

◆ **ROLL CALL:**

Present:

Mayor Oberg
Mayor Pro Tem Lamerson, departed at 11:53 a.m.
Councilman Lazzell
Councilwoman Orr
Councilman Sischka
Councilwoman Wilcox

Absent:

Councilman Blair - excused

I. DISCUSSION ITEMS

A. FY 17 Budget Workshop, Part 1

Craig McConnell, City Manager, opened the meeting with introductory remarks. He said the workshop would primarily focus on the General Fund, with the special purpose and enterprise funds to follow on May 26th. For information and reference, two documents were provided; the Part 1 Budget Book, and the compilation of supporting position and capital project details. He said the documents would be available to the public on the City website, following the meeting.

Mr. McConnell said the Part 1 Budget Book included some material that the Council had seen before. It was included for background information, to present a more complete picture. He said it included the few sources of revenue that remained available to the City, most of which were restricted as to use.

Mr. McConnell said there would be at least three more formal opportunities for Council to pose comments, questions, and discussion; May 26th would be the Part 2 Budget Workshop, the Council voting meeting of June 7th, at which adoption of the tentative FY 17 budget would be considered, and the Council voting meeting of June 21st, for adoption of the final FY 17 budget

Mr. McConnell said he would describe FY 17, based upon the reasonable projections which had been made by the City, the Arizona League of Cities and Towns, and other external parties, as a brief lull in the budget battle due to two factors:

- An improved economy, and corresponding bumps in revenue
- The mid-year budget adjustments which took effect January 1, 2016, the target of which was a combination of expenditure reductions and revenue enhancement totaling \$ 1 million

Mr. McConnell said despite the circumstances that had been discussed for several years, through teamwork they had been able to bring to Council a balanced General Fund budget that covered operations without dipping into reserves. He said with respect to personnel, the budget included implementation of the Market Compensation Pay Plan that was previously presented. It was summarized in the Part 1 Budget Book, and would be touched on again at the meeting. He said that while there were some additional position reductions, they were vacant and no layoffs were being recommended. He pointed out that funding for capital projects and items in the General Fund were bare bones, but addressed those that were needed.

Mr. McConnell said that the General Fund budget was heavily impacted by the City's financial obligations to the Public Safety Personnel Retirement System. He said it was described in great detail preceding the August 2015 City sales tax ballot question, and since, including the recent presentation by the Reason Foundation, with the absence of a supplemental funding source, over the next 20 years, the walls of the financial obligations would continue to pressure services and amenities supported by the General Fund. So the lull in FY 17 was just that, and not a long-term trend that could be relied upon to resolve the issue.

Alison Zelms, Deputy City Manager, made a presentation. She said they would be talking about police, fire, parks, trails, golf, planning, building, economic development, library, and general government. She said they had been preparing for quite some time, even in the prior budget when the mid-year adjustments took place. All of that work was preparatory for the budget that would be presented today.

Ms. Zelms said that the discussion would primarily be focused on the general fund, but the other special revenue; debt, enterprise, and internal revenue funds all played together to fund the general fund. She said that they charged out to the other restricted funds for the services that were provided from the general fund. Ms. Zelms talked about the City funds and the purposes and restrictions. She said they were focused on the \$35 million general fund.

Ms. Zelms said that today would begin the more formal process of the budget and although they would be talking about the dollars and cents of the budget, they would be creating a budget to use as a plan to accomplish the outcomes they were striving to achieve for the community in the upcoming year. She said this was a way to identify the

types of amenities that they would focus on, and the types of services and the level of service that they were able to afford recognizing the pressure that the City had from obligations that could not be avoided, such as public safety pensions. She said the budget is done in a framework of different resources and resource restrictions. State law restricted what the City was able to charge for services and what could be done relative to the taxing sources. She said 86% of the general fund relied on city and state assessed taxes. Those had nothing to do with the level of service that the community enjoyed, unlike charging for trash, water, and sewer provisions.

Ms. Zelms said the City was in competition for the state sales tax, which was a major source of funding in the general fund, and primary property taxes were restricted. The City could not go to the voters to increase that amount. She said the Council was only able, by state law, to increase that by 2% plus the value of new construction, which was not a significant amount of funding in a \$35 million general fund. It was not a big source of revenue and they did not have the ability to utilize that as a source of funding.

Ms. Zelms said 76% of the general fund was public safety, and that was up from 74.5% last year. She said 82% of that cost was personnel. She said the organization provided services to the community and those services required well trained personnel in order to do that in a positive way.

Ms. Zelms said that the mid-year adjustments assisted in being able to prepare the budget, and the way the budget was created it anticipated receiving the SAFER firefighter grant. If that grant would not come through there would have to be mid-year changes and decisions to make. She said the City enterprises that did not rely on the general fund were in reasonably good financial condition, and those would be presented on May 26th.

Councilwoman Wilcox asked to receive a financial analysis of what the impact would be if the public safety sales tax passed.

Ms. Zelms talked about the adjustments that were made in November of 2015. The adjustments were included in the budget, and as they go forward they would be able to see how those were used to provide services and how those services were related to the City's strategic goals. She talked about the strategic goals that formed the framework for conducting the business of the City and planning the community's future.

Ms. Zelms talked about the focus areas for the FY 17 budget, which included: the market compensation for employees in all funds, public safety personnel retirement system obligations, public safety response and alternatives, other general fund services and amenities and trying to avoid community deterioration, resources and partnerships to grow the economy, creation of a \$3.8 million restricted reserve for future acquisition of open space property and easements, aggressive tourism development, and business license implementation.

Ms. Zelms talked about the public safety personnel retirement system and the adjustments that had been made at the state level during the last legislative session. She said that those adjustments would have little to no impact on the existing unfunded liability for the City of Prescott or any other entity that was a member of PSPRS. The City's current obligation was approximately \$71 million, and to pay that over the 22 year period it would be approximately \$168 million.

Ms. Zelms talked about the FY 17 pension costs and increases, and actions that had been taken from Fiscal Year 2008 through Fiscal Year 2015 to increase revenue and reduce expenditures.

Ms. Zelms showed the FY 17 City of Prescott organizational chart and talked about the significant increase in employee turnover. She said the FY 17 budget contemplated implementing a market compensation pay plan for all employees across all funds. She showed the FY 17 position changes, which included the FY 16 mid-year adjustments and changes that would occur in FY 17. She said although there were some additions of positions, those were mostly taking temporary dollars and making a full-time position. She said they went from 501.0 total budgeted positions in FY 16 to 496.5 budgeted positions in FY 17.

Mark Woodfill, Finance Director, continued the presentation. He talked about revenues and the past 10 years of the revenue stream. He continued by explaining the general fund revenues, comparing the FY 16 budget with the FY 17 budget.

Councilwoman Wilcox asked where federal grants were listed. Mr. Woodfill said they were located in the special revenue fund. He said they were not listed in the general fund, but they do cover general fund services.

Councilman Lazzell asked about the license and permits if those were the new business licenses. Mr. Woodfill responded that it was the new business license, as well as the building permit fee increases, and other fees.

Councilman Lazzell asked if that number could be lower because there might not be as many businesses as they had thought. Mr. Woodfill said, yes.

Councilwoman Orr asked if this would later be balanced with the perceived costs. Mr. Woodfill said, yes they would go over the costs and show a summary of the general fund balance.

Mr. Woodfill continued the presentation. He talked about property taxes and rates. He pointed out that citizens who did not live in the City of Prescott did not pay City property tax, but for fire protection they were subject to the separate Central Yavapai Fire District (CYFD) property tax. These tax rates were significantly higher than the City's tax rate.

Mr. Woodfill showed a property tax rate comparison between the City and the County for both residential and commercial. He talked about the property tax rate. He showed a comparison of the sales tax rates in surrounding communities.

Mr. Woodfill talked about general fund expenditures, and showed the past ten years of budget expenditures. He showed a pie chart of the FY 17 general fund operating expenditures and the percentage of cost allocations to the general fund. He said they looked at the fund as a whole, but showed a breakdown of the operating expenditures by department.

Mr. Woodfill talked about the department budgets and pointed out differences between FY 16 and FY 17. He explained how expenses in the general fund departments were cost recovered from enterprise funds.

Councilwoman Wilcox asked for an explanation for the increase in the Capital budget line. Mr. Woodfill said they would be looking at the Capital in a few slides, and at the specific projects.

Mr. Woodfill talked about the Police Department and their expenditures and funding sources.

Jerald Monahan, Police Chief, presented the police organizational chart, the organizational changes that the Police Department made in January, and what they were proposing for July 1st. He talked about the process for identifying changes to the organization. He detailed the changes that were being recommended.

Councilwoman Wilcox said with all the new ordinances and the challenges the City faced with trying to get a handle on the recovery home issues she felt they needed more code enforcement officers. She thought there was a lot of pressure on the one position and was in favor of increasing the staffing level for code enforcement.

Mr. McConnell said there had been a suggestion to create a task force for code enforcement. He said many things had changed since the second code enforcement position was eliminated. He thought they needed to look at the totality of the codes which required code enforcement personnel, prioritize those, and then figure out if additional full-time positions were needed. After that they could determine if volunteers could be utilized.

Chief Monahan talked about FY 17 key information in the Police Department to include; fleet reductions, training cost reductions, Prescott Regional Communications Center, and fleet replacement schedule for police cars. He talked about areas where volunteers were currently being used in the Police Department.

Chief Monahan thanked the Council for their support of allowing the market compensation increase to remain part of the budget. He said they were losing

experienced officers from Prescott. He said the ability to provide pay raises would be significant in maintaining and keeping experienced police officers. Chief Monahan said it was not all about the money for the officers, they were thinking long-term impact on their career and retirement. He thought that by the City funding an increase even in the midst of difficult budget times it was a statement to their officers that the City wanted to retain the experienced employees.

Councilman Lazzell thanked Chief Monahan for everything that he had done for the community.

Recess: The Council recessed at 9:55 a.m.

Reconvene: The Council reconvened at 10:06 a.m.

Councilwoman Orr said that the Chief spoke to the classification and compensation study and the long-term impact that it might have. She asked if they recruited new officers and then trained those officers if the City could require some type of commitment from new officers that they would stay for a certain period of time or financially reimburse the City for the training expenses if they left.

Chief Monahan thought the compensation and classification implementation would go a long way in retaining personnel, and giving them the ability to attract talented police officers that would work for the City of Prescott. He talked about a commitment for specialized training.

Mayor Pro Tem Lamerson talked about the codes in the City and he thought the Police and Fire Department had the legal authority to enforce the codes. He thought the idea that they needed to go out and hire more people to do what they already had people in place to do was not necessary.

Mr. Woodfill continued the presentation and talked about expenditures and funding sources for the Fire Department. He said the budget did contemplate receiving the SAFER grant. If that grant was not awarded then they would need to look at changes that would need to be made.

Councilwoman Wilcox asked if the market compensation amounts reflected the current staffing or if it reflected fully staffed, if all the vacant positions were filled. Mr. Woodfill said it only reflected the current authorized positions. He said if the position was authorized it was contemplated in the salary budget as well as the projections.

Dennis Light, Fire Chief, addressed the Council. He echoed the Police Chief's gratitude for the Council's consideration of the classification and compensation implementation. He presented the Fire Department's personnel organizational chart. He said the chart was representative of a single operating shift in a given 24 hour period, He made comparisons if the SAFER grant was awarded, and if it was not awarded.

Councilman Sischka asked how many years the SAFER grant would be good for if it was awarded. Chief Light said the grant was good for two years, with no retention beyond the two years. He said they would be allowed to reapply for re-appropriation of the grant.

Chief Light presented FY 17 Key Information which included; ARFF coverage during commercial aviation flight times, bid out fuels reduction grant work, re-establishment of a reserve firefighter program, and replacement of computer aided dispatching/records management systems.

Councilwoman Orr asked about Engine 71 and 72 and if the SAFER grant passed what would be the duties of the fourth firefighter. Chief Light said that it was a rare occurrence when they were at full staffing, when there was not a time when someone was on paid time off or approved time off. He said if there was no one off that fourth person was used to shore up that particular engine company.

Councilman Sischka asked for an explanation of what an average work week from the standpoint of hours worked looked like. Chief Light responded that they worked on a 56 hour work week. He said that entailed every other for three days and then four days off, which equated over a fair labor standard act of 27-28 days. They work 2,916 hours over the course of a year.

Mayor Oberg asked for an explanation of the difference between volunteer and reserve and duties for each. Chief Light responded that the nothing changed except a reserve program was a paid position and the hours were restricted to that use, and it required a lesser number of persons to execute. Volunteers were not paid, but the codes of federal regulations still applied. He said there were opportunities they were looking at to use some volunteers to supplement services. He gave an example of battery replacement in smoke detectors.

Councilwoman Wilcox asked about the movement of reserved firefighters from one community to another, and if they had looked at working with other municipalities and fire districts in the state to create one reserve firefighter program with joint funding.

Chief Light thought because of the geography of the state, the rural versus metropolitan, and the demographic issues the state faced it would be very problematic to pursue something on a state wide basis. He said even on a local level there were problems on how you would retain people. He said both of the districts with a reserve program were scaling back and dismantling their reserve programs.

Councilman Sischka asked for an explanation of computer aided dispatching and the advantages. Chief light said it was used by the 911 center to assimilate a response package for any type of emergency. It was pre-set computer generated cards that had a master sequence addressing guide tied to them. It ties the address to the responsible

resources to make sure the right response package was assigned to the particular emergency.

Councilman Sischka asked if that was what was used now. Chief Light said they currently used a computer aided dispatch system, but they were not able to drill down to geographical specifics.

Mayor Oberg thought there was funding set aside for the CAD system. Mr. McConnell said it was a complex project, but they were actively moving forward. He said it was contained in this budget.

Mayor Pro Tem Lamerson asked about volunteers and if they were subject to PSPRS. Chief Light thought if a volunteer was placed in an emergency or immediately dangerous situation it could open them up to exposure by using credentialed people in that role. Mayor Pro Tem Lamerson thought that would be a management issue, and there may be some options available. Chief Light said to put a volunteer on a fire truck would not be a good idea, but to use them in a non-emergency situation might work.

Chief Light talked about the potential disposition of the Granite Mountain Hotshot crew buggies. He said there was a movie producer who expressed an interest in using the equipment. Chief Light said he reached out to the families and the consensus was that it was a good idea.

Mr. Woodfill continued with the presentation. He talked about the expenditures and funding sources of the Recreation Services Department.

Joe Baynes, Recreation Services Director, presented FY 17 key information to include; outsourcing the management of special events, contracting out the Downtown Summer Concert Series; increased parking fees at designated park areas, additional pay kiosks, and working on an inaugural Fall mountain bike race with a private event promoter.

Mayor Pro Tem Lamerson asked about the \$80,000.00, and the referenced \$70,000.00 and if that went back into Parks and Recreation or did it go to the general fund. Mr. Baynes said it would go back to the general fund, and Parks and Recreation was funded out of the general fund. Mayor Pro Tem Lamerson thought it was important for the public to know that Parks and Recreation was generating revenue for the City of Prescott.

Councilman Lazzell said they keep talking about eco-tourism and bringing in tourists, and asked if it would be prudent to use some of the bed tax for the Recreation Services budget. Mr. Baynes said there was some funding that came out of the bed tax, approximately \$70,000.00. Councilman Lazzell thought that there was a lot more than \$70,000.00 being generated out of the department.

Councilwoman Orr commended the Recreation Services Department for what they did and how they brought in revenue. They provided for the city, the citizens, tourism, and used volunteers.

Mr. Woodfill continued with the presentation. He talked about the expenditures and funding sources of the Library.

Roger Saft, Library Director, addressed the Council. He talked about the Library personnel and the FY 17 key information for the Library to include; FY 16 mid-year adjustments, FY 17 project to replace fluorescent lights with LEDs, and the Yavapai County Free Library District funding issues and considerations.

Mayor Pro Tem Lamerson talked about funding for the Library and asked if the City owned the Library. Mr. Saft said, yes. Mayor Pro Tem Lamerson asked what would happen if the City contributed the same amount of money that the County did and have them run the library since they received the property tax

Mr. McConnell talked about the money received from the County. He said there had not been a discussion on what Mayor Pro Tem Lamerson was discussing. Mr. McConnell said that Yavapai County was not obligated to take a library. They did not run a library they ran a library district. He said they were an entity which collected money and then dispersed it to libraries.

Mayor Pro Tem Lamerson suggested that they have a discussion with the Yavapai County Board of Supervisors so they can try to keep the library whole, rather than looking for ways to cut services that the library delivered.

Mr. McConnell said they have had discussions with the County and the issue that was being addressed. He said at no time did the County state that they were interested in taking over a library. He said there had not been any success in closing the gap of tax collections versus financial disbursement or allocations.

Recess: The Council recessed at 10:58 a.m.

Reconvene: The Council reconvened at 11:11 a.m.

Mr. Woodfill continued with the presentation. He talked about the expenditures and funding sources of the Community Development Department. He showed the organization chart for the department.

Mayor Oberg asked if they were adding one more person. Mr. Woodfill said, yes a plans examiner/building inspector. Mayor Oberg asked if it would be a permanent position. Mr. Woodfill said it would be filled as a permanent position.

Mayor Oberg asked if that would help increase customer service. Tom Guice, Community Development Director, said by bringing on additional staff with the primary focus of plans examining they could also handle customer service at the counter.

Councilman Lazzell asked with the purposed fee increase did and thought this would be neutralized with the fees and the position. Mr. Guice said, yes the cost recovery correlated to the level of development activity. He said they were looking at a cost recovery of approximately 80%.

Councilwoman Wilcox asked if it was built into the budget, the loss of revenue from fee waivers that were negotiated throughout the year. Mr. Guice responded, no that they looked at the projected expected revenue based off of development activity.

Councilwoman Wilcox asked to take a look at the policies they had on fee waivers and in full disclosure the total amount that would be allowed in any one year; pre-annexation agreements, development agreements, or agreements that are being worked on with a developer. Mr. Guice said that was something they could look at.

Mayor Pro Tem Lamerson asked if they were targeting 75 - 80% cost recovery. Mr. Guice said that was correct. He asked about the 20 – 25% that was not recovered and where that came from. Mr. Guice said some of the services provided by the department were provided to someone that might have an interest in purchasing a property or might just want to talk about doing an addition to their home. When they were looking at the cost of the permits and the fees associated with the applications they include the cost of personnel, the vehicle, and the benefits of the personnel. He said there were other costs associated with the process and that was why they targeted the 75 – 80 % as full cost recovery.

Councilwoman Orr thought there was also a benefit that came to the City from the development by bringing in jobs and sales tax. Mr. Guice said there was a significant impact to the general fund for the one-time sales tax on construction. There was a correlation to development and permitting. Councilwoman Orr said the bigger picture was what it brought to the community. She said there was positive side to the expense.

Mr. Woodfill continued the presentation and talked about the general fund FY 16 capital outlay/projects to include; time and attendance software and equipment, permitting and inspection software implementation, rodeo grounds electrical improvements, public safety excellence technical assistance program, high capacity copier, public safety software system upgrade, recording system for dispatch, open space acquisitions, pay station replacement and additional of new pay stations, golf course replacement equipment and vehicles, and Acker Park improvements.

Councilwoman Wilcox commented on the open space acquisitions. She was pleased to see it in the budget and hoped that the Council supported it because the money would

no longer be coming in, and it was the last opportunity to do as much as they could with the open space program.

Mr. Woodfill presented information on the FY 17 vehicle replacement fund. Mayor Oberg asked about the patrol vehicles and if they came in with all the ancillary equipment. Mr. Woodfill thought the number included all the additional equipment that was needed.

Mr. Woodfill showed a summary of the general fund and gave information on the fund balance and reserves. He talked about the Transient Lodging (Bed) Tax fund to include revenues and expenditures.

Councilwoman Wilcox asked if the bed tax allocations for the next fiscal year would be in the form of recommendation from the Tourism Advisory Commission. Mr. Woodfill responded, yes that typically came in August. Councilwoman Wilcox asked if the specific dollar figures were just estimates now. Mr. Woodfill said, yes they were what was budgeted last year and adopted by Council.

Councilman Sischka said there was a 63% increase in tourism expenditure and asked what was included in tourism. Mr. Woodfill said that was the Tourism Department, the salary and expenses associated with the Tourism Manager, the marketing and the tourism website.

Ms. Zelms said there were two full-time positions that were budgeted and that was the primary costs. She said they use to budget the marketing coordinator who worked in the valley and in the key tourism areas to promote Prescott to the tourism industry. Now that was budgeted solely for marketing and promotion.

Councilman Lazzell asked if the \$290,000.00 was mostly ads, billboards, and television. Ms. Zelms said, yes and it was also going to the trade shows and getting out in front of the industry people to bring the tours to Prescott. She said the entire \$290,000.00 was now used entirely for marketing and promotion.

Councilman Lazzell asked why Prescott Creeks was in tourism. Ms. Zelms said they do a lot of maintenance on the Watson trailhead and it was considered a destination.

Councilwoman Orr said the increase in tourism had been dramatic. She thought they needed to be careful with the bed tax because it brought in a lot of revenue to the City.

Mayor Pro Tem Lamerson talked about the liquor license fees and found it offensive to charge a legal business that was doing business in the City, and who had invested money in the City, that generated sales tax in the City. He said that not only did we charge them for permission to sell their product now we were going to charge them a business license on top of it.

Mr. McConnell said the Council might wish to think about the liquor license fee in the next two weeks before the next budget workshop and if there were any changes it would be helpful to change the budget without having to have an item on the Council agenda for this. If there was a consensus the budget could be adjusted.

Councilwoman Orr thought it would be important to hear from the Tourism Advisory Committee to see how this would affect them, and to look at the consequences of doing that.

Lars Johnson, Budget and Privilege Tax Manager, continued the presentation. He talked about FY 17 grant applications for all departments. Councilwoman Wilcox thought it was commendable that the departments were going after federal and state grants to supplement what was done in the City.

Mr. Johnson talked about Impact Fees to include; park impact fees, and FY 17 governmental impact fees. Councilwoman Orr asked if out of the \$726,000.00 park impact fee if \$600,000.00 had been identified in the capital program. Mr. Johnson said that was correct.

Mr. Johnson talked about the FY 17 Other Special Revenue Funds, which consisted of gifts and donations. Councilwoman Wilcox asked about the \$255,000.00 expenditure and if that was dependent on the recommendation of the Acker Trust board. Mr. Johnson said the \$255,000.00 was intended to be Citywide. Mr. McConnell said this created appropriation authority for qualified projects coming forward, it was not a proposal.

Mr. Woodfill gave information on the upcoming steps in the FY 17 budget process.

II. ADJOURNMENT

There being no further business to be discussed, the Special Meeting of May 12, 2016, adjourned at 12:01 p.m.

HARRY B. OBERG, Mayor

ATTEST

DANA R. DeLONG

PRESCOTT CITY COUNCIL
STUDY SESSION MEETING
TUESDAY, MAY 17, 2016
PRESCOTT, ARIZONA

MINUTES OF THE STUDY SESSION MEETING OF THE PRESCOTT CITY COUNCIL
HELD ON MAY 17, 2016, in the COUNCIL CHAMBERS located at CITY HALL, 201
SOUTH CORTEZ STREET, Prescott, Arizona.

◆ **CALL TO ORDER**

Mayor Oberg called the meeting to order at 1:00 p.m.

◆ **ROLL CALL:**

Present:

Absent:

Mayor Oberg
Mayor Pro Tem Lamerson
Councilman Blair
Councilman Lazzell
Councilwoman Orr
Councilman Sischka
Councilwoman Wilcox

I. DISCUSSION ITEMS

A. Presentation of proposed updates and fee adjustments re alarm systems

Amy Bonney, Deputy Chief of Police, presented. She showed a powerpoint presentation outlining an overview of the proposal.

- Prescott Police Department False Alarm Reduction
- Yearly False Alarms
- False Alarm Reduction

Councilman Blair asked how long it took for a police officer to respond to a false alarm. Deputy Chief Bonney replied it could tie up at least two officers for a minimum of two hours or more. She said it was time consuming to investigate a large commercial building or bank, and enter a building.

Councilman Lazzell talked about when this previously came before the Council. He felt the implementation of the business license program would provide the information the Police needed. He did not have a problem with the \$10.00 appeal fee but did not support the \$10.00 re-occurring annual fee.

Councilwoman Wilcox asked to change paragraph 4 of Section 5-6-10A, to read “the alarm user may within 20 days file a written appeal with the City’s false alarm prevention coordinator.” She felt the language would clarify the appeal process.

Mayor Pro Tem Lamerson said he had previously opposed this and felt the ordinance was an overreach of government on property rights. He said he had a constitutional right to choose how to protect his family, business, and home. He felt the fee was another tax being assessed. He thought if the reason was a lack of funding then they should find a company or someone that would provide the information to the Police. He said if the objective was to stop the use of faulty equipment then they should go after people who installed faulty equipment. He did not like this the first time it came before the Council and he did not like it now. He felt it was an infringement on property rights.

Deputy Chief Bonney appreciated his input and said what was brought forward was a draft proposal.

Councilman Sischka thought the ordinance was complicated, and would like it to be simplified and easier to follow. He asked if alarm companies had the information the Police were seeking. Deputy Chief Bonney said the alarm companies only provided information regarding the address and responsible person on file. She said the companies did not provide whether or not there were hazards and/or special circumstances.

Councilman Sischka asked if the Police could require the companies to give out more information. Deputy Chief Bonney said yes they could ask for more information, but there was no guarantee they would get more information.

Councilwoman Orr admired the goal behind the ordinance. She said every officer that was taken off the street to respond to a false alarm places Prescott in harm. She agreed that it was complicated. She liked the incentive purpose and asked the Deputy Chief to think of what could be done to educate the public.

Councilwoman Wilcox asked if the ordinance only covered alarms that were connected to the 911 system. Deputy Chief Bonney said false alarm reports only covered proprietary alarms. She said there had been a rise in calls for alarms where people had installed the equipment themselves. Councilwoman Wilcox said perhaps the answer was to go back to industry standard alarms that were installed correctly. She said she supported the ordinance.

Councilman Lazzell asked what the fine was for a second offense. Deputy Chief Bonney said \$100.00. Councilman Lazzell thought instead of adopting the ordinance they should increase the fines for false alarm calls.

Mayor Pro Tem Lamerson did not agree with exempting anyone. He thought to make an impact there should be significant fines, which would impact repeat offenders and not the innocent.

Mayor Oberg asked if the Deputy Chief knew the number of alarms for commercial buildings versus residential buildings. Deputy Chief Bonney said she did not have that number available. She would estimate there were more alarms in residential buildings.

Mayor Oberg said in the past five years the number of calls had decreased. He asked if that was due to people turning their alarms off, if the equipment ceased to operate, or were people being more responsible. Deputy Chief Bonney said she did not know.

Mayor Oberg called for public comment.

Susan Brenton, Executive Director, Arizona Alarm Association, said her organization supported the ordinance. She said there was a requirement in the ordinance that alarm companies had to make two calls before they called the Police. She said this would reduce the amount of false alarm calls significantly. She said the organization also supported the \$10.00 annual permit fee. She said the Police needed to know the responsible party and who to call. She said under a new State law the City could not ask for any information from alarm companies. She said some of the alarm companies were willing to give out information, but they were not required to do so. She said the ordinance was based upon a model ordinance and information gathered from other police departments and alarm companies.

Mayor Oberg asked if staff understood the Council's direction for changes to the ordinance. Deputy Chief Bonney indicated the direction was understood.

B. Presentation of proposed General Engineering Standards to guide development and construction of public infrastructure projects

Henry Hash, Public Works Director, presented. He said staff, along with many stakeholders, had been working on the document for eight years. He said engineering standards were a set of standards most communities have had in place for decades. He said standards were needed for consistency, guidance, transparency, and good customer service. He thanked the Public Works staff, Community Development staff, City Attorney team, Sandy Griffis, Unified Development Code (UDC) members, and many others. He said the UDC voted unanimously to forward the document to the Planning and Zoning Commission, and the Planning and Zoning Commission voted unanimously to forward the document for Council review.

Charles Andrews, City Engineer, addressed the Council. He showed a powerpoint presentation.

- General Engineering Standards (GES)

- Public Partners
- Chapter 1 – Introduction, other regulatory agencies, MAG Uniform Standard Specifications and Standard Details for Public Works Construction
- Chapter 2 – Grading

Councilman Lazzell asked if the standard was 10 feet deep and would require benching. Mr. Andrews responded, yes. Councilman Lazzell asked about property corner staking and if it was for new development only. Mr. Andrews responded, yes and new development would be staked by a registered land surveyor.

- Chapter 3 – Drainage

Councilwoman Orr asked if developers would be able to choose the material being used. Mr. Andrews said the City would like developers to use concrete pipe, but would evaluate projects on a case-by-case basis. He said for projects on private property any material can be used.

- Chapter 4 – Water
- Pictures of damage to PVC pipe is hydrostatic burst pressures and underground debris and rocks
- Water Hammer and Search pressure - Underground Debris and Rocks
- New Material Requirements for Water Mains

Councilwoman Orr asked the difference in the cost between PVC and ductile iron pipe. Mr. Andrews said ductile iron pipe was approximately \$10.00 a linear foot more.

Councilman Lazzell said the City was not telling contractors to install ductile on private property. He said If the City took over the repair and maintenance then the City would want material installed that would withstand the elements in order to protect taxpayers' dollars.

- Chapter 5 – Wastewater
- Pictures of manhole construction, failure and access

Councilman Blair said some of the standards might cost the taxpayers more money when the City needed to make repairs to streets or utilities. Mr. Andrews said the City had noticed a pattern of failures. The new standards were trying to be proactive to prevent failures.

Councilman Lazzell asked what needed to happen for the City to be able to access manholes behind fences on private property. Mr. Andrews said one solution would be to install an access gate with a lock and a key given to the city. Public utility easements could not be blocked from access.

Ian Mattingly, City Traffic Engineer, presented to the Council. He showed a PowerPoint presentation.

- Chapter 6 – Transportation – Traffic

Councilman Lazzell asked if the standards took into account unusual topography. Mr. Mattingly replied, yes. He said unusual circumstances would be reviewed on a case-by-case basis.

Mr. Mattingly continued.

- Chart listing the five new details

Councilman Sischka asked if vehicles commonly ran into the mailboxes. Mr. Mattingly said, yes. He said the new standards were suggesting durable break away material or cluster mailboxes.

Councilwoman Wilcox asked if there were standards that addressed audible traffic signals. Mr. Mattingly said, not currently. He said the standard was to use them sparingly and that audible signals were reviewed on a case-by-case basis dependent upon the need.

Mr. Andrews continued the presentation.

- Chapter 7 – Dry Utilities
- Chapter 8 – Survey

Councilman Blair asked who designed the manholes, and asked why the manholes were not placed in the middle of the street. Mr. Andrews said sewer manholes should not be placed in driving lanes. He said the City would keep an eye on detail and reposition manholes when possible.

Gwen Rotsch, Engineering Technician, presented.

- Chapter 9 – Alterations & Modifications
- Chapter 10 – Record Drawings (As-Builts)

Councilman Lazzell thought the alterations and modifications process was a good compromise.

Councilwoman Wilcox talked about an agenda item on the voting session where staff was asking the Council to award a contract to replace a culvert. She asked if the new design standards took into consideration large storm water runoff.

Steve Orosz, Program Development Manager, said the culvert had to be replaced because of poor design. Councilwoman Wilcox understood some things might cost more up front, but it was a better investment of tax payer dollars if the equipment lasted.

Mayor Oberg called for public comment.

Steve Cooper, representative of the PVC pipe association, addressed the Council. He said the PVC pipe industry was a well associated industry across the nation. There were over a million miles of PVC pipe currently in service. He said installing pipe would be the single biggest investment that the City would make on behalf of the rate payers. Mr. Cooper said he was not notified of meetings being held to discuss new standards. He said PVC pipe was used across the county and was recognized as a well performing material. He did not think PVC should be excluded. He asked to be allowed to work with the GES and staff.

Tom Deverall, Developer, addressed the Council. He complimented Public Works staff and the work that was done on the GES. He felt the GES leveled the playing field. He said it was a working document, but they had to start somewhere. He felt the Public Works department had done a great job and were a good team to work with. He did not think it would increase costs to contractors, and that the contractors would bid jobs accordingly.

Todd Flick, Regional Distribution Manager, addressed the Council. He voiced his concern with implementation of the new standards. He asked for more time before the implementation of the standards in order to move his product that would no longer be used.

Mr. Hash said in general the new standards would go into effect in 30 days. He said the standards were not excluding the use of PVC pipe. He said PVC pipe would be allowed with conditions. He said they would work with Mr. Flick.

Sandy Griffis, Yavapai County Contractors Association, addressed the Council. She said it had been a pleasure working with Public Works and the developers, and that it was a much needed document. She said they were one percent away from agreeing and thought that the process showed how people and entities could work together.

Ms. Griffis said she was not there to talk about the material. She said if the City was bidding a City contract, the City can request whatever material they wanted used. Her concern was with private projects. She said when a developer hired a registered civil engineer, the civil engineer evaluated the different materials that would work. She said the registered civil engineer was responsible for the safety of the development. She thought they should let the developer and registered civil engineer come up with the material they were going to use to ensure the safety of the project.

Councilman Lazzell thought that when a private person hired a contractor and the private person specified not to use the most expensive material, then the contractor was going to abide.

Ms. Griffis disagreed. She said contractors had an ethical and moral right to put the safety of the community first.

Councilwoman Orr understood the City would be flexible. She said there might be times that one material was better to use than another, unless it was unsafe.

Ms. Griffiths agreed. She felt the City was putting huge burdens on the contractors to abide by their rules. Mr. Andrews said the City would allow different materials and compromises, but he said if the City was going to be responsible for maintaining the project, then the City needed to determine the standards and requirements.

Councilman Blair said the City could not go back and correct everything that was done wrong, but there should be flexibility. Mr. Andrews agreed.

Councilwoman Orr was concerned that inspections were going to take more time. She said time was money. She asked if the City was going to beef up inspections so the project was not affected. Mr. Andrews said the department had the ability to hire extra inspectors when the work increased. He did not feel the process would slow down.

Mr. Hash said new engineering fees went into effect in September 2015, which gave Public Works the option to hire outside contractors. He commented that they were not suggesting that they would not allow PVC pipe. He said PVC pipe would be allowed under certain circumstances, and he would work with the developers. He mentioned PVC pipe was not always the least expensive. He agreed one-size did not fit all.

Mayor Pro Tem Lamerson agreed that some of the standards might be a little over reach, but thought if the City was going to assume the liability and responsibility then the City should have a say in the materials.

Ms. Griffis said the document was a great product. She wondered if the City was going to require the material that a developer used, then why a developer would hire a civil registered engineer. She said if there were conditions for using PVC pipe, then they needed to be written down.

Councilman Sischka asked if the City had attempted to work with the Mr. Flick, who mentioned that he had inventory to move. Mr. Andrews said the City had been working on the document for a long period of time, and many public meetings were held. He said staff would work with distributors. He stated the City would not ban the old product.

Councilwoman Orr asked if staff would write down the conditions, as suggested. Mr. Andrews said it was hard to know every scenario.

Brett Hilliard, Phoenix Distributor, addressed the Council. He said he had been supplying water and sewer pipe to Prescott for many years. He said he had no notice, and thought the language was limiting. He wanted to more time to talk to industry experts.

Mayor Oberg asked staff if they were going to need more time, or if the document would be ready to be brought forward on June 7, 2016. Mr. Hash said the document would be ready for June 7, 2016, meeting.

C. Legislative Update

Alison Zelms, Deputy City Manager, presented. She said after 117 days of session the legislation adjourned on May 7, 2016. There were approximately 200 bills approved that were awaiting the Governor's signature or veto. She said 1247 bills had posted during the session, 388 had passed, 250 had been signed, and 9 were vetoed by the governor. She said May 18th would be the last day the governor could sign, veto, or change any bills.

Ms. Zelms said the governor had not taken any action on HB2107, the substance abuse recovery homes bill. She said that SB1350, the online home sharing bill, passed and had been signed. Ms. Zelms said HB2398 failed in the Senate. SB1400 and SB1268 were passed in the Senate, but were vetoed by the Governor. She said they forwarded two resolutions to the League regarding Public Safety Personnel Retirement System funding options and the pressure on local government.

D. Requests for information re the May 17, 2016, Voting Meeting agenda items

Regarding Voting Meeting Item III.A., Councilwoman Wilcox asked staff to find out how many sober living homes were within the immediate area of Mike's Mini Market at 924 East Gurley, and how close the nearest school was.

II. ADJOURNMENT

There being no further business to be discussed, the Study Session Meeting of May 17, 2016, adjourned at 3:06 p.m.

HARRY B. OBERG, Mayor

ATTEST:

DANA R. DeLONG

PRESCOTT CITY COUNCIL
SPECIAL MEETING
TUESDAY, MAY 17, 2016
PRESCOTT, ARIZONA

MINUTES OF THE SPECIAL MEETING OF THE PRESCOTT CITY COUNCIL HELD ON MAY 17, 2016, in the LOWER LEVEL CONFERENCE ROOM located at CITY HALL, 201 SOUTH CORTEZ STREET, Prescott, Arizona.

◆ **CALL TO ORDER**

Mayor Oberg called the meeting to order at 3:27 p.m.

ROLL CALL

Present:

Absent / Excused:

Mayor Oberg
Mayor Pro Tem Lamerson
Councilman Blair
Councilman Lazzell
Councilwoman Orr
Councilman Sischka
Councilwoman Wilcox

Staff

Craig McConnell, City Manager, departed at 4:09 pm
Jon Paladini, City Attorney
Dana DeLong, City Clerk
Mark Woodfill, departed at 4:09 pm
Clyde Halstead, departed at 4:09 pm
Leslie Graser, departed at 4:09 pm
Melissa Fousek, arrived at 4:10 pm

CALL TO ENTER INTO EXECUTIVE SESSION

Upon a public majority vote of the members constituting a quorum, the Council may hold an executive session that is not open to the public for the purposes set forth below. When the executive session ends, Council may adjourn or return to open session.

MAYOR PRO TEM LAMERSON MOVED TO RECESS INTO EXECUTIVE SESSION; SECONDED BY COUNCILMAN BLAIR; PASSED UNANIMOUSLY.

The Prescott City Council recessed into Executive Session at 3:27 p.m.

EXECUTIVE SESSION

I. LEGAL MATTERS

- A. The City Council will meet with the city attorney for discussion and consultation for legal advice, and discussion and consultation with designed representatives of the city to consider its position and instruct its representatives regarding negotiations for the purchase, sale, or lease of real property. A.R.S. §38-431.03(A)(3),and(7):

- 1) Potential acquisition of open space properties

II. PERSONNEL MATTERS

- A. Discussion or consideration of employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee or employee of any public body, except that with the exception of salary discussion, an officer, appointee or employee may demand that the discussion or consideration occur at a public meeting, and discussion or consultation for legal advice with the attorney or attorneys of the public body, pursuant to ARS §38-431.03(A)(1)(3)and(4)

- 1) Resignation of City Manager position

- B. The executive session adjourned at 4:46 p.m.

III. ADJOURNMENT

There being no further matters to come before the Special Meeting, the meeting was adjourned at 4:46 p.m.

HARRY B. OBERG, Mayor

ATTEST

DANA R. DeLONG, City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Special Meeting of the City Council of the City of Prescott, Arizona held on the 17th day of May, 2016. I further certify the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 2016.

AFFIX
CITY SEAL

DANA R. DeLONG, City Clerk

PRESCOTT CITY COUNCIL
VOTING MEETING
TUESDAY, MAY 17, 2016
PRESCOTT, ARIZONA

MINUTES OF THE VOTING MEETING OF THE PRESCOTT CITY COUNCIL HELD ON MAY 17, 2016, in the COUNCIL CHAMBERS located at CITY HALL, 201 SOUTH CORTEZ STREET, Prescott, Arizona.

◆ **CALL TO ORDER**

Mayor Oberg called the meeting to order at 5:30 p.m.

◆ **INTRODUCTIONS** - none were given.

◆ **INVOCATION** by Rev. Dr. Jay Wilcher, First Congregational Church

◆ **PLEDGE OF ALLEGIANCE** by Councilwoman Orr

◆ **ROLL CALL:**

Present:

Absent/Excused:

Mayor Oberg
Mayor Pro Tem Lamerson
Councilman Blair
Councilman Lazzell
Councilwoman Orr
Councilman Sischka
Councilwoman Wilcox

◆ **ANNOUNCEMENTS**

Mayor Oberg announced that the Governor signed HB2107, the bill on structured sober living homes.

Craig McConnell, City Manager, announced that an item to discuss changing the time of Council meetings would be placed on the June 7, 2016, agenda.

◆ **PROCLAMATIONS**

A. Proclaiming May 2016, as Motorcycle Safety and Awareness Month

Councilman Sischka read the proclamation and presented it to Debby Butitta.

B. Proclaiming May 15 – 21, 2016, as National Police Week

Councilman Lazzell read the proclamation and presented it to Deputy Chief Reinhardt

C. Proclaiming May 2016, as Neurofibromatosis Awareness Month

Councilwoman Orr read the proclamation and presented it to Tony, Pat, and Matthew Camacho.

◆ **PRESENTATIONS**

A. Presentation by Pamela Pearsall, Yavapai County Assessor, re Taxpayer Education Property Tax Assistance Program

Pamela Pearsall, Yavapai County Assessor, made a presentation to Council. She talked about the widower, disability, and Senior freeze programs available to taxpayers. She said the programs had been extended to July 15th and encouraged citizens to call if they had any questions.

B. Presentation by Dr. Frank Ayers re campus and curriculum development at Embry-Riddle Aeronautical University

Dr. Frank Ayers showed a powerpoint presentation and talked about renovations to Embry-Riddle Aeronautical University.

Mayor Oberg, Councilwoman Orr, and Councilman Sischka thanked Mr. Ayers for all his hard work.

C. Presentation of Customer Service Award Winners for National Travel and Tourism Week

Don Prince, Tourism Director, recognized six customer service award winners. He said there were a total of 15 winners. Councilwoman Orr assisted in handing out the certificates.

I. CONSENT AGENDA

A. Approved minutes for the City Council meetings held on May 3, 2016

Dana DeLong, City Clerk, announced that there was a correction to the May 3, 2016, Study Session Minutes. She said at the bottom of page 1, Willow and Watson Lakes were purchased in 1998, not 1978.

B. Approved to apply for various Fiscal Year 2016-2017 grant opportunities for the Fire Department

- C. Approved to submit a grant application to the US Department of Justice, Bureau of Justice Assistance (JSBJA), requesting funding in the amount of \$250,000.00 to plan and implement a justice and mental health collaboration program in association with West Yavapai Guidance Clinic
- D. Awarded City Contract No. 2016-101 to Energy Savings Heating and Cooling for heating, ventilation, and air condition (HVAC) preventive maintenance, repair and related services in an annual estimated amount of \$35,000.00 (Facilities Management Fund)
- E. Awarded two unit-price contracts for analytical testing services: 1) City Contract No. 2016-288 to Test America Laboratories, Inc., in an amount not to exceed \$65,000.00; and 2) City Contract No. 2016-289 to Bradshaw Mountain Environmental, Inc., in an amount not to exceed \$38,000.00 (Water and Wastewater Funds)
- F. Approved to perform night work at the Willow Creek Road/Smoke Tree Lane intersection in conjunction with the Smoke Tree Lane Water and Pavement Improvements Project
- G. Approved to perform night work on Willow Creek Road at Pioneer Parkway in conjunction with the Willow Creek Road Realignment Project
- H. Approved of purchase of a Konica-Minolta C754e copier from Infincom in the amount of \$15,798.82 and associated maintenance agreement using National Association of State Procurement Official pricing (City Contract No. 2016-294; General Fund with cost recovery from various departments)

MAYOR PRO TEM LAMERSON MOVED TO APPROVE CONSENT AGENDA ITEMS I.A THROUGH I.H.; SECONDED BY COUNCILWOMAN WILCOX; PASSED UNANIMOUSLY.

II. LIQUOR LICENSE CONSENT AGENDA

- A. Application for a Series 15 Special Event Liquor License

July 4th Fireworks

Boys and Girls Club of Central Arizona

Mile High Football Field, 146 S. Granite Street

Applicant: Steven Randolph Gottlieb

City Application No. 16-0041S

Date/Time of Event Liquor Sales: Monday, July 4, 2016, 10:00 am – midnight

B. Application for a Series 15 Special Event Liquor License

National Day of the Cowboy Dance
Prescott Regulators & Their Shady Ladies, Inc.
201 S. Montezuma Street
Applicant: Neil Thomas
City Application No. 16-0042S
Date/Time of Event Liquor Sales: Saturday, July 23, 2016, 6:00 pm – 10:00 pm

Dana DeLong, City Clerk, presented. She said there were two Series 15 Special Event Liquor License applications on the consent agenda. Both applications had been determined to be in compliance with City requirements and were being recommended for approval.

COUNCILWOMAN ORR MOVED TO FORWARD SPECIAL EVENT LIQUOR LICENSE APPLICATIONS II.A. AND II.B. TO THE ARIZONA STATE LIQUOR BOARD WITH A RECOMMENDATION OF APPROVED; SECONDED BY COUNCILMAN SISCHKA; PASSED UNANIMOUSLY.

III. REGULAR AGENDA

- A. Public Hearing and consideration of a person transfer liquor license application for a Series 9 Liquor Store License from Michael Francis Lewis, applicant for Mike's Mini Market, located at 924 East Gurley

Dana DeLong, City Clerk presented. She said the Police Department had reviewed the application and found it to be in compliance with state law. The Community Development Department had reviewed the application and found it to be in compliance with zoning requirements and building safety issues. The application and license fees had been paid and the application had been posted at the proposed location for the required twenty days.

Arif H. Samnani, applicant, addressed the Council and gave information about the business.

Councilwoman Wilcox commented that the location was just 370 feet from an elementary school, and there were 60 sober living homes in the area. She asked that the business owner be responsible.

COUNCILMAN LAZZELL MOVED TO CLOSE THE PUBLIC HEARING; SECONDED BY MAYOR PRO TEM LAMERSON; PASSED UNANIMOUSLY.

COUNCILMAN LAZZELL MOVED TO APPROVE LIQUOR LICENSE APPLICATION NO. 09130036, FOR A SERIES 9 LIQUOR STORE LICENSE, FOR MIKE'S MINI MARKET, LOCATED AT 924 EAST GURLEY; SECONDED BY MAYOR PRO TEM LAMERSON; PASSED UNANIMOUSLY.

B. Adoption of Ordinances No. 4973-1511 and 4974-1512, and Resolutions No. 4325-1534, 4326-1535, and 4327-1536, amending Building, Fire, Planning, Public Works and Water Resources fees

Mayor Pro Tem Lamerson commented that he was the liaison to the Planning and Zoning Commission. He said the item was forwarded to the Unified Development Code Committee, where it had passed unanimously and was then forwarded to the Council.

Randy Pluimer, Chief Building Inspector, presented. He said the item was to present recommendations for adjustments to certain plan review, inspection, and project processing fees, and to establish various new fees. The fee adjustments were being presented in order to more reasonably recover the costs of providing the services. The proposed adjustments and new Building, Fire, and Planning fees were presented to local contractors and developers at two meetings held in February and March, and then presented to Council at the March 1, 2016, Study Session.

Councilman Lazzell commented that a lot of work went into to compiling the information.

Sandy Griffis, Yavapai County Contractors Association, addressed the Council. She said the Association was in support of the fee adjustments.

COUNCILMAN LAZZELL MOVED TO ADOPT ORDINANCE NO. 4973-1511; SECONDED BY COUNCILMAN SISCHKA; PASSED UNANIMOUSLY

COUNCILMAN LAZZELL MOVED TO ADOPT ORDINANCE NO. 4974-1512; SECONDED BY MAYOR PRO TEM LAMERSON; PASSED UNANIMOUSLY

COUNCILMAN LAZZELL MOVED TO ADOPT RESOLUTION NO. 4325-1534; SECONDED BY COUNCILWOMAN ORR; PASSED UNANIMOUSLY

COUNCILMAN LAZZELL MOVED TO ADOPT RESOLUTION NO. 4326-1535; SECONDED BY COUNCILMAN SISCHKA; PASSED UNANIMOUSLY

COUNCILMAN LAZZELL MOVED TO ADOPT RESOLUTION NO. 4327-1536; SECONDED BY COUNCILWOMAN ORR; PASSED UNANIMOUSLY

- C. Award of City Contract No. 2016-283 to Fann Contracting, Inc., for construction of the Hummingbird Way and Sunrise Boulevard Culvert Replacement Project, in the amount of \$1,030,448.00 (Yavapai County Flood Control District and Streets Fund)

Steve Orosz, Program Development Manager, presented. He said the project included removal of three existing 60-inch diameter corrugated metal pipes at each crossing of Hummingbird Way and Sunrise Boulevard, and installation of 24-foot by 6-foot concrete arch structures, including roadway and water main removals and replacement at both locations.

COUNCILWOMAN ORR MOVED TO AWARD CITY CONTRACT NO. 2016-283; SECONDED BY MAYOR PRO TEM LAMERSON; PASSED UNANIMOUSLY.

IV. ADJOURNMENT

There being no further business to be discussed, the Voting Meeting of May 17, 2016, adjourned at 6:22 p.m.

HARRY B. OBERG, Mayor

ATTEST:

DANA R. DeLONG, City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Voting Meeting of the City Council of the City of Prescott, Arizona held on the 17th day of May, 2016. I further certify the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____, 2016.

AFFIX
CITY SEAL

DANA R. DeLONG, City Clerk

PRESCOTT CITY COUNCIL
BUDGET WORKSHOP MEETING
TUESDAY, MAY 26 2016
PRESCOTT, ARIZONA

MINUTES OF THE BUDGET WORKSHOP MEETING OF THE PRESCOTT CITY COUNCIL HELD ON MAY 26, 2016, in the COUNCIL CHAMBERS located at CITY HALL, 201 SOUTH CORTEZ STREET, Prescott, Arizona.

◆ **CALL TO ORDER**

Mayor Oberg called the meeting to order at 9:00 a.m.

◆ **ROLL CALL:**

Present:

Absent:

Mayor Oberg
Mayor Pro Tem Lamerson
Councilman Blair
Councilman Lazzell, departed at 11:30 am
Councilwoman Orr
Councilman Sischka
Councilwoman Wilcox

I. DISCUSSION ITEMS

A. FY 17 Budget Workshop, Part 2

Craig McConnell, City Manager, made introductory remarks. He said the workshop would primarily focus on the Enterprise Funds (Streets, Utilities, Solid Waste, and Airport). For information and reference, two documents were provided; Part 2 Budget Book, and the compilation of supporting position and capital project details. He said the documents would be available to the public on the City's website, following the meeting. He said there will be two other formal meetings for the ability to pose questions, comments, and discussion: the Council voting meeting of June 7th, at which adoption of the tentative FY 17 budget would be considered, and the Council voting meeting of June 21st, for adoption of the final FY 17 budget.

Alison Zelms, Deputy City Manager, presented background information. She said they would be discussing Public Works Department - streets, water, and wastewater funds; Field and Facilities Department – fleet management and solid waste funds; Economic Initiatives and Airport. She reviewed FY 17 Budget Focus Areas. She mentioned the creation of a \$3.8 million restricted reserve (Streets & Open Space funding) for future acquisition of open space property and easements and the Citizen Initiative 2016-I001,

which was a privilege tax rate of 0.60% for ten years, generating an estimated \$8,580,000 in the first year, to be used for public safety funding.

Mayor Pro Tem Lamerson asked about the \$3.8 million restricted reserves. He asked at what point was a Councilmember able to make it clear that they did not support setting aside restricted funds. He said he had made it clear that if the budget included something similar to setting aside \$3.8 million restricted monies he would not support the budget.

Ms. Zelms said she heard his concerns and said staff were available to discuss the concerns.

Councilman Blair asked if there had been any suggestion of combining positions, eliminating department head positions and changing the organization chart in order to stream line operations. He asked why there were two Assistant City Manager positions, why the Library separated from Parks and Recreation, why Field Services separated from Public Works. He saw a lot of room for combining department head positions through layoffs and retirements.

Ms. Zelms said since 2008 the City had reduced its work force by 100. She felt the city was running lean. She said there was a certain amount of oversight that needed to happen in order to prevent liability issues.

Councilman Blair understood the changes that had been made. With the City struggling for money he questioned the need for certain department head positions. He suggested combining Library under Parks and Recreation, Community Development, Field Utilities and the Airport under Public Works.

Mayor Oberg said he agreed. He said looking at positions and the organization chart would be part of the strategic planning starting in August.

Ms. Zelms spoke on Citizen Initiative 2016-I001. She said the initiative would increase the privilege tax rate by 0.60% for ten years, generating an estimated \$8,580,000 in the first year, to be used for public safety funding.

- Supplement Operations – no less than 30% and no more than 50% (est. first year revenue \$2,574,000 to \$4,290,000) to be used to supplement police and fire operations. Fiscal Year 2016 was identified as the base year to measure the supplemental funding.
- Supplemental funding for operations could be used for any operating need including additional personnel, market compensation, new equipment, and replacement vehicles/equipment.
- Reducing the City's PSPRS unfunded obligations – no less than 50% and no more than 70% (est. first year revenue \$4,290,000 to \$6,006,000) to be used to eliminate the City's unfunded PSPRS pension liability.

Mayor Oberg said the projected consequences of the legal cases against the taxpayers need to be added as a chart in the budget. He said if the cases go against the taxpayers it would leave a huge debt. He said even the rate of return on investments was not being calculated for this debt to be paid off in ten years.

Mayor Pro Tem Lamerson said the initiative had not even passed. He said it was difficult to contemplate how to spend money that the City did not have.

Ms. Zelms said the information was being provided to answer questions brought up at the last budget meeting and was not included in the proposed budget. She continued:

- Total estimated Liquor Licenses revenue \$80,00.00 to Bed Tax Fund

Councilwoman Orr said the Tourism Advisory Committee would be bringing forward a recommendation at the June 7th Council meeting regarding the continuance of liquor license fees.

Mayor Pro Tem Lamerson said he was one Councilmember that opposed multiple taxes being assessed over and over. He said business owners were being over taxed. Currently a business owner had to pay a liquor license fee to the State, then a liquor license fee and business license fee to the City. He said the local businesses help bring tourism into the City.

Councilwoman Orr said the Tourism Advisory Committee consisted of business owners who were working together to come up with solutions.

Councilman Sischka said if he was a bar owner on Whiskey Row and tourism benefits his business he probably would not mind paying the fees as much as a bar owner on Iron Springs who may not benefit from tourism.

Councilman Lazzell felt businesses were being penalized.

Mark Woodfill, Finance Director, continued the presentation. He gave an overview of the Public Works Department.

- Expenditures
- Funding Sources

Henry Hash, Public Works Director, presented and spoke on FY 17 Key Information:

- Personnel - three divisions – Program Development, Utilities, Engineer
- Wastewater Operator Development Program
- General Engineering Standards (GES) – adoption on June 7, 2016
- Public Works and Engineering Fees adopted in June 2015

- Permit Center created in 2015
- Capital Improvement Projects (CIP) costs now include project management and inspection
- Maintenance activities were removed from the CIP
- Streetscape Program will be implemented whenever it is practical

Councilman Lazzell said the reason for two Wastewater supervisors was because there were two plants. Mr. Hash said that was correct.

Councilman Lazzell asked about the cost savings of performing work in-house rather than out sourcing. He asked about the inclusion of a Communications Specialist. Mr. Hash said that position had been eliminated.

Mayor Oberg thought the City needed a communications specialist position. He talked about the need for a community outreach person for the entire City and the possibility of funding the position from Enterprise funds.

Councilwoman Orr said when she served on the Downtown Partnership Committee issues regarding reduction of parking spots came up. She felt if the City could have been out in front of the issue, solving the issue could have gone smoother.

Councilman Blair said the State saved approximately ½ million dollars by hiring a communications expert. He felt it was beneficial to be pro-active.

Mr. Hash said the city did listen to the community. He said the outcome of the parking spots was positive.

Mr. McConnell said there seemed to be a common theme that the Council wanted a communication position/function included in the budget. He said there was a communications position that was eliminated during the mid-year budget review. He said he had heard the Council and would place something in the budget. He foresaw some of the duties being strategic planning, community outreach, and marketing.

Councilman Sischka suggested calling the position a Community Outreach Specialist. He said it would be important for department heads to communicate what was happening in their departments. Mr. Hash agreed.

Councilwoman Orr said the person needed to tell the City's story.

Mr. Hash continued with the presentation.

- Capital Improvement Projects

Councilman Sischka asked Mr. Hash if he had received 100% buy-in from YCCA regarding the General Engineering Standards. Mr. Hash said staff was continuing to work with YCCA.

Councilwoman Wilcox asked staff to describe the Pavement Preservation Program. Mr. Hash said the pavement program looked at what caused road deterioration and the best solution for repair and preservation.

Councilwoman Wilcox asked why the amount in the Budget for State Route 89 widening and utility improvements South of SR89A project was \$1 million more this year than last. Mr. Hash explained the project consisted of widening SR89 to four lanes just south of Phippen Road.

Councilman Blair asked if the project included a round-about.

Steve Orosz, Public Works Department, said yes. He said the round-about was scheduled to go at the intersection of Sun Dog connector, which had one additional leg to the Constellation trailhead, a safer parking area and the start of a connector road that would go east towards a private development.

Councilman Sischka thought the cost was \$1.52 million. He asked why Council was talking about \$2.5 million dollars for a round-about last year. Mr. Orosz said there were a lot of things included in the project. The round-about design included the construction of utilities, water, and trail improvements and other amenities. He said it was Phase III of a three part project. ADOT has already finished Phase I, Phase II was under design and scheduled to begin in 2017.

Councilwoman Wilcox felt the side road connector portion needed to be re-examined. She said the side road connector was going to primarily serve private developments. She did not want to see the citizens of Prescott fund the construction of an expensive bridge across the area. She felt the project should be delayed until the location of a side road connector had been determined.

Councilman Blair disagreed with delaying the project. He felt when the State constructed the four lane highway changing to a two lane through the Granite Dells it created an unsafe situation. The round-about on one end entering into Granite Dells would help slow traffic down. He felt there needed to be a round-about slowing the traffic down from a four-lane to two-lane when coming from Chino Valley into Prescott. He said it was a matter of public safety. He said if it could be worked out that the development paid their fair share it would be a win-win situation.

Councilman Sischka said he could foresee added commercial opportunities when the improvements were finished.

Councilwoman Wilcox asked if staff had looked at the cost of a traffic signal and left hand turning lanes to slow traffic. Mr. Orosz said there were many factors involved when trying to slow traffic. He said just changing the speed limit was not sufficient. There were many factors to take into consideration: grade, maintenance, flow of traffic, and driver habits.

He mentioned the round-about element of the project costed about \$1.5 million but slows down the traffic more efficiently than traffic signals and left hand turn lanes. Overall the use of roundabouts' had reduced traffic collisions by 70%.

Councilwoman Orr said at first she was not a fan of roundabouts. But now that she had done research she thought roundabouts were cost effective and safe.

Councilman Sischka asked if the typical amount spent each year on the sidewalk replacement program was \$250,000.00. Mr. Hash said, yes. Mr. Hash said once the downtown area was complete, staff was going to focus on connecting sidewalks.

Councilman Blair asked why it would cost \$100,000.00 to paint and repair Willow Creek Road wall. Mr. Hash said the amount was a place holder. He said a decision of what should be done had not been made. He said the full budgeted amount might not be spent. He said he had to place something in the budget in order to have funds available should the project be done this fiscal year.

Councilwoman Wilcox asked why part of the funding source for Watson and Willow Lakes Enhancement Program was coming from streets. Mr. Orozo said part of the issue was water runoff from the streets into the lake.

Mr. Woodfill continued the presentation.

- Public Works Department overall funding summary
- Streets and Open Space fund
- Highway User Revenue Fund (HURF) history
- Water Fund
- Water consumption/sales
- Water fund resources
- Wastewater fund

Councilman Blair asked if the use of restricted reserve for future acquisition of open space property and easements would come before the Council for approval. Mr. Woodfill said, yes. Mr. McConnell said any expenditure over \$10,000.00 went before the Council for approval.

Recess: The Council recessed at 10:04 a.m.

Reconvene: The Council reconvened at 10:10 a.m.

Mr. Woodfill continued the presentation.

- Streets and Open Space fund
- Highway User Revenue Fund (HURF) history

Mayor Oberg asked about partnering. Mr. Woodfill responded partnerships with County and County Flood Control were project specific.

Councilwoman Orr said she appreciated the \$3.8 million being set aside for open space and easement acquisitions. She felt it was hard for the Parks and Recreation Department to be able to research open space acquisitions without knowing how much money was available.

Councilman Sischka said he thought it was strategic for the City to know what they had in the open space acquisition fund. He said approximately 46% of the people voted for the tax. He thought it was important to let the voters know how important they are.

Councilwoman Wilcox said she felt it was important to see on the charts the 23.6% increase in sales tax. She said she would like to see more dollars set aside, but was happy to see at least \$3.8 million being set aside.

Mayor Pro Tem Lamerson said he remembers when the community came together to preserve Willow and Watson Lakes. He said the community let the Council know what they wanted and the Council at the time choose to spend the money to do what was right for the City. He said at the time the Council secured bonds. He said no special restricted funds were set aside. He said he saw the many road projects and found it difficult to obligate \$3.8 million to open space.

Mr. Woodfill continued with the presentation.

- Water Fund
- Water Consumption/Sales

Councilman Lazzell said even with all the conservation the infrastructure still needed to be maintained.

- Water Fund – Resource
- Wastewater Fund

Councilwoman Wilcox asked why the interest income was so high. Mr. Woodfill said the fund included an adjustment from the prior year.

Councilwoman Orr asked if Water Infrastructure Finance Authority of Arizona's (WIFA) was grant monies. Mr. Woodfill said WIFA was an independent agency of the state of

Arizona and was authorized to finance the construction, rehabilitation and/or improvement of drinking water, wastewater, wastewater reclamation, and other water quality facilities/projects. Generally, WIFA offered borrowers below market interest rates on loans. He said it was a less expensive way for cities to get funding to construct projects.

Stephanie Miller, Field and Facilities Services Department Director, addressed the Council.

- Field & Facilities Solid Waste Fund
- Field and Facilities Department – Expenditure and Funding Sources

Councilman Blair asked why there were four accounting clerk positions in the department. Ms. Miller said one was located at the fleet services (backup to the department, creates requisitions and purchase orders), one was located at Sundog transfer station (answers phones, provides support to payroll, runs the fee booth).

Ms. Miller continued with the presentation.

- Field and Facilities – Capital

Councilman Blair asked about using in-house electricians for Rodeo Grounds Electrical improvements. Ms. Miller said the project was too large.

Mayor Oberg asked if staff had solicited help from Arizona Public Service (APS). Ms. Miller responded no, but staff would research the possibility. Mayor Oberg said he was going to meeting with APS on Friday and asked that she provide information to him about the project. Ms. Miller said she would.

Councilwoman Wilcox asked why the Rodeo Grounds Electrical improvements were being funded from the General Fund. Ms. Miller said staff could look at other fund sources. She said the project was put in the budget in order to move forward.

Councilwoman Wilcox asked if using surplus fund balances at the end of FY 16 could be used to pay for the project. She said she found it hard to allocate money from the General Fund when the City was so lean. Mr. Woodfill said surplus funds were going to be used.

Ms. Miller continued with the presentation.

- Field and Facilities – Transfer Station

Councilman Blair asked if the \$3.8 million restricted funds could be used for capital improvement projects.

Jon Paladini, City Attorney, said the \$3.8 million was restricted to the acquisition of open space and easements. He said the Council could not undo how the voters designated the use of the money. Councilman Blair asked if the street funds could be used. Mr. Paladini said the street funds were also restricted. He said if restricted funds were used for capital improvement projects the money would need to be replaced.

Councilman Blair thought restricted funds were used to purchase the Rodeo grounds. Mr. Woodfill said a portion of the open space funds were used to purchase 5 acres on the south side of the Rodeo grounds. The process to purchase the Rodeo grounds was very complex and accomplished through land trades and use of General Fund monies.

Councilwoman Orr asked about the \$700,000.00 in the impact fee account. Mr. Woodfill said impact fees could be used to expand capacity of service, but not for maintenance.

Mayor Pro Tem Lamerson said the citizens of Prescott had authorized the Council to do various things. He said the citizens had also authorized the use of bed tax for tourism promotion and parks and recreation development. He asked if the Rodeo fits into tourism promotion and/or parks and recreation development could bed tax funds be used to help maintain the facility. Mr. Woodfill said the bed tax fund was for tourism promotion and recreation development and was committed to other sources in this fiscal year's budget. Mr. Paladini said the City would be pushing the envelope to fund a capital project through the bed tax fund. He said the purpose of the bed tax per the State was to fund market and promote tourism. The City of Prescott added to the bed tax restrictions the ability to use funds for recreation development. Mr. Woodfill said the ballot language was specific on how the funds could be used.

Mayor Pro Tem Lamerson said tourism was not promoted if facilities were not being maintained.

Ms. Miller continued with the presentation.

- GPS devices
- Solid Waste Fund
- Effective July 1, 2016 the Arizona State Statue precludes the city from unnecessary collection from family housing. She said she will be bringing forward a code change stipulating what is residential and what is non-residential

Mayor Pro Tem Lamerson said he did not understand why residential vs. non-residential needed to be classified, when Governor Duce, by signing the bill, stated there were no residential neighborhoods.

Ms. Miller noted his comments and continued with the presentation.

Councilman Lazzell asked if the transfer fees were similar to what other transfer stations were charging. Ms. Miller said no, Sundog's gate rate has been \$59 for 5 plus years. She said a rate increase was coming forward for approval in order to be consistent and help offset costs. Councilman Lazzell mentioned it was a well used facility.

Councilman Sischka asked if it would be easier to raise fees on a yearly basis rather than have a huge rate increase at one time. Ms. Miller agreed.

Recess: The Council recessed at 11:00 a.m.

Reconvene: The Council reconvened at 11:10 a.m.

Mr. Woodfill continued with the presentation.

- Economic Initiatives
- Expenditures and Funding Sources

Councilman Lazzell said last year's budget had a breakdown of the different memberships the City belonged to. He asked for staff to provide a list at the June 7th meeting. Staff concurred.

Jeff Burt, Economic Initiatives Director, addressed the Council.

- Economic Initiatives – Personnel

Councilman Blair asked for an explanation of the duties of the Tourism Manager and Tourism Sales Manager. Mr. Burt said the Tourism Manager handled strategic outreach, downtown partnership outreach and social media. The Tourism Sales Manager attended trade shows, marketed Prescott in the Valley and communicated with the State tourism office.

Councilman Blair asked if there was a way to determine the Return on Investment for the two positions. Mr. Burt said with tourism increase in the City.

Councilman Lazzell said there should be benchmarks to measure the performance of the two positions.

Councilwoman Orr said tourism had increased and asked Mr. Burt to bring the numbers to the June 7th meeting.

Mr. Burt said Prescott was competing with other cities and it was important to have a presence.

Councilman Sischka asked about Sedona's budget and personnel for tourism. Mr. Burt said Sedona had six people and twice the budget. Mr. Burt said the department focuses on trying to get tours to stop on their way to Sedona.

Councilman Blair said he did not see huge tour buses coming to Prescott. Mr. Burt said his group focuses on the smaller tours, as the big tour buses go to big resorts.

Councilwoman Orr said the lodging capacity on the weekends is 93% full. She said one of the challenges of the Tourism Committee was to increase heads in beds Monday through Thursday.

Mr. Burt continued with the presentation.

- Economic Initiatives – FY 17 Key Information
- Promote the economic health of the City through job creation, capital investment, and growth in retail sales
- Economic development outcomes (Makstride Company, Spindle Company, Vinyl Visions)
- Pending projects and activity update – retain and expand companies in Prescott
- Corsair Connector before City Council on June 7
- Working with Greater Prescott Regional Economic Partnership (GPREP)
- Special Events Division ended as part of FY16 mid-year adjustment process and moved to Recreation Services.

Councilwoman Orr asked why Makstride relocated. Mr. Burt said one of the owners secured a job as a professor at Embry-Riddle and found it too difficult to run the business in Utah.

Councilman Lazzell asked about working with GPREP. Mr. Burt said GPREP provided regional marketing support tools and initiated marketing campaigns in Southern California and Chicago. He asked if the \$10,000.00 expenditure for a study was part of the \$40,000.00 membership fee. Mr. Burt said yes. GPREP was preparing an economic study that would document cost savings by living and operating in the Prescott area.

Councilwoman Orr was thankful for the department. She felt the department was a big part of the economic development for the area.

Councilman Blair said GPREP needed to be providing presentations and activity reports more frequently. He also said it would be nice if the Council was informed as to what businesses were relocating or establishing in Prescott. He said he would like to know what the City was doing to actively market the big box buildings that were vacant.

John Cox, Airport Manager, addressed the Council.

- Airport – FY 17 Key Information

- Develop safe airport environment for increased community economic benefit
- Pending airport economic development is Hertz Rent-A-Car new 5 year license agreement, FAA – New 20-year lease for land and building, fuel line rehab from USFS generator to airport fuel farm
- Airport improvements

Councilman Blair asked why the environmental assessment for the terminal and runway could not be done at the same time. Mr. Cox said the terminal environmental assessment was being paid for by a grant with ADOT and FAA. Grants were awarded by project. The runway was considered a separate project. He said the life span of an environmental assessment was three years. Councilman Blair hoped the Council was serious about moving forward with the environmental assessment for the terminal. He said this was the second environmental assessment for this project which was costing the City more money.

Councilman Blair asked what could be done to make the airlines accountable. He said people get discouraged when they try and fly Great Lakes and then the flights are delayed or cancelled. Mr. Cox said being accountable was based on the airlines business plan. He said Great Lakes business plan was marginal. He said only one regional airline submitted a proposal to operate out of Prescott.

Councilwoman Orr said the City needed to work on bringing in an airline that met the community needs and had a good business plan. Mr. Cox said airlines were not interested in relocating unless they were guaranteed full seats.

Mr. Cox continued with the presentation.

- Airport FY17 Capital – Funding Detail

Councilwoman Wilcox asked staff to explain the difference between General Funding and Airport Funding sources. Mr. Woodfill said Airport Funds were not sufficient to cover the operating costs so the General Fund helped subsidize. Mr. McConnell said the budget showed general fund, but a majority of the funding was for the terminal improvements. He said there had been discussions regarding a partnership so the costs might not be what are shown. Mr. Woodfill said the numbers were projections.

Councilwoman Orr asked where in the budget it showed revenues from rentals. Mr. Woodfill said it was listed under Airport Funds – Revenues.

Councilman Sischka asked if Airport Fire and ARFF were one in the same. Mr. Woodfill said yes.

Mr. Woodfill continued with the presentation.

- FY17 Internal Service Funds

- FY 17 Vehicle Replacement Fund
- Total City Budget – Operating and Capital
- Total City Operating Budget
- Breakdown of Total City Budget

Councilman Blair said the Council was one month away from adopting the budget. He said FY 16 Budget was \$148,423,862. He asked what the actual expenditures were. Mr. Woodfill said he would have a projection at the June 7th meeting. He asked why the City would budget more than what it used. Mr. Woodfill said government agencies had to appropriate funds in their budgets in order to be able to use the funds. He said the budget document was a legal tool and the numbers were projections.

Mr. Woodfill continued with the presentation.

- FY 17 City Expenditure Budget Summary by Department and Type

Mr. Woodfill recapped changes/additions to the Budget for the June 7th meeting:

- Communications position
- Membership list
- Tourism impacts
- Liquor License tax discussion

Councilwoman Wilcox asked to include the delay of the SR89 widening project.

Councilman Blair disagreed. He felt it was irresponsible to delay the project.

Councilman Sischka asked when ADOT was going to be finished with their portion.

Councilwoman Wilcox said the development had not been approved by the Council. She felt there was more information needed in order to make an educated decision.

Councilman Blair asked if the round-about was part of the State funding.

Mr. McConnell said SR89 widening project was the 3rd segment of widening improvements. The 1st was the widening of SR89 through Chino, the 2nd was the widening of SR89 through the Airport/SR89 and the 3rd segment is the widening to the Phippen area. He said from staff's perspective the timing was right to proceed. He said it would be the Council's decision to approve/disapprove/change during the budget approval or when the project came before the Council. Mayor Oberg said to leave it in the budget.

Councilman Blair understood when the project comes before the Council; the Council at that time could approve or disapprove the project. Mr. Woodfill said that was correct.

Mr. McConnell said projects were listed in the budget, so staff had clear direction on how to proceed.

Councilman Blair asked where the funding for the constellation trailhead round-about improvements was budgeted. Mr. McConnell said Parks and Recreation planed on installing a kiosk that would generate dollars that would be deposited into the general fund. Councilman Blair reiterated the need for safety.

Councilwoman Orr asked if there was a set percentage developers were required to provide towards projects. Mr. McConnell said the developer hae to enter into an agreement with the City. He said a development agreement would be before the Council at the June 7th meeting which would require the development to pay its fair share towards mitigating traffic impacts.

Mr. Woodfill gave information on the upcoming steps in the FY 17 budget process.

Mayor Oberg thanked staff and community and looked forward to completing the budget on time.

II. ADJOURNMENT

There being no further business to be discussed, the Budget Workshop Meeting of May 26, 2016, adjourned at 12:08 p.m.

HARRY B. OBERG, Mayor

ATTEST:

DANA R. DeLONG, City Clerk

MEETING DATE/TYPES: VOTING SESSION 6-7-16

DEPARTMENT: Fire

AGENDA ITEM: Adoption of Resolution No. 4329-1538, approving an Intergovernmental Agreement with the State of Arizona, through the Arizona State Forester, for the protection of forest, wild and rural lands, and structures (City Contract No. 2016-280)

FUNDING SOURCE(S): General Fund (100%)

Approved By:

Date:

Fire Chief:	Light, Dennis	04/25/2016
City Attorney:	Paladini, Jon	05/05/2016
City Manager:	McConnell, Craig	06/01/2016

Summary

For many years, the City of Prescott and the State of Arizona have worked cooperatively through an Intergovernmental Agreement (IGA) to protect forest and wildlands. The new Agreement (City Contract No. 2016-280) updates and clarifies City and State responses relating to fire protection assistance.

Background

The Agreement allows the City of Prescott, through personnel and equipment assigned to the Fire Department, to respond to and engage in fire suppression actions on all wildland fires which occur on State and private lands both within and outside the City's boundaries or service area (identified as the city limits). In turn, it provides State resources and other resources under State agreement to the City for wildland fire suppression, pre-suppression, and for unplanned all-risk emergencies within the City's boundary or service area when requested by the City, and deemed available by the State Forester.

The City receives requests for personnel support from the State in accordance with the IGA through the Prescott Regional Communications Center. The on-duty Battalion Chief reviews current staffing levels, present local fire danger, fire restriction levels, and a number of other variables to determine whether a Prescott resource is available to respond, in consultation with the Fire Chief. Regardless of other factors, a firm Prescott Fire Department policy prohibits drawdown of the City's available fire suppression resources by more than ten percent.

Agenda Item: Adoption of Resolution No. 4329-1538, approving an Intergovernmental Agreement with the State of Arizona, through the Arizona State Forester, for the protection of forest, wild, and rural lands and structures (City Contract No. 2016-280)

The efficiency of detecting, dispatching, and suppressing fires is enhanced, and firefighter safety increases, by controlling fires before they become larger and more difficult to contain. The Agreement specifically supersedes all prior Memorandums of Understanding and Cooperative Agreements between the City and the State. The current Agreement will remain in effect until superseded. The term of the new Agreement is for a period of (10) ten years from the effective date, or until terminated. The City or State may terminate its participation in the Agreement effective (30) thirty days from giving written notice to the other party.

The IGA has been reviewed by the Legal Department and the Arizona Municipal Risk Retention Pool.

Financial Impact

Per A.R.S 37-623.02.H, the State Forester may require reimbursement for costs incurred for resources requested to respond to Prescott. The State Forester will determine as soon as practical after each request, the need for reimbursement. This determination is based upon one or more of the following factors: the type of request, resources furnished to the jurisdiction, land ownership, threat, state or federal emergency declaration status, and the actual costs of those resources to the State. Reimbursement may be sought under three conditions:

- (1) if there is a specific reimbursement agreement in the cooperative agreement;
- (2) if the land on which Forestry performs work (suppression, pre-suppression or unplanned all risk activities) is owned by the City; or
- (3) if the City is negligent in causing a fire or in creating a need for Forestry to respond.

It should be noted that reflecting the criteria above, the State has never requested reimbursement from the City of Prescott via the current or prior IGAs for wildland fire response.

In instances where City personnel respond to an incident outside of the City boundaries or service area when requested by the State Forester, the State will reimburse the City from State Forestry allocated funding, for fire suppression activities, equipment and manpower, at the rates established per the Cooperative Fire Rate Agreement (FM104) on file with the State Forester.

Attachments

1. Resolution No. 4329-1538
2. Intergovernmental Agreement (City Contract No. 2016-280)

Recommended Action: **MOVE** to adopt Resolution No. 4329-1538.

RESOLUTION NO. 4329-1538

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH THE STATE OF ARIZONA, THROUGH ITS FORESTRY DIVISION

RECITALS:

WHEREAS, the Council of the City of Prescott ("City") wishes to enter into an Intergovernmental Agreement ("IGA") (City Contract No. 2016-280) with the State of Arizona, through its Forestry Division, for the protection of forests, wildlands, agricultural lands, and rural structures from wildland fires; and

WHEREAS, Title 11, Chapter 7, Article 3 (A.R.S. §11-952) and the City Charter allow for two or more public agencies to enter into IGAs to contract for cooperative services, like fire suppression, if authorized by their legislative bodies; and

WHEREAS, A.R.S. §§ 37-623(F), 9-220(8), 9-240(B)(7)(a), 48-805(B)(16) and 16 U.S.C. § 2106 contemplate joint cooperative agreements between governmental entities for the protection of forests, wildlands, agricultural lands, and rural structures from wildland fires; and

WHEREAS, entering into this IGA with the State is in the best interests of the health, safety, and welfare of the City.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

SECTION 1. THAT, the City Council hereby approves entering into an IGA (City Contract No. 2016-280) with the State of Arizona, through its Forestry Division, for the protection of forests, wildlands, agricultural lands, and rural structures from wildland fires.

SECTION 2. THAT, the Mayor and staff are hereby authorized to sign the IGA (City Contract No. 2016-280) with the State of Arizona, through its Forestry Division, for the protection of forests, wildlands, agricultural lands, and rural structures from wildland fires, and take any and all necessary actions to effectuate the terms of the IGA.

PASSED, APPROVED AND ADOPTED by the Mayor and Council of the City of Prescott this ____ day of _____, 2016.

HARRY B. OBERG, Mayor

ATTEST:

APPROVED AS TO FORM:

DANA R. DeLONG, City Clerk

JON M. PALADINI, City Attorney

Contract No. FD-16-0164-ASF-A5S

**ARIZONA STATE FORESTRY DIVISION
COOPERATIVE INTERGOVERNMENTAL AGREEMENT**

This Cooperative Agreement ("Agreement") is made by and between City of Prescott hereinafter referred to as the Cooperator, and the State Forester (collectively the "Parties"). This Agreement supersedes all previous Memorandums of Understanding and Cooperative Agreements and will become effective upon the final signature.

WITNESSETH:

WHEREAS the Cooperator wishes to enter into a Cooperative Agreement with the State Forester for the protection of its forests and wildlands as authorized under A.R.S. Sections 37-623(F), 9-220 (8), 9-240(B)(7)(a) and 48-805(B)(16) and; the protection of forest, wild and agricultural lands, and rural structures as provided for within the Cooperative Forestry Assistance Act, 16 U.S.C. Section 2106; and

WHEREAS this is an Intergovernmental Agreement entered into pursuant to A.R.S. § 11-952; and

WHEREAS it is in the best interest of the State of Arizona to have wildland fires detected and suppressed quickly before they become large and more difficult to control; and

WHEREAS the Cooperator represents that it is a duly constituted fire department, fire district, or political subdivision of the State authorized to provide fire protection within the boundaries of the map attached hereto and by reference made a part hereof (Appendix A); and

WHEREAS the Cooperator may have a limited number of units of firefighting equipment that can be made available to the State Forester for fire suppression work; and

WHEREAS the Cooperator may have the capability to respond and suppress fires under the jurisdiction of the State Forester on a more timely and effective basis than any other assets or resources in the state; and

WHEREAS the Cooperator can more adequately carry out this function if additional equipment and technical assistance is available; and

WHEREAS the State Forester may have a limited number of units of firefighting equipment that can be made available to fire associations, fire districts, and incorporated fire departments involved in fire suppression; and

WHEREAS it has been determined to be advantageous to the State Forester in the proper discharge of his responsibilities to make certain equipment available to the Cooperator;

NOW THEREFORE, the parties to this Agreement do hereby agree as follows:

A. THE STATE FORESTER AGREES:

1. To make available organizational assistance, technical training and other expertise as available on his staff;
2. To provide State Forester's and other wildland fire training resources and funding when deemed available by the State Forester;
3. To provide State resources and resources under State agreement to the Cooperator for wildland fire suppression, pre-suppression, and for unplanned all-risk emergencies within the Cooperator's boundary or service area when requested by the Cooperator and deemed available by the State

Forester. Per A.R.S. 37-623.02.H, the State Forester may require reimbursement for cost incurred for these requested resources. The State Forester will determine as soon as practical after each request, the need for reimbursement. This determination will be based upon one or more of the following factors; the type of request, resources furnished, jurisdiction, land ownership, threat, state or federal emergency declaration status, and the actual costs of those resources to the State.;

4. To pay and reimburse the Cooperator, out of State Forestry allocated funding, for fire suppression activities, equipment and manpower at the rates established per the Cooperative Fire Rate Agreement (FM104) on file with the State Forester; provided, however, that payment shall be made only for such activities on lands outside the Cooperator's established boundaries or service area when requested by the State Forester;
5. That the Cooperator may refuse to furnish manpower and equipment when requested by the State Forester if by so doing it would reduce the Cooperator's resources to a level where he could no longer maintain an adequate level of fire protection on lands within his boundary or service area;
6. To make available such firefighting and training equipment as can be obtained and is suitable for the use of the Cooperator in fire management work and wildland fire training;
7. That title to all accessories, tools, equipment, sirens, etc., which the Cooperator adds or attaches to state equipment provided by the State Forester will remain the property of the Cooperator and the Cooperator shall remove same prior to returning same equipment to the State Forester;
8. To pay and reimburse the Cooperator, out of State Forestry allocated funding, for instructors conducting approved fire training instruction, at the State Forester's request and at the rate for instructors included in the Arizona State Forester's Emergency Pay Plan plus travel expenses, if applicable, at the approved state rates;
9. That no reimbursement for loss, damage or destruction of equipment due to ordinary wear and tear will be made;
10. To provide necessary forms as needed by the Cooperator in executing his responsibilities under this Agreement;
11. To the extent possible, to assist the Cooperator in ordering and obtaining fire training material and equipment through the federal supply system (GSA, NWCG, & NIFC);
12. That the Cooperator may purchase wildland firefighting equipment and supplies through the State Forester's procurement system.

B. THE COOPERATOR AGREES:

1. To respond to and engage in fire suppression actions on all wildland fires on State and Private lands within the Cooperator's boundary or service area as set forth in attached Appendix A at the Cooperator's expense;
2. To respond and engage in wildland fire suppression, pre-suppression, and for unplanned all-risk emergencies upon lands under the jurisdiction of the State Forester located outside the Cooperator's boundary or service area as set forth in attached Appendix A at such time and with equipment and manpower available as requested by the State Forester;
3. To maintain and make available for use at the request of the State Forester manpower and equipment subject to the provisions of the Cooperative Fire Rate Agreement (FM 104);
4. To accept direction and supervision by the State Forester or his duly authorized representatives while engaged in suppression or other activities at the State Forester's request;

5. To submit a State Forester's Arizona Individual Wildland Fire Report (Wild-RPT-1) within 15 days, for each wildland fire that the Cooperator responds to outside their jurisdiction, on which they are the incident commander;
6. To provide the State Forester with a summary report on all known wildland fires inside their jurisdiction on a calendar year basis by February 1st of each year;
7. That if the Cooperator agrees to provide approved wildland firefighting training courses at the State Forester's request, the courses will meet the standards set by the National Wildfire Coordinating Group for the Wildland and Prescribed Fire Qualification System;
8. To provide to the State Forester, for approved training courses, a summary report on courses provided, number of students trained, and number of fire departments represented on a calendar year on a quarterly basis;
9. To participate to the extent possible in fire prevention activities within their boundary or service area as requested by the State Forester;
10. To submit claims for reimbursement to the State Forester within thirty (30) days after release of its manpower and/or equipment in the manner and form prescribed by the State Forester;
11. To submit claims for reimbursement to the State Forester within thirty (30) days after completion of authorized training courses in the manner and form prescribed by the State Forester;
12. To maintain wildland fire training qualifications as set forth by the State Forester;
13. To accept and use equipment obtained from the State Forester pursuant to this agreement ("Assigned Equipment");
14. To maintain the Assigned Equipment in operable condition and state of readiness, and promptly report any loss or damage of such equipment to the State Forester;
15. To obtain prior approval for any planned alterations of the Assigned Equipment from the State Forester;
16. To provide adequate shelter from the weather elements for the Assigned Equipment;
17. Upon request, to promptly provide the State Forester with a report of the condition of Assigned Equipment;
18. That the Assigned Equipment may not be sold, transferred, loaned or otherwise disposed of, or traded, but must be returned to the State Forester unless part of the Firefighter Program (FFP) through the Department of Defense and US Forest Service and the agreement thereof;
19. To require any contractors or subcontractors of the Cooperator operating under this Agreement to maintain, the following minimum insurance coverage.

Insurance Requirements for Any Contractors Used by a Party to the Intergovernmental Agreement:

The *insurance requirements* herein are minimum requirements and in no way limit the indemnity covenants contained in this Agreement. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the governmental entity or its contractors or subcontractors from liabilities that might arise out of the performance of the work under this Agreement by the Cooperator, its agents, representatives, employees, contractors or subcontractors, and Cooperator and its contractors and subcontractors are free to purchase additional insurance.

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE**: Contractor shall provide coverage with limits of liability not less than those stated below. The term "Contractor" throughout this Section 19 refers only to a contractor or subcontractor of the Cooperator, if any. None of the obligations under this Section 19, other than the duty of the Cooperator to provide a Certificate of Insurance under Section 19.A.1 are applicable to the Cooperator.

1. **Commercial General Liability – Occurrence Form**

Policy shall include bodily injury, property damage, personal and advertising injury and broad form contractual liability.

• General Aggregate	\$2,000,000
• Products – Completed Operations Aggregate	\$1,000,000
• Personal and Advertising Injury	\$1,000,000
• Damage to Rented Premises	\$ 50,000
• Each Occurrence	\$1,000,000

a. The policy shall be endorsed **(Blanket Endorsements are not acceptable)** to include the following additional insured language: **"The State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor."** Such additional insured shall be covered 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.

b. Policy shall contain a waiver of subrogation endorsement **(Blanket Endorsements are not acceptable)** in favor of the **"State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees"** for losses arising from work performed by or on behalf of the Contractor.

2. **Business Automobile Liability**

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

• Combined Single Limit (CSL)	\$1,000,000
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a. The policy shall be endorsed **(Blanket Endorsements are not acceptable)** to include the following additional insured language: **"The State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor"**. Such additional insured shall be covered 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.

b. Policy shall contain a waiver of subrogation endorsement **(Blanket Endorsements are not acceptable)** in favor of the **"State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees"** for losses arising from work performed by or on behalf of the Contractor.

c. Policy shall contain a severability of interest provision.

3. **Worker's Compensation and Employers' Liability**

• Workers' Compensation	Statutory
• Employers' Liability	
Each Accident	\$1,000,000
Disease – Each Employee	\$1,000,000

Disease – Policy Limit

\$1,000,000

- a. Policy shall contain a waiver of subrogation endorsement **(Blanket Endorsements are not acceptable)** in favor of the “**State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees**” for losses arising from work performed by or on behalf of the Contractor.
- b. This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. § 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

B. ADDITIONAL INSURANCE REQUIREMENTS: The policies are to contain, or be endorsed **(Blanket Endorsements are not acceptable)** to contain, the following provisions:

1. The Contractor's policies shall stipulate that the insurance afforded the Contractor shall be primary insurance and that any insurance carried by the Department, its agents, officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S § 41-621 (E).
2. The Contractor's insurance shall 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 shall not be limited to the liability assumed under the indemnification provisions of its Contract with the other governmental entity(ies) party to the IGA.

C. NOTICE OF CANCELLATION: With the exception of (10) day notice of cancellation for non-payment of premium, any changes material to compliance with this contract in the insurance policies above shall require (30) days written notice to the State of Arizona. Such notice shall be sent directly to the Department and shall be sent by certified mail, return receipt requested.

D. ACCEPTABILITY OF INSURERS: Contractors insurance shall be placed with companies licensed in the State of Arizona. Insurers shall have an “A.M. Best” rating of not less than A- VII or duly authorized to transact Workers' Compensation insurance in the State of Arizona. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

E. VERIFICATION OF COVERAGE: Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by an authorized representative.

All certificates and endorsements **(Blanket Endorsements are not acceptable)** are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. 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 required by this Contract shall be sent directly to the Department. The State of Arizona project/contract number and project description are to be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.

F. SUBCONTRACTORS: Contractor's certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the State of Arizona separate certificates for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

G. APPROVAL: Any modification or variation from the *insurance requirements* of this Section 19 must have prior approval from the State of Arizona Department of Administration, Risk Management

Division, whose decision shall be final. Such action will not require a formal contract amendment, but may be made by administrative action.

- H. **EXCEPTIONS:** In the event the Cooperator, Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance or other Certificate of Insurance to the State Forester's Office as the Agent of the State of Arizona. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university then none of the above shall apply.

20. **INDEMNIFICATION:**

Each Party (as "Indemnitor") agrees to defend, indemnify, and hold harmless the other Party (as "Indemnitee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as "Claims") arising out of injury to any person (including death) or property damage resulting from, or in connection with, the performance of this Agreement, but only to the extent that such injury or damage is caused by the negligent act or omission or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers. For the purposes of this Section 20, an agent, employee, or volunteer of the Cooperator who is working under the jurisdiction, direction or supervision of the State Forester is the Cooperator's agent, employee, or volunteer and not the agent, employee or volunteer of the State Forester. The preceding sentence does not limit or affect the application of A.R.S. 23-1022, including the circumstances in which an employee is deemed to be an employee of both Parties for purposes of that statute.

This Section 20 does not reduce the degree of negligence or fault that the injured party or other third party must establish in the underlying Claim to recover for any injury or damage, or affect any defense to such underlying Claim.

In addition, if and only if the Cooperator uses contractors or subcontractors, which decision the Cooperator may make in its sole and absolute discretion, the Cooperator shall cause its contractor(s) and subcontractors, if any, to defend, indemnify, and hold harmless the State of Arizona, any jurisdiction or agency issuing any permits for any work arising out of this Agreement, and their respective directors, officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, reasonable attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the Cooperator's contractor or any of the directors, officers, agents, or employees or subcontractors of such contractor. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by such contractor from and against any and all claims. It is agreed that such contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable.

IT IS MUTUALLY AGREED:

1. That every obligation of either Party under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation; if funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by either Party at the end of the period for which funds are available. No liability shall accrue to either Party in the event this provision is exercised, and neither Party shall be obligated or liable for any future payments for any damages as a result of termination under this paragraph.
2. That the Cooperator will be hired and reimbursed, for suppression or other activities, as set forth in the "Cooperative Fire Rate Agreement" (FM104) as agreed to and attached as exhibit "B". This Cooperative Fire Rate will be part of the master Agreement and attached at a later date and prior to hiring.

3. The equipment issued by the State Forester will be painted and identified and marked in a manner that will indicate the cooperation between the Cooperator and the State Forester, unless the equipment was acquired through the Firefighter Program and the title has been passed to the cooperator;
4. If the equipment is not used as provided by this agreement, the State Forester may remove said equipment upon written notification.
5. **Amendments:** This agreement may be modified only by a written amendment signed by both parties. However, if mutually agreed, the parties may enter into specific supplemental, written agreements, subject to appropriate approvals, to accomplish the goals of this agreement and to carry out its terms and conditions.
6. **Dispute Resolution:** In the event of a dispute, the parties agree to arbitrate the dispute to the extent required by A.R.S. Section 12-1518.
7. **Inspection and Audit of Records:** Pursuant to A.R.S. Sections 35-214 and -215, to the extent that they apply, the Cooperator shall retain all books, accounts, reports, files and other records ("Records") relating to this agreement for a period of five years after completion of the contract. All records shall be subject to inspection and audit by the State Forester at all reasonable times. Upon request, the Cooperator shall produce the original of any and all such records at the offices of the State Forester.
8. **Cancellation for Conflict of Interest:** Pursuant to A.R.S. Section 38-511, the either Party to the Agreement may, within three years after its execution, cancel this contract, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to this contract in any capacity, or a consultant to any other party to this contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice from the Governor is received by all other parties to the contract of the cancellation, unless the notice specifies a later time.
9. **Nondiscrimination:** The parties agree to comply with Arizona Governor's Executive Order 2009-09 - "Prohibition of Discrimination in Contracts Non-Discrimination in Employment by Government Cooperators and Subcontractors, Superseding Executive Order 99-4 and Amending Executive Order 75-5."
10. **Third-Party Antitrust Violations:** The Cooperator assigns to the State any claim for overcharges resulting from antitrust violations to the extent that such violations concern materials or services supplied by third parties to the Cooperator toward fulfillment of this Agreement.
11. **Notices:** All notices required by this agreement shall be in writing delivered to the person and addresses specified below or to such other persons or addresses as either party may designate to the other party by written notice.

State Forester:

Office of the State Forester
 Arizona State Forestry Division
 1110 West Washington, Suite 100
 Phoenix, AZ 85007
 602-771-1400
 602-771-1421 fax

Cooperator:

City of Prescott
1700 Iron Springs Rd
Prescott, AZ 86305
(928) 777-1700

12. **Immigration Compliance:** Cooperator warrants its compliance with all federal immigration laws and regulations that relate to their employees and its compliance with section 23-214, subsection A, and the compliance of any of its contractors or subcontractors. A breach of this warranty shall be deemed a material breach of the contract that is subject to penalties up to and including termination of the contract. The State

retains the legal right to inspect the papers of any Cooperator, contractor or subcontractor employee who works on the contract to ensure that the Cooperator, contractor or subcontractor is complying with the warranty.

13. **Workers' Compensation:** For purposes of workers' compensation, an employee of a Party to this Agreement, who works under the jurisdiction or control of, or who works within the jurisdictional boundaries of another Party pursuant to this Agreement, is deemed to be an employee of both the Party who is the primary employer and the Party under whose jurisdiction or control or within whose jurisdictional boundaries they are then working, as provided in A.R.S. §23-1022(D). The primary employer of such employee shall be solely liable for payment of workers' compensation benefits for the purpose of this section. Each Party herein shall comply with the provisions of A.R.S. §23-1022(E) by posting the notice required.
14. **Term:** This Agreement will continue (10) ten years from effective date, unless terminated by either party by (30) thirty days written notice to the other.
15. **Compliance with Laws:** The Parties hereto shall comply with all applicable laws, rules, regulations and ordinances, as may be amended.

In WITNESS WHEREOF the parties by and through their duly qualified acting officials have hereunto set their hands.

COOPERATOR:

_____	_____
(Print Name)	_____

_____	_____
Signature	Witness
_____	_____
Title	Witness

Date	

STATE FORESTER:

Jeff Whitney
Print Name

Signature

State Forester
Title

Date

INTERGOVERNMENTAL AGREEMENT DETERMINATION

In accordance with A.R.S. § 11-952, this Agreement has been reviewed by the undersigned who have determined that this Agreement is in appropriate form and is within the powers and authority of the respective parties.

Attorney General

Attorney for the Fire Department, District or City

By: _____
Assist. Attorney General
Attorney for State Forester

By: _____

Date: _____

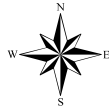
Date: _____

CORE/0766419.0084/117550185.3

Fire Stations



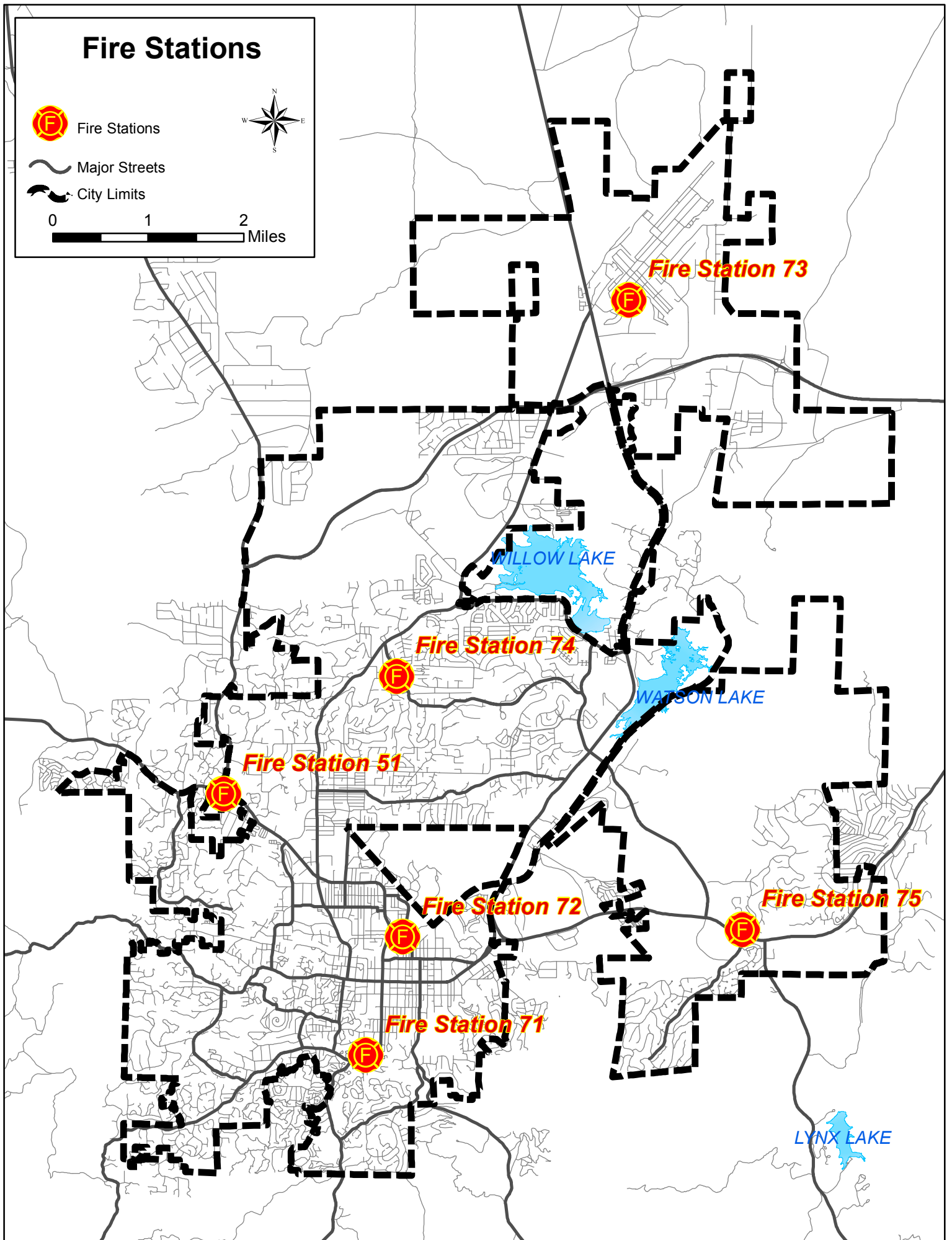
Fire Stations



Major Streets

City Limits

0 1 2 Miles



ARIZONA STATE FORESTER'S COOPERATIVE FIRE RATE AGREEMENT

COOPERATIVE FIRE RATE AGREEMENT NUMBER				IGA REFERENCE AGREEMENT NUMBER			
(1) FIRE DEPARTMENT NAME (COOPERATOR)				(6) STATE DISTRICT OFFICE			
(2) PHYSICAL ADDRESS		(3) MAILING ADDRESS		Southeast Division Office 3740 E. 43rd Place Tucson, Arizona 85713 Main Office Number: 520-628-5480 Fax: 520-628-5847 genebeaudion@azsf.gov			
(4) CITY, STATE, ZIP CODE		(4a) BUSINESS PHONE (4b) FAX NUMBER					
(4c) FIRE CHIEF NAME (4d) EMERGENCY PHONE (4e) EMAIL ADDRESS							
				www.azsf.gov aidclogistics@azsf.gov			
(4f) WILDLAND CONTACT NAME (4g) CONTACT NUMBER				(7) FEDERAL EMPLOYER ID NUMBER			
(5) EFFECTIVE DATES OF AGREEMENT				BEGINNING:		ENDING:	
(8) Equipment work rates listed below are based on all operating supplies being furnished by cooperator (WET).				(9) Resources assigned under this Agreement remain employees or property of the Cooperator and are subject to Cooperators supervision and control and are covered by Cooperators workman's compensation and insurance.			

(10) EQUIPMENT DESCRIPTION						(11) RATES		
EQUIPMENT	LICENSE PLATE #	YEAR	MAKE	MODEL	VEHICLE IDENTIFIER	(12) RATE	(13) UNIT HR / DAY	(14) MILES
a.								
b. Tender Support T3 1000 GALS 200 GPM W/CAFS Staffing 1 CDL		2006				\$101		\$0.85
c. Van 8 Passenger Full Size		2000						
d.								
e.								
f.								

(15) SPECIAL PROVISIONS: Cooperator will adhere to terms wset forth on the GenrealPArovisions to Cooperative Rate Agreement FM104A(02/16) attached hereto.

(16) FIRE DEPT/ AGENCY REPRESENTATIVE	(17) NAME AND TITLE (PLEASE PRINT)	(18) DATE
(19) STATE FORESTRY DIVISION REPRESENTATIVE	(20) NAME AND TITLE (PLEASE PRINT)	(21) DATE

ARIZONA STATE FORESTER'S CFR CONTINUATION SHEET

COOPERATIVE FIRE RATE AGREEMENT NUMBER						IGA REFERENCE AGREEMENT NUMBER		
(1) FIRE DEPARTMENT / AGENCY NAME (COOPERATOR)						(6) STATE DISTRICT OFFICE		
						Southeast District Office		
(10) EQUIPMENT DESCRIPTION						(11) RATES		
EQUIPMENT	LICENSE PLATE #	YEAR	MAKE	MODEL	VEHICLE IDENTIFIER	(12) RATE	(13) UNIT HR / DAY	(14) MILES
g. Engine T2 Minimum 300 GALS 500 GPM Min Staffing 3		2011						
h.								
i.								
j. Pickup 4 X 2 3/4 Ton All Body Styles								
k.								
l.								
m.								
n.								
o.								
p.								
(15) SPECIAL PROVISIONS: Cooperator will adhere to terms wset forth on the GenrealPArovisions to Cooperative Rate Agreement FM104A(02/16) attached hereto.								
(16) FIRE DEPT/ AGENCY REPRESENATIVE			(17) NAME AND TITLE (PLEASE PRINT)			(18) DATE		
(19) STATE FORESTRY DIVISION REPRESENTATIVE			(20) NAME AND TITLE (PLEASE PRINT)			(21) DATE		
FORM FM 104 (REPLACES FIN 100) Rev 2/16 DISTRIBUTION: ORIGINAL TO STATE, COPIES TO FM DISTRICTS AND COOPERATORS								

ARIZONA STATE FORESTER'S CFR CONTINUATION SHEET

COOPERATIVE FIRE RATE AGREEMENT NUMBER						IGA REFERENCE AGREEMENT NUMBER		
(1) FIRE DEPARTMENT / AGENCY NAME (COOPERATOR)						(6) STATE DISTRICT OFFICE		
(10) EQUIPMENT DESCRIPTION						(11) RATES		
EQUIPMENT	LICENSE PLATE #	YEAR	MAKE	MODEL	VEHICLE IDENTIFIER	(12) RATE	(13) UNIT HR / DAY	(14) MILES
q.								
r.								
s.								
t.								
u.								
v.								
w.								
x.								
y.								
z.								
(15) SPECIAL PROVISIONS: Cooperator will adhere to terms wset forth on the GenrealPArovisions to Cooperative Rate Agreement FM104A(02/16) attached hereto.								
(16) FIRE DEPT/ AGENCY REPRESENTATIVE			(17) NAME AND TITLE (PLEASE PRINT)			(18) DATE		
(19) STATE FORESTRY DIVISION REPRESENTATIVE			(20) NAME AND TITLE (PLEASE PRINT)			(21) DATE		
FORM FM 104 (REPLACES FIN 100) Rev 2/16 DISTRIBUTION: ORIGINAL TO STATE, COPIES TO FM DISTRICTS AND COOPERATORS								

ARIZONA STATE FORESTER'S COOPERATIVE FIRE RATE AGREEMENT

COOPERATIVE FIRE RATE AGREEMENT NUMBER					IGA REFERENCE AGREEMENT NUMBER			
05-1475-16					KR95-1311-LNR			
(1) FIRE DEPARTMENT NAME (COOPERATOR)					(6) STATE DISTRICT OFFICE			
CITY OF PRESCOTT FIRE DEPARTMENT					Northwest Division 1133 West Road 3 North Chino Valley AZ. 86323 Russ Shumate 928-778-9567 russshumate@ azsf.gov			
(2) PHYSICAL ADDRESS		(3) MAILING ADDRESS						
1700 IRON SPRINGS ROAD		1700 IRON SPRINGS ROAD						
(4) CITY, STATE, ZIP CODE	(4a) BUSINESS PHONE	(4b) FAX NUMBER						
PRESCOTT AZ. 86305	928-777-1700	928-776-1890						
(4c) FIRE CHIEF NAME		(4d) EMERGENCY PHONE		(4e) EMAIL ADDRESS				
DENNIS LIGHT		928-445-5357		dennis.light@prescott-az.gov		www.azsf.gov aidclogistics@azsf.gov		
(4f) WILDLAND CONTACT NAME		(4g) CONTACT NUMBER			(7) FEDERAL EMPLOYER ID NUMBER			
MARSHA COLLIER		928-777-1713			86-6000257			
(5) EFFECTIVE DATES OF AGREEMENT					BEGINNING: 04/15/2016 ENDING: 4/15/2018			
(8) Equipment work rates listed below are based on all operating supplies being furnished by cooperator (WET).					(9) Resources assigned under this Agreement remain employees or property of the cooperator and are subject to cooperator's supervision and control and are covered by Cooperator's workman's compensation and insurance.			
(10) EQUIPMENT DESCRIPTION						(11) RATES		
EQUIPMENT	LICENSE PLATE #	YEAR	MAKE	MODEL	VEHICLE IDENTIFIER	(12) RATE	(13) UNIT HR./DAY	(14) MILES
a. Type 1 Engine, 794 gal, 1500 GPM, 500 GPM foam capability @1%, Staffing 4	G110DX	2005	HME Pumper		1156	\$139.00	HR	
b. Type 1 Engine, 750 gal, 1500 GPM, 500 GPM foam capability @1%, Staffing 4	G250DW	2003	HME Pumper		1057	\$139.00	HR	
c. Type 1 Engine, 750 gal, 1500 GPM, 500 GPM foam capability @1%, Staffing 4	G301DV	2003	HMEPumper		1056	\$139.00	HR	
d. Type 1 Engine, 500 gal, 1500 GPM, 300 GPM foam capability @1%, Staffing 4	G685FC	2008	Central States Pumper		1307	\$139.00	HR	
e. Type I Engine, 500 gal, 1500 GPM, 500 GPM foam capability @1%, Staffing 4	G292GW	2013	Rosenbower Pumper		1396	\$139.00	HR	
f. Type I Engine, 500 gal, 1500 GPM, 500 GPM foam capability @1%, Staffing 4	G293GW	2013	Rosenbower Pumper		1397	\$139.00	HR	
(15) SPECIAL PROVISIONS: Cooperator will adhere to terms set forth on the Genreal Provisions to Cooperative Rate Agreement FM104A(02/16) attached hereto.								
Cost of Personnel assigned to Engines, and Overhead positions will be on actual City of Prescott costs per individual plus benefits. (pension, insurance, medicare). Exempt staff on assignment will be paid at a rate of \$45.00 per hour or their regular pay rate dependent upon which is higher. Will follow State meal rate schedule for in and out of State assignments. Will follow State lodging rates in State and Federal lodging rates out of State.								
(16) FIRE DEPT/ AGENCY REPRESENTATIVE			(17) NAME AND TITLE (PLEASE PRINT)			(18) DATE		
Prescott Fire Department			Ralph Lucas III, Battalion Chief			4/19/2016		
(19) STATE FORESTRY DIVISION REPRESENTATIVE			(20) NAME AND TITLE (PLEASE PRINT)			(21) DATE		
Russ Shumate			Russ Shumate, Dist Manager			4/21/2016		
FORM FM 104 (REPLACES FIN 100) Rev 2/16 DISTRIBUTION: ORIGINAL TO STATE, COPIES TO FM DISTRICTS AND COOPERATORS								
ARIZONA STATE FORESTER'S CFR CONTINUATION SHEET								
COOPERATIVE FIRE RATE AGREEMENT NUMBER					IGA REFERENCE AGREEMENT NUMBER			

05-1475-16						KR95-1311-LNR		
(1) FIRE DEPARTMENT / AGENCY NAME (COOPERATOR)						(6) STATE DISTRICT OFFICE		
CITY OF PRESCOTT FIRE DEPARTMENT						NORTHWEST DISTRICT		
(10) EQUIPMENT DESCRIPTION						(11) RATES		
EQUIPMENT	LICENSE PLATE #	YEAR	MAKE	MODEL	VEHICLE IDENTIFIER	(12) RATE	(13) UNIT HR / DAY	(14) MILES
g. Type 1 75' Quint(Aerial Ladder Truck) Staffing 4	G347DV	2003	HME		1068	\$139.00	HR	
h. Hazardous Materials Truck	G765AX	1988	Chevy		781	\$139.00	HR	
i. Foam 73, CFR "Aircraft Truck"	G675CV	2001	Emergency One		981	\$139.00	HR	
j. Utility Air/Special Rescue	G454FG	2010	Freightliner Utility Master		1337	\$139.00	HR	
k. Type 3 Engine, 500 gal, 750 GPM, foam capability, 4x4, Staffing 4	G663CT	2001	Central States Pumper		974	\$126.00	HR	
l. Type 6 Engine, 250 gal, 170 GPM, CAFFS unit, 4x4, Staffing 3	G088DX	2005	FORD	F550	1132	\$98.00	HR	
m. Type 6 Engine, 250 gal, 150 GPM, 4x4, Staffing 3	G316CS	2001	FORD	F550	966	\$85.00	HR	
n. Type 6 Engine, 220 gal, 125 GPM, 4x4, Staffing 3	G629EK	2009	DODGE	5500	1312	\$85.00	HR	
o. Medium Duty Truck, 4X4, 1 1/2 ton	G630EK	2009	DODGE	4500	1311	\$66.00	DAY	\$0.66
p. Pickup, 3/4 ton, 4x4	G332DV	2004	FORD	F250	1076	\$65.00	DAY	\$0.65
(15) SPECIAL PROVISIONS: Cooperator will adhere to terms wset forth on the GenrealPArovisions to Cooperative Rate Agreement FM104A(02/16) attached hereto.								
(16) FIRE DEPT/ AGENCY REPRESENTATIVE			(17) NAME AND TITLE (PLEASE PRINT)			(18) DATE		
Prescott Fire Department			Ralph Lucas III, Battalion Chief			4/19/2016		
(19) STATE FORESTRY DIVISION REPRESENTATIVE			(20) NAME AND TITLE (PLEASE PRINT)			(21) DATE		
Russ Shumate			Russ Shumate, Dist Manager			4/21/2016		
FORM FM 104 (REPLACES FIN 100) Rev 2/16 DISTRIBUTION: ORIGINAL TO STATE, COPIES TO FM DISTRICTS AND COOPERATORS								
ARIZONA STATE FORESTER'S CFR CONTINUATION SHEET								
COOPERATIVE FIRE RATE AGREEMENT NUMBER					IGA REFERENCE AGREEMENT NUMBER			
05-1475-16					KR95-1311-LNR			
(1) FIRE DEPARTMENT / AGENCY NAME (COOPERATOR)					(6) STATE DISTRICT OFFICE			
CITY OF PRESCOTT FIRE DEPARTMENT					NORTHWEST DISTRICT			

(10) EQUIPMENT DESCRIPTION						(11) RATES		
EQUIPMENT	LICENSE PLATE #	YEAR	MAKE	MODEL	VEHICLE IDENTIFIER	(12) RATE	(13) UNIT HR / DAY	(14) MILES
q. Pickup, 3/4 ton, 4x4	G688CV	2001	FORD	F250	997	\$65.00	DAY	\$0.65
r. Pickup, 3/4 ton, 4x4	G327DV	2004	FORD	F250	1074	\$65.00	DAY	\$0.65
s. Pickup, 3/4 ton, 4x4	G119DX	2006	FORD	F250	1169	\$65.00	DAY	\$0.65
t. Pickup, 3/4 ton, 4x4	G037EJ	2008	FORD	F250	1221	\$65.00	DAY	\$0.65
u. Pickup, 3/4 ton, 4x4	G041EJ	2008	FORD	F250	1222	\$65.00	DAY	\$0.65
v. Pickup, 3/4 ton, 4x4	G040EJ	2008	FORD	F250	1223	\$65.00	DAY	\$0.65
w. Pickup, 3/4 ton, 4x4	G039EJ	2008	FORD	F250	1224	\$65.00	DAY	\$0.65
x. Pickup, 3/4 ton, 4x4	G664FC	2008	FORD	F250	1272	\$65.00	DAY	\$0.65
y. Pickup, 1/2 ton, 4x4	G619DM	2003	CHEVY	SILVERADO	1026	\$45.00	DAY	\$0.45
z. SEDAN	G818CR	2000	FORD	TAURUS	955	\$40.00	DAY	\$0.40

(15) SPECIAL PROVISIONS: Cooperator will adhere to terms set forth on the General Provisions to Cooperative Rate Agreement FM104A(02/16) attached hereto.

(16) FIRE DEPT/ AGENCY REPRESENTATIVE (17) NAME AND TITLE (PLEASE PRINT) (18) DATE

Prescott Fire Department **Ralph Lucas III, Battalion Chief** **4/19/2016**

(19) STATE FORESTRY DIVISION REPRESENTATIVE (20) NAME AND TITLE (PLEASE PRINT) (21) DATE

Russ Shumate Russ Shumate, Dist Manager 4/21/2016

FORM FM 104 (REPLACES FIN 100) Rev 2/16

DISTRIBUTION: ORIGINAL TO STATE, COPIES TO FM DISTRICTS AND COOPERATORS

ARIZONA STATE FORESTER'S CFR CONTINUATION SHEET

COOPERATIVE FIRE RATE AGREEMENT NUMBER

05-1475-16

IGA REFERENCE AGREEMENT NUMBER

KR95-1311-LNR

(1) FIRE DEPARTMENT / AGENCY NAME (COOPERATOR)

CITY OF PRESCOTT FIRE DEPARTMENT

(6) STATE DISTRICT OFFICE

NORTHWEST DISTRICT

(10) EQUIPMENT DESCRIPTION						(11) RATES		
EQUIPMENT	LICENSE PLATE #	YEAR	MAKE	MODEL	VEHICLE IDENTIFIER	(12) RATE	(13) UNIT HR / DAY	(14) MILES
aa. SEDAN	G660FC	2000	FORD	TAURUS	1270	\$40.00	DAY	\$0.40

bb. SEDAN	G659FC	2008	FORD	CROWN VIC	1271	\$40.00	DAY	\$0.40
cci. SUV Compact, 4x2	G656FC	2008	FORD	ESCAPE	1267	\$40.00	DAY	\$0.40
dd. SUV Compact, 4x2	G477DV	2004	CHEVY	GEO TRACK	1083	\$46.00	DAY	\$0.46
ee. Crew Carrier Med Duty 2 1/2 ton Truck	G117DX	2006	FORD	F750	1167	\$78.00	DAY	\$0.78
ff. Crew Carrier Med Duty 2 1/2 ton Truck	G118DX	2006	FORD	F750	1168	\$78.00	DAY	\$0.78
gg. Dump Truck Med Duty 2 1/2 ton Truck	G603DM	1986	INTERNATIONAL		1019	\$78.00	DAY	\$0.78
hh. Chipper Truck Med Duty 2 1/2 ton Truck	G477DV	2005	FORD	F550	1098	\$78.00	DAY	\$0.78
ii. Structure Protection Trailer (IF NOT IN USE NEEDS TO BE SENT HOME)	G507CW	2003			1046	\$850.00	DAY	
jj. ATV/UTV LARGE	5553SA	2014	POLARIS	RANGER	1400	\$100.00	DAY	

(15) SPECIAL PROVISIONS: Cooperator will adhere to terms wset forth on the GenrealPArovisions to Cooperative Rate Agreement FM104A(02/16) attached hereto.

(16) FIRE DEPT/ AGENCY REPRESNATIVE	(17) NAME AND TITLE (PLEASE PRINT)	(18) DATE
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Prescott Fire Department	Ralph Lucas III, Battalion Chief	4/19/2016
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(19) STATE FORESTRY DIVISION REPRESENTATIVE	(20) NAME AND TITLE (PLEASE PRINT)	(21) DATE
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Russ Shumate	Russ Shumate Dist Manager	4/21/2016
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FORM FM 104 (REPLACES FIN 100) Rev 2/16

DISTRIBUTION: ORIGINAL TO STATE, COPIES TO FM DISTRICTS AND COOPERATORS

ARIZONA STATE FORESTER'S CFR CONTINUATION SHEET

COOPERATIVE FIRE RATE AGREEMENT NUMBER

05-1475-16

IGA REFERENCE AGREEMENT NUMBER

KR95-1311-LNR

(1) FIRE DEPARMENT / AGENCY NAME (COOPERATOR)

CITY OF PRESCOTT FIRE DEPARTMENT

(6) STATE DISTRICT OFFICE

NORTHWEST DISTRICT

(10) EQUIPMENT DESCRIPTION

(11) RATES

EQUIPMENT	LICENSE PLATE #	YEAR	MAKE	MODEL	VEHICLE IDENTIFIER	(12) RATE	(13) UNIT HR / DAY	(14) MILES
kk. ALS KIT						\$215.00	DAY	
ll. BLS KIT						\$150.00	DAY	

mm	Pickup POV Cooley, 4x4 F250 3/4 ton	290GER	2006	FORD	F250		\$65.00	DAY	\$0.65
nn.	Pickup POV Archer, 4x4 1/2 ton	BBS7194	2012	TOYOTA	TACOMA		\$45.00	DAY	\$0.45
oo.	Pickup POV Collier, 4x4, HD 2500, 3/4 ton	460FNS	2007	GMC	Sierra		\$65.00	DAY	\$0.65
pp.	ATV REG QUAD POV ARCHER	20SERV	2002	HONDA	RECON		\$75.00	DAY	
qq.									
rr.									
ss.									
tt.									
(15) SPECIAL PROVISIONS: Cooperator will adhere to terms wset forth on the GenrealPArovisions to Cooperative Rate Agreement FM104A(02/16) attached hereto.									
(16) FIRE DEPT/ AGENCY REPRESENATIVE			(17) NAME AND TITLE (PLEASE PRINT)			(18) DATE			
Prescott Fire Department			Ralph Lucas III, Battalion Chief			4/19/2016			
(19) STATE FORESTRY DIVISION REPRESENTATIVE			(20) NAME AND TITLE (PLEASE PRINT)			(21) DATE			
Russ Shumate			Russ Shumate, Dist Manager			4/21/2016			
FORM FM 104 (REPLACES FIN 100) Rev 2/16 DISTRIBUTION: ORIGINAL TO STATE, COPIES TO FM DISTRICTS AND COOPERATORS									

STATE FORESTER'S COOPERATIVE FIRE RATE AGREEMENT

(AMENDMENT PAGE)

CFR AGREEMENT NUMBER	AMEND NO.	IGA REFERENCE AGREEMENT NUMBER

(1) FIRE DEPT/AGENCY NAME (COOPERATOR)	(6) STATE DISTRICT OFFICE
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North District Office

EFFECTIVE DATES

BEGINNING:

ENDING:

Special Provisions Additions or Amendment Page Instructions: This sheet to be used to add or delete equipment, additional stipulations severity patrols. Each amendment shall be numbered (#1, #2, etc) for reference. Ending date of amendment shall be the same as listed on original CFR. Once signed, or for special pricing such as this sheet will be attached to original CFR.

Cooperator will adhere to terms set forth on the "General Provisions to Cooperative Rate Agreement FM 104A (01/14) attached hereto.

(18) FIRE DEPT/AGENCY REPRESENTATIVE	(19) NAME AND TITLE (PLEASE PRINT)	(20) DATE
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(21) STATE LAND DEPT. REPRESENTATIVE	(22) NAME AND TITLE (PLEASE PRINT)	(23) DATE
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MEETING DATE/TYPES: VOTING SESSION 6-7-16

DEPARTMENT: Library City

AGENDA ITEM: Approval to purchase 15 ea. replacement Smart Bin control boxes from Tech Logic Corporation in the amount of \$17,755.86 (City Contract No. 2016-303)

FUNDING SOURCE(S): Yavapai County Free Library District Automation Fund

Approved By:		Date:
Director:	Roger Saft	05/20/2016
City Attorney:	Jon Paladini	05/20/2016
City Manager:	Craig McConnell	05/25/2016

Item Summary

This item requests approval to purchase replacements for all Smart Bin control boxes, necessary to operate the Automated Materials Handler (AMH) which mechanically sorts all materials checked-in at the library. The boxes are beginning to fail, and the associated software is obsolete.

Background

The AMH and associated Smart Bins reduce the need for personnel to check-in, handle, and sort library materials. The current Smart Bin control boxes, which use a photoelectric eye to control the floor of the bin and determine that a bin is full and needs to be moved, were installed in Fiscal Year 2009, with the service life and existing software due to expire on June 1, 2016. Replacement of 15 Smart Bin control boxes will mitigate work stoppage and loss of productivity, and maintain process efficiencies. The Smart Bins, which are operated by the control boxes requested for replacement, are heavily used throughout the work day and are an essential tool in circulation work processes. Once full, the bins roll away to be shelved, and are replaced by an empty bin to continue sorting. The project cost includes software updates for all of the new Smart Bin control boxes.

Tech Logic was selected by the Yavapai Library Network (YLN) as the preferred vendor for automated material handling for libraries in the Network when the network-wide automation project was implemented. All existing mechanical components utilize their proprietary technology. As such, this will be a sole source purchase.

Agenda Item: Approval to purchase 15 ea. replacement Smart Bin control boxes from Tech Logic Corporation in the amount of \$17,755.86 (City Contract No. 2016-303)

Financial Impact

Funding of \$17,755.86 for purchase of the control boxes for all Smart Bin units is being provided in full by the Yavapai County Free Library District (YCFLD) from the library automation and special projects budget for technological improvements, and included in the FY16 General Fund for expenditure.

Attachments

1. Tech Logic - Control Boxes Quote
2. Sole Source Document

Recommended Action: **MOVE** to approve the purchase of 15 ea. Smart Bin control boxes from Tech Logic Corporation in the amount of \$17,755.86.



Tech Logic Corp.
1818 Buerkle Rd.
White Bear Lake, MN 55110
Phone: 651-747-0492
Fax: 651-747-0493

QUOTE

Date	Page
May 9, 2016	1
Order Number	
QT00001898	

Sold To:

Prescott Public Library
P.O. Box 2059
Prescott AZ 86302
USAPhone: 928-777-1504

Ship To:

Prescott Public Library
215 East Goodwin Street
Prescott AZ 86303
USA

Attention: Nicole Schneider

Order Information: AST new control box Ticket # 396671

PO Number
NICOLE SCHNEIDER

Terms
NET30

Qty. Ord.	Qty. Shp.	Qty. B/O	Stk. Loc.	Item Number	Description	Delivery Date	Unit Price	UOM	Extended Price
15	0	15		45007822	Smart Bin Control Box, Black	5/24/2016	1,150.00	EACH	17,250.00
Comments: All quotes are good for 90 days from date of quote						Sub Total		17,250.00	
						Discount		862.50	
						Total Sales Tax		1,368.36	
						Total order (USD)		17,755.86	



CITY OF PRESCOTT

Request for Exception to the Competitive Procurement Process

Requester's Name	Division	Phone Number	Date
Roger Saft	Library	928.777.1504	5/9/16
Type of Exception			
Sole Source ☒	Time Restriction ☐		
Sole Acceptable Brand ☐	Unusual Nature of Project of Service ☐		
Other (specify) ☐			
Description of Goods or Services to be Purchased			
Replacement of smart bin control boxes at the Prescott Public Library from Tech Logic Corporation in the amount of \$17,755.86.			
Details of Request			
Replacement of 15 Smart Bin control boxes will mitigate work stoppage, loss of productivity and maintain process efficiencies. These Smart Bins are heavily used throughout the work day by both staff and volunteers and are an essential tool in circulation work processes. This is a sole source purchase of this technology available only through Tech Logic.			
Financial Information			
Estimated Cost:	Organization:	Object:	
17,755.86	1004405	8290	
Other Information: Project: 90007			
Vendor Information			
Vendor Name: Tech Logic			
Contact:	Phone:	FAX:	
Dennis Woods	651.747.0492	651.389.4923	
Address: 1818 Buerkle Road, White Bear, MN 55110			
E-mail: DWoods@tech-logic.com			
Review and Approval			
Director: <i>[Signature]</i>	Date: 11 MAY 16		
Deputy City Manager: <i>[Signature]</i>	Date: 16 May 2016		
City Manager: <i>[Signature]</i>	Date: 5-16-16		

MEETING DATE/TYPES: VOTING SESSION 6-7-16

DEPARTMENT: Police

AGENDA ITEM: Approval of submission of an application for a U.S. Department of Justice COPS Hiring Program grant to fund three (3) entry-level police officer positions for three years.

FUNDING SOURCE(S): Grant 75%, General Fund 25%

Approved By:		Date:
Police Chief:	Jerald Monahan	05/23/2016
City Attorney:	Jon Paladini	05/23/2016
City Manager:	Craig McConnell	06/02/2016

Item Summary

The Police Department requests approval to submit an application for grant funding from the U.S. Department of Justice, COPS Office Community Policing Development Program. If awarded, the requested funding, offered through the FY2016 COPS Office Community Policing Development (CPD), would enable the hiring of three (3) entry-level sworn law enforcement officers, for three years.

Background

The U.S. Department of Justice, Office of Community Oriented Policing Services (COPS), is accepting applications regarding funding awards available through the FY 2016 COPS Office of Community Policing Development (CPD). The purpose of these grant awards is to assist law enforcement agencies by facilitating hiring of career law enforcement officers in a effort to increase community policing capabilities and crime prevention efforts. In May 2015, the final report of The President's Task Force on 21st Century Policing was released, outlining specific programs and target areas of grant funds, with a major focus on the importance of community policing. In our community this is a top goal, and funding for new officers in our Patrol Unit will strengthen our Patrol Bureau.

Agenda Item: Approval of submission of an application for a U.S. Department of Justice COPS Hiring Program grant to fund three (3) entry-level police officer positions for three years.

The Police Department is requesting to submit an application for three (3) sworn officer positions, for grant funding of \$651,175.20. If awarded, these grant funds will cover 75% percent of the approved entry-level salary and fringe benefits for the three officers. The application deadline is June 23, 2016.

Receipt of the grant would help restore the number of sworn officers (reduced during recent fiscal years to General Fund stress) as follows:

	Sworn Officer Positions
FY 16	72
FY 17 (draft budget)	<u>68</u>
COPS Grant	3
	71

Financial Impact

The City would be responsible twenty-five percent (25%) of the wages and fringe benefits for the sworn positions. City cost over three (3) years would be \$72,352.80 per year, totaling \$217,058.40. The City would be required to keep the positions on for an additional fourth year.

Recommended Action: **MOVE** to approve the submission of an application for a U.S. Department of Justice COPS Hiring Program grant to fund three (3) entry-level police officer positions for three years.

MEETING DATE/TYPES: VOTING SESSION 6-7-16

DEPARTMENT: Public Works

AGENDA ITEM: Approval of Amendment No. 1 to City Contract No. 2016-175A1, an agreement with Stanley Consultants, Inc., for engineering services for the Carleton-Alarcon Pavement Reconstruction Project, in an amount not to exceed \$19,100.00

FUNDING SOURCE(S): Streets Fund

Approved By:

Date:

Director:	Hash, Henry	05/20/2016
City Attorney:	Paladini, Jon	05/20/2016
City Manager:	McConnell, Craig	05/23/2016

Item Summary

This contract amendment is for structural engineering design services for the Carleton-Alarcon Project. The design will address a reinforced concrete junction structure, outlet headwalls, and outlet protection at Granite Creek.

Background

Public Works is designing the reconstruction of Carleton Street, between Mile High Middle School and Alarcon Street, and Alarcon Street between Carleton and Aubrey Streets. The project consists of street reconstruction, a new storm drain system, replacement of water and sewer mains, landscaping and stormwater treatment bio-swales. The original contract, for \$9,500.00, was approved on March 10, 2015, for generation of hydrologic and hydraulic calculations. The proposed services are for structural engineering services which will complement the in-house design.

Procurement

The City maintains a list of pre-qualified on-call consultants in a variety of professional areas. Stanley Consultants, Inc., is available to accomplish the structural engineering tasks for this project.

Project Schedule

The structural engineer will be working with the Engineering Division to meet the in-house design schedule, currently at 50%, with anticipated completion in Fall 2016.

Agenda Item: Approval of Amendment No. 1 to City Contract No. 2016-175A1, an agreement with Stanley Consultants, Inc., for engineering services for the Carleton-Alarcon Pavement Reconstruction Project, in an amount not to exceed \$19,100.00

Financial Impact

Funding for this contract amendment in the amount of \$19,100.00 is available from the Streets Fund.

Attachments

1. Scope and Fee Proposal
2. Vicinity Map

Recommended Action: MOVE to approve Amendment No. 1 to City Contract No. 2016-175A1.



Professional Services Agreement

Public Works On-Call Stormwater Services Contract # 2016-175

WHEREAS, the City of Prescott (hereinafter referred to as "City") is in need of certain services; and

WHEREAS, the City has solicited Requests for Qualifications in accordance with State and Local Law; and

WHEREAS, Stanley Consultants, Inc. (hereinafter referred to as "Professional"), has expertise in providing public works stormwater services.

NOW, THEREFORE, IN CONSIDERATION OF THE COVENANTS HEREIN CONTAINED, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party to the other, it is hereby agreed as follows:

1. That Professional shall provide the services to the City in relation to the Public Works On-Call Stormwater Services as indicated in Exhibit "A" (Scope of Work and Task and Fee Estimate) and as requested by the City of Prescott Public Works Director.
2. In addition to those services identified in Paragraph 1 above, the Professional shall also perform all subordinate tasks not specifically referenced in Paragraph 1, but necessary to the full and effective performance of the tasks specifically referenced.
3. The Professional shall provide sufficient qualified personnel to perform any and all services as required herein, including but not limited to inspections and preparation of reports, as reasonably requested by representatives of the City.
4. All services identified in Paragraphs 1 and 2 above shall be completed to the satisfaction of the City and shall be performed in compliance with the Professional's project schedule identified in the attached Exhibit "A".
5. The term of this Agreement shall be February 17, 2016 to June 30, 2016.
6. Notwithstanding the foregoing, this Agreement may be terminated by either party upon ten (10) days written notice, with or without cause or upon completion of services. If this Agreement is terminated, the Professional shall be paid for authorized services satisfactorily performed to the date of the Professional's receipt of such termination notice.
7. It is agreed by and between the parties that this Agreement incorporates the attached Exhibit "A" thereto as a part of this Agreement, and that the terms thereof shall be binding between the parties.

8. Pursuant to A.R.S. § 38-511, the City may cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement on behalf of the City is, at any time while the Agreement or any extension of the Agreement is in effect, an employee or agent of any other party to the Agreement in any capacity or a Professional to any other party of the Agreement with respect to the subject matter of the Agreement. In the foregoing event, the City further elects to recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the City from any other party to the Agreement arising as a result of this Agreement.
9. Any notices to be given by either party to the other must be in writing, and personally delivered or mailed by prepaid postage, at the following addresses:

Public Works Director
City of Prescott
433 N. Virginia Street
Prescott, AZ 86301

Stanley Consultants, Inc.
1661 E. Camelback Road, Suite 400
Phoenix, AZ 85016
(602) 333-2200

10. It is expressly agreed and understood by and between the parties that the Professional is an independent Contractor, and, as such, Professional shall not become a City employee, and is not entitled to payment or compensation from the City, or to any fringe benefits to which other City employees are entitled. As an independent Contractor, Professional further acknowledges that it is solely responsible for payment of any and all income taxes, FICA, withholding, unemployment insurance, or other taxes due and owing any governmental entity whatsoever as a result of this Agreement. As an independent Contractor, Professional further agrees that it will conduct itself in a manner consistent with such status, and that it will neither hold itself out nor claim to be an officer or employee of the City by reason thereof, and that it will not make any claim, demand or application to or for any right or privilege applicable to any officer or employee of the City, including, but not limited to, worker's compensation coverage, unemployment insurance benefits, social security coverage, or retirement membership or credit.
11. This Agreement is non-assignable by the Professional unless by sub-contract, as approved in advance by the City.
12. (A) The City shall pay to Professional a sum not to exceed nine thousand six hundred dollars and no cents (\$9,600.00) for all services specified in Sections 1 and 2 of this Agreement, as specified in Exhibit "A".

(B) The foregoing sum includes payment for any and all services to be rendered by Professional or sub-contractors, which the Professional may employ for this Contract. It is expressly agreed by and between the parties that the Professional is solely responsible for any and all payment to such any other professionals or sub-contractors retained by the Professional.

(C) Payment of the total amount provided for under Section 12 (A) shall not relieve Professional of its obligation to complete the performance of all those services specified in Sections, 1, 2, and 3. Should the City request in writing additional services beyond that

specified in Sections 1, 2, and 3, then Professional shall charge and City shall pay Professional in accordance with Exhibit "A".

(D) Prior to the final payment to the Professional, the City shall deduct therefrom any and all unpaid privilege, license and other taxes, fees and any and all other unpaid monies due the City from the Professional, and shall apply to those monies to the appropriate accounts. Professional shall provide to the City any information necessary to determine the total amount(s) due.

(E) The Professional shall bill the City monthly for the fee due the Professional, based upon an hourly rate for work completed for each itemized task pursuant to this Agreement and Exhibit "A" during the billing period. City shall pay such billings within thirty (30) days of the date of their receipt.

13. This Agreement is the result of negotiations by and between the parties. Although it has been drafted by the Prescott City Attorney, it is the result of negotiations between the parties. Therefore, any ambiguity in this Agreement is not to be construed against either party.
14. This Agreement shall be construed under the laws of the State of Arizona.
15. All work products of the Professional for this Project are instruments of service for this Project only and shall remain the property of the City whether the Project is completed or not. All plans, drawings, specifications, data maps, studies and other information, including all copies thereof, furnished by the City shall remain the property of the City. They are not to be used on other work, and, with the exception of this Agreement, are to be returned to the City on request or at the completion of the work.
16. The parties hereto expressly covenant and agree that in the event of a dispute arising from this Agreement, each of the parties hereto waives any right to a trial by jury. In the event of litigation, the parties hereby agree to submit to a trial before the Court. The Professional further agrees that this provision shall be contained in all sub-contracts related to the project, which is the subject of this Agreement.
17. The parties hereto expressly covenant and agree that in the event of litigation arising from this Agreement, neither party shall be entitled to an award of attorney fees, either pursuant to the Agreement, pursuant to A.R.S. § 12-341.01(A) and (B), or pursuant to any other state or federal statute, court rule, case law or common law. The Professional further agrees that this provision shall be contained in all sub-contracts related to the project, which is the subject of this Agreement.
18. This Agreement represents the entire and integrated Agreement between the City and the Professional and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both the City and the Professional. Written and signed amendments shall automatically become part of the Agreement, and shall supersede any inconsistent provision therein; provided, however, that any apparent inconsistency shall be resolved, if possible, by construing the provisions as mutually complementary and supplementary.
19. In the event any provision of this Agreement shall be held to be invalid and unenforceable, the remaining provisions shall be valid and binding upon the parties. One or more waivers by

either party of any provision, term, condition or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same by the other party.

20. The Professional hereby agrees to indemnify and hold harmless the City, its departments and divisions, its employees and agents, from any and all claims, liabilities, expenses or lawsuits as a result of the Professional's negligent acts, errors, or omissions, pursuant to this Agreement, except to the extent said claims, liabilities, expenses or lawsuits arise by the negligent acts or omissions of the City or his/her agents. The Professional further releases and discharges the City, its departments and divisions, its agents and employees, and any and all persons legally responsible for the acts or omissions of the City, from any and all claims which the Professional has or may have against the City, its agents or employees, arising out of or in any way connected with the Professional's activities as set forth below, other than those acts which occur due to the negligence of the City, its employees or agents.
21. No oral order, objection, claim or notice by any party to the other shall affect or modify any of the terms or obligations contained in this Agreement, and none of the provisions of this Agreement shall be held to be waived or modified by reason of any act whatsoever, other than by a definitely agreed waiver or modification thereof in writing. No evidence of modification or waiver other than evidence of any such written notice, waiver or modification shall be introduced in any proceeding.
22. (A) Changes in Work: The City, without invalidating the Contract, may order extra work, make changes by altering, or delete any portion of the work as specified herein, or as deemed necessary or desirable by the Public Works Director. All such work shall be executed under the conditions of the original Contract except that any claim for extension of time and additional cost caused thereby shall be made at the time of ordering such change or extra work.

(B) Extra work shall be that work not indicated or detailed on the Scope of Work and not specified. Such work shall be governed by all applicable provisions on the Contract Document.

(C) In giving instructions, the Public Works Director shall have authority to make minor changes in the work, not involving extra cost, and not inconsistent with the purposes of the work. No extra work or change shall be made unless in pursuance of a written order by the Public Works Director and no claim for an addition to the total amount of the Contract shall be valid unless so ordered.

(D) Payment for any change ordered by the Public Works Director which involves work essential to complete the Contract, but for which no basis of payment is provided for herein, shall be subject to agreement prior to said work being performed.

(E) Adjustments to price and/or Contract Time which are agreed upon shall be incorporated in the written order issued by the Public Works Director, which shall be written so as to indicate acceptance on the part of the Professional as evidenced by its signature. In the event prices cannot be agreed upon, the City reserves the right to terminate the Contract as it applies to the items in question and make such arrangements as it may deem necessary to complete the work, or it may direct the Professional to proceed with the items in question to be reimbursed pursuant to the unit prices in the Professional's fee proposal.

(F) If the Professional claims that any instructions involve extra cost under this Contract, it shall give the Public Works Director written notice thereof within forty-eight (48) hours after the receipt of such instructions, and in any event before proceeding to execute the work. No such claim shall be valid unless so made. The Professional shall do such extra work therefore upon receipt of an accepted Contract Amendment or other written order of the Public Works Director and in the absence of such Contract Amendment or other written order of the Public Works Director, the Professional shall not be entitled to payment for such extra work. In no case shall work be undertaken without written notice from the Public Works Director to proceed with the work. All Contract Amendments must be approved by the Public Works Director. Contract Amendments over \$10,000.00 must be approved by City Council.

23. (A) The Professional shall obtain and maintain in effect during the term of, and until final acceptance of all work under this Agreement, a policy or policies of liability insurance with the following coverage:

1) Commercial General Liability – Occurrence Form (if applicable)

Policy shall include bodily injury, property damage, personal injury, broad form contractual liability, and XCU coverage.

General Aggregate	\$ 2,000,000
Products – Completed Operations Aggregate	\$ 2,000,000
Personal and Advertising Injury	\$ 1,000,000
Each Occurrence	\$ 1,000,000
Fire Legal Liability (Damage to Rented Premises)	\$ 100,000

The policy shall be endorsed to include the following additional insured language:

“The City of Prescott shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Professional.”

2) Professional Liability (Errors and Omissions Liability)

Each Claim	\$ 1,000,000
Annual Aggregate	\$ 2,000,000

In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years at the time work under this contract is completed.

The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Work of this contract.

3) Business Automobile Liability (if applicable) Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

Combined Single Limit (CSL)	\$ 1,000,000
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(B) City and Professional waive all rights against each other and their directors, officers, partners, commissioners, officials, agents, sub-contractors and employees for damages covered by property insurance during and after completion of the Services.

Professional Services Agreement No. 2016-175

(C) All insurance required pursuant to this Agreement must be written by an insurance company authorized to do business in the State of Arizona, to be evidenced by a Certificate of Authority as defined in ARS § 20-217, a copy of which certificate is to be attached to each applicable bond or binder.

(D) Prior to commencing work under this Agreement, the Professional shall provide City with evidence that it is either a "self-insured employer" or a "carrier insured employer" for Workers' Compensation as required by ARS 23-901 et seq., or that it employs no persons subject to the requirement for such coverage.

(E) Notice of Cancellation: With the exception of a ten (10) day notice of cancellation for non-payment of premium, any changes material to compliance with this contract in the insurance policies above shall require a thirty (30) day written notice.

(F) Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A-VII, unless otherwise approved by the City of Prescott Risk Management Division. All insurance is to be placed with an insurer admitted in the state in which operations are taking place.

(G) Verification of Coverage: Professional shall furnish the City with certificates of insurance (ACORD form or equivalent approved by the City) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. Please note the contract number on the Certificate.

24. The Professional, with regard to the work performed by it after award and during its performance of this contract, will not discriminate on the grounds of race, color, national origin, religion, sex, disability or familial status in the selection and retention of sub-contractors, including procurement of materials and leases of equipment. The Professional will not participate either directly or indirectly in the discrimination prohibited by or pursuant to Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974, the Age Discrimination Act of 1975, the Americans With Disability Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations under the Act, and Arizona Governor Executive Orders 99-4, 2000-4 and 2009-09 as amended.

25. Professional Immigration Warranty

Professional understands and acknowledges the applicability to it of the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. The following is only applicable to construction contracts: The Professional must also comply with A.R.S. § 34-301, "Employment of Aliens on Public Works Prohibited", and A.R.S. § 34-302, as amended, "Residence Requirements for Employees".

Under the provisions of A.R.S. § 41-4401, Professional hereby warrants to the City that the Professional and each of its sub-contractors ("Sub-contractors") will comply with, and are contractually obligated to comply with all Federal Immigration laws and regulations that relate to their employees and A.R.S. § 23-214(A) (hereinafter "Professional Immigration Warranty").

A breach of the Professional Immigration Warranty shall constitute a material breach of this Contract and shall subject the Professional to penalties up to and including termination of this Contract at the sole discretion of the City.

The City retains the legal right to inspect the papers of any Professional or Sub-contractors' employee who works on this Contract to ensure that the Professional or Sub-contractor is complying with the Professional Immigration Warranty. Professional agrees to assist the City in regard to any such inspections.

The City may, at its sole discretion, conduct random verification of the employment records of the Professional and any of Sub-contractors to ensure compliance with the Professional Immigration Warranty. Professional agrees to assist the City in regard to any random verification performed.

Neither the Professional nor any Sub-contractor shall be deemed to have materially breached the Professional Immigration Warranty if the Professional or Sub-contractor establishes that it has complied with employment verification provisions 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.

The provisions of this Article must be included in any contract the Professional enters into with any and all of its Sub-contractors who provide services under this Contract or any sub-contract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a professional or sub-contractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

26. Professional shall exercise the same degree of care, skill and diligence in the performance of the Services as is ordinarily possessed and exercised by a professional under similar circumstances.
27. Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the City and Professional.
28. In the event of a discrepancy between this Agreement and Exhibit "A", this Agreement shall control over Exhibit "A".
29. Non-Availability of Funds: Fulfillment of the obligation of the City under this Agreement is conditioned upon the availability of funds appropriated or allocated for the performance of such obligations. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the City at the end of the period for which the funds are available. No liability shall accrue to the City in the event this provision is exercised, and the City shall not be obligated or liable for any future payments as a result of termination under this paragraph.

Dated this 6th day of March, 2016.

City of Prescott, a municipal corporation:

Henry Hash 3-1-16
Henry Hash, Public Works Director

PROFESSIONAL:

David S. Fabiano
Stanley Consultants, Inc.

By: DAVID S. FABIANO, PE

Title: PROJECT PRINCIPAL

ATTEST:

Dana R. DeLong
Dana R. DeLong, City Clerk

APPROVED AS TO FORM:

Jon M. Paladini
Jon M. Paladini, City Attorney



EXHIBIT A

CITY OF PRESCOTT PROFESSIONAL ENGINEERING ON-CALL SERVICES STAFF SUPPORT FOR DRAINAGE ENGINEERING TASKS

BACKGROUND

The CITY OF PRESCOTT (CITY) periodically requires professional engineering support with expertise in stormwater and drainage. These services are needed at un-planned or scheduled intervals. The CITY will contact the CONSULTANT when the services are needed.

SCOPE OF WORK

The CONSULTANT will assist the CITY with the following needs specifically related to drainage and stormwater engineering tasks:

- Provide QA/QC reviews for:
 - Drainage Reports
 - Drainage Plans
 - Drainage Designs
 - Stormwater modeling input and output
- Perform miscellaneous hydrologic calculations
- Perform miscellaneous hydraulic calculations
- Perform miscellaneous StormCAD or other drainage analysis computer modeling tasks
- Meetings with CITY Staff

CONSULTANT and CITY agree that a complete description of all work tasks required for the implementation of this Scope of Work are not exhaustively included in this Scope of Work. CONSULTANT and CITY will cooperatively refine duties necessary during the execution of these services.

PROJECT SCHEDULE

The CONSULTANT shall commence work as directed by CITY staff. CONSULTANT's staff will function as an extension of CITY staff in the execution of assignments given as part of this agreement. A schedule will be agreed upon by CITY and CONSULTANT for each assignment.

INVOICING AND BILLING

CONSULTANT will invoice for services provided each month under this Agreement. Where an amount less than \$1,000 is payable during a given month, if agreed to by the CITY and CONSULTANT, CONSULTANT billing for that month may be continued to a following month. No CONSULTANT billing will be continued beyond 90 days.

**Professional Engineering On-Call Services
Staff Support
For
Drainage Engineering Tasks

2016 Personnel Unit Rates**

<u>Member Classification</u>	<u>Rate Classification</u>	<u>Hourly Rate</u>
Project Principal	BC 21	\$237.00
Chief Drainage Engineer	BC 21	\$237.00
Principal Drainage Engineer	BC 20	\$225.00
Senior Drainage Engineer	BC 17	\$189.00
Project Drainage Engineer	BC 15	\$166.00
Drainage Engineer	BC 13	\$145.00
Drainage Engineering Intern	BC 10	\$113.00
Senior Designer	BC 11	\$123.00
Designer	BC 9	\$104.00
Senior CAD Technician	BC 10	\$113.00
CAD Technician	BC 8	\$95.00
Administrative Assistant	BC 5	\$70.00



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
2/23/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Arthur J. Gallagher Risk Management Services, Inc.
100 West 2nd St
Muscatine IA 52761

CONTACT NAME: Cheryl Harless
PHONE (A/C No, Ext): 563-263-6044 FAX (A/C No): 563-263-6667
E-MAIL: cheryl_harless@ajg.com
ADDRESS:

INSURED
Stanley Consultants, Inc.
1661 East Camelback Road #400
Phoenix AZ 85016

INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A:	Travelers Property Casualty Co of A	25674
INSURER B:	ACE Property & Casualty Insurance C	20699
INSURER C:		
INSURER D:		
INSURER E:		
INSURER F:		

COVERAGES

CERTIFICATE NUMBER: 243475328

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☒ PRO-JECT ☐ LOC OTHER:	Y	Y	P-630-4885B479-TIL-16	1/1/2016	1/1/2017	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$
A	☒ AUTOMOBILE LIABILITY ☒ ANY AUTO ☒ ALL OWNED AUTOS ☒ SCHEDULED AUTOS ☒ HIRED AUTOS ☒ NON-OWNED AUTOS	Y	Y	P-810-4885B479-COF-16	1/1/2016	1/1/2017	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	☒ UMBRELLA LIAB ☒ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE DED ☒ RETENTION \$10,000			M00798496	1/1/2016	1/1/2017	EACH OCCURRENCE \$20,000,000 AGGREGATE \$20,000,000 \$
A	☒ WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	Y	PVYCJ-UB-4885B47-9-16	1/1/2016	1/1/2017	☒ PER STATUTE ☐ OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

On-Call PSA #2016-175. The City of Prescott is an Additional Insured with respect to liability arising out of the activities performed by, or on behalf of the Professional as respects general liability policy, pursuant to and subject to the policy's terms, definitions, conditions and exclusions. Waiver of Subrogation applies to City of Prescott, their directors, officers, partners, commissioners, officials, agents, sub-contractors and employees, as respects general liability, auto, and workers compensation policies, pursuant to and subject to the policy's terms, definitions, conditions and exclusions. 30 day cancellation notice applies.

CERTIFICATE HOLDER

City of Prescott
Public Works Director
433 N. Virginia Street
Prescott AZ 86301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

W. Christopher Robinson

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS AUTO EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

GENERAL DESCRIPTION OF COVERAGE – This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to the Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Limitations and exclusions may apply to these coverages. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

- | | |
|--|--|
| A. BROAD FORM NAMED INSURED | H. HIRED AUTO PHYSICAL DAMAGE – LOSS OF USE – INCREASED LIMIT |
| B. BLANKET ADDITIONAL INSURED | I. PHYSICAL DAMAGE – TRANSPORTATION EXPENSES – INCREASED LIMIT |
| C. EMPLOYEE HIRED AUTO | J. PERSONAL PROPERTY |
| D. EMPLOYEES AS INSURED | K. AIRBAGS |
| E. SUPPLEMENTARY PAYMENTS – INCREASED LIMITS | L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS |
| F. HIRED AUTO – LIMITED WORLDWIDE COVERAGE – INDEMNITY BASIS | M. BLANKET WAIVER OF SUBROGATION |
| G. WAIVER OF DEDUCTIBLE – GLASS | N. UNINTENTIONAL ERRORS OR OMISSIONS |

PROVISIONS

A. BROAD FORM NAMED INSURED

The following is added to Paragraph A.1., Who Is An Insured, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

Any organization you newly acquire or form during the policy period over which you maintain 50% or more ownership interest and that is not separately insured for Business Auto Coverage. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier.

B. BLANKET ADDITIONAL INSURED

The following is added to Paragraph c. in A.1., Who Is An Insured, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

Any person or organization who is required under a written contract or agreement between you and that person or organization, that is signed and executed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, to be named as an additional insured is an "insured" for Covered Autos Liability Coverage, but only for damages to which

this insurance applies and only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in Section II.

C. EMPLOYEE HIRED AUTO

- The following is added to Paragraph A.1., Who Is An Insured, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

An "employee" of yours is an "insured" while operating an "auto" hired or rented under a contract or agreement in an "employee's" name, with your permission, while performing duties related to the conduct of your business.

- The following replaces Paragraph b. in B.5., Other Insurance, of **SECTION IV – BUSINESS AUTO CONDITIONS**:

- For Hired Auto Physical Damage Coverage, the following are deemed to be covered "autos" you own:

- (1) Any covered "auto" you lease, hire, rent or borrow; and
- (2) Any covered "auto" hired or rented by your "employee" under a contract in an "employee's" name, with your

You agree to maintain all required or compulsory insurance in any such country up to the minimum limits required by local law. Your failure to comply with compulsory insurance requirements will not invalidate the coverage afforded by this policy, but we will only be liable to the same extent we would have been liable had you complied with the compulsory insurance requirements.

(d) It is understood that we are not an admitted or authorized insurer outside the United States of America, its territories and possessions, Puerto Rico and Canada. We assume no responsibility for the furnishing of certificates of insurance, or for compliance in any way with the laws of other countries relating to insurance.

G. WAIVER OF DEDUCTIBLE – GLASS

The following is added to Paragraph D., **Deductible**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

No deductible for a covered "auto" will apply to glass damage if the glass is repaired rather than replaced.

H. HIRED AUTO PHYSICAL DAMAGE – LOSS OF USE – INCREASED LIMIT

The following replaces the last sentence of Paragraph A.4.b., **Loss Of Use Expenses**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

However, the most we will pay for any expenses for loss of use is \$65 per day, to a maximum of \$750 for any one "accident".

I. PHYSICAL DAMAGE – TRANSPORTATION EXPENSES – INCREASED LIMIT

The following replaces the first sentence in Paragraph A.4.a., **Transportation Expenses**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

We will pay up to \$50 per day to a maximum of \$1,500 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type.

J. PERSONAL PROPERTY

The following is added to Paragraph A.4., **Coverage Extensions**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

Personal Property

We will pay up to \$400 for "loss" to wearing apparel and other personal property which is:

(1) Owned by an "Insured"; and

(2) In or on your covered "auto".

This coverage applies only in the event of a total theft of your covered "auto".

No deductibles apply to this Personal Property coverage.

K. AIRBAGS

The following is added to Paragraph B.3., **Exclusions**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

Exclusion 3.a. does not apply to "loss" to one or more airbags in a covered "auto" you own that inflate due to a cause other than a cause of "loss" set forth in Paragraphs A.1.b. and A.1.c., but only:

- a. If that "auto" is a covered "auto" for Comprehensive Coverage under this policy;
- b. The airbags are not covered under any warranty; and
- c. The airbags were not intentionally inflated.

We will pay up to a maximum of \$1,000 for any one "loss".

L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS

The following is added to Paragraph A.2.a., of **SECTION IV – BUSINESS AUTO CONDITIONS**:

Your duty to give us or our authorized representative prompt notice of the "accident" or "loss" applies only when the "accident" or "loss" is known to:

- (a) You (if you are an individual);
- (b) A partner (if you are a partnership);
- (c) A member (if you are a limited liability company);
- (d) An executive officer, director or insurance manager (if you are a corporation or other organization); or
- (e) Any "employee" authorized by you to give notice of the "accident" or "loss".

M. BLANKET WAIVER OF SUBROGATION

The following replaces Paragraph A.5., **Transfer Of Rights Of Recovery Against Others To Us**, of **SECTION IV – BUSINESS AUTO CONDITIONS**:

5. Transfer Of Rights Of Recovery Against Others To Us

We waive any right of recovery we may have against any person or organization to the extent required of you by a written contract signed and executed prior to any "accident" or "loss", provided that the "accident" or "loss" arises out of operations contemplated by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED – WRITTEN CONTRACTS (ARCHITECTS, ENGINEERS AND SURVEYORS)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

1. The following is added to SECTION II – WHO IS AN INSURED:

Any person or organization that you agree in a "written contract requiring insurance" to include as an additional insured on this Coverage Part, but:

- a. Only with respect to liability for "bodily injury", "property damage" or "personal injury"; and
- b. If, and only to the extent that, the injury or damage is caused by acts or omissions of you or your subcontractor in the performance of "your work" to which the "written contract requiring insurance" applies. The person or organization does not qualify as an additional insured with respect to the independent acts or omissions of such person or organization.

The insurance provided to such additional insured is limited as follows:

- c. In the event that the Limits of Insurance of this Coverage Part shown in the Declarations exceed the limits of liability required by the "written contract requiring insurance", the insurance provided to the additional insured shall be limited to the limits of liability required by that "written contract requiring insurance". This endorsement shall not increase the limits of insurance described in Section III – Limits Of Insurance.
- d. This insurance does not apply to the rendering of or failure to render any "professional services" or construction management errors or omissions.
- e. This insurance does not apply to "bodily injury" or "property damage" caused by "your work" and included in the "products-completed operations hazard" unless the "written contract requiring insurance" specifically requires you to provide such coverage for that additional insured, and then the insurance provided to the additional insured ap-

plies only to such "bodily injury" or "property damage" that occurs before the end of the period of time for which the "written contract requiring insurance" requires you to provide such coverage or the end of the policy period, whichever is earlier.

2. The following is added to Paragraph 4.a. of SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:

The insurance provided to the additional insured is excess over any valid and collectible "other insurance", whether primary, excess, contingent or on any other basis, that is available to the additional insured for a loss we cover. However, if you specifically agree in the "written contract requiring insurance" that this insurance provided to the additional insured under this Coverage Part must apply on a primary basis or a primary and non-contributory basis, this insurance is primary to "other insurance" available to the additional insured which covers that person or organization as a named insured for such loss, and we will not share with that "other insurance". But this insurance provided to the additional insured still is excess over any valid and collectible "other insurance", whether primary, excess, contingent or on any other basis, that is available to the additional insured when that person or organization is an additional insured under any "other insurance".

3. The following is added to SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:

Duties Of An Additional Insured

As a condition of coverage provided to the additional insured:

- a. The additional insured must give us written notice as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, such notice should include:

COMMERCIAL GENERAL LIABILITY

- i. How, when and where the "occurrence" or offense took place;
 - ii. The names and addresses of any injured persons and witnesses; and
 - iii. The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against the additional insured, the additional insured must:
- i. Immediately record the specifics of the claim or "suit" and the date received; and
 - ii. Notify us as soon as practicable.
- The additional insured must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. The additional insured must immediately send us copies of all legal papers received in connection with the claim or "suit", cooperate with us in the investigation or settlement of the claim or defense against the "suit", and otherwise comply with all policy conditions.
- d. The additional insured must tender the defense and indemnity of any claim or "suit" to

any provider of other insurance which would cover the additional insured for a loss we cover. However, this condition does not affect whether this insurance provided to the additional insured is primary to that other insurance available to the additional insured which covers that person or organization as a named insured.

4. The following is added to the **DEFINITIONS** Section:

"Written contract requiring insurance" means that part of any written contract or agreement under which you are required to include a person or organization as an additional insured on this Coverage Part, provided that the "bodily injury" and "property damage" occurs and the "personal injury" is caused by an offense committed:

- a. After the signing and execution of the contract or agreement by you;
- b. While that part of the contract or agreement is in effect; and
- c. Before the end of the policy period.

City of Prescott
433 N. Virginia Street
Prescott, AZ 86301

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARCHITECTS, ENGINEERS AND SURVEYORS INDUSTRYEDGESM ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

GENERAL DESCRIPTION OF COVERAGE – This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to this Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Limitations and exclusions may apply to these coverages. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

- | | |
|---|---|
| <ul style="list-style-type: none"> A. Broadened Named Insured B. Incidental Medical Malpractice C. Reasonable Force – Bodily Injury Or Property Damage D. Non-Owned Watercraft – Increased To Up To 75 feet E. Aircraft Chartered With Pilot F. Extension Of Coverage – Damage To Premises Rented To You G. Personal Injury – Assumed by Contract H. Increased Supplementary Payments I. Additional Insured – Owner, Manager Or Lessor Of Premises J. Additional Insured – Lessor Of Leased Equipment K. Additional Insured – State Or Political Subdivisions – Permits Relating To Premises L. Additional Insured – State Or Political Subdivisions – Permits Relating To Operations | <ul style="list-style-type: none"> M. Who Is An Insured – Newly Acquired Or Formed Organizations N. Injury To Co-Employees And Co-Volunteer Workers O. Medical Payments Limit P. Knowledge And Notice Of Occurrence Or Offense Q. Other Insurance Condition R. Unintentional Omission S. Waiver Of Transfer Of Rights Of Recovery Against Others To Us When Required By Contract T. Amended Bodily Injury Definition U. Amended Insured Contract Definition – Railroad Easement V. Additional Definition – Written Contract Requiring Insurance |
|---|---|

PROVISIONS

A. BROADENED NAMED INSURED – UNNAMED SUBSIDIARIES

The Named Insured in Item 1. of the Declarations is amended as follows:

The person or organization named in Item 1. of the Declarations and any organization, other than a partnership, joint venture, limited liability company or trust, of which you are the sole owner or in which you maintain the majority ownership interest on the effective date of the policy. How-

ever, coverage for any such additional organization will cease as of the date, if any, during the policy period, that you no longer are the sole owner of, or maintain the majority ownership interest in, such organization.

B. INCIDENTAL MEDICAL MALPRACTICE

1. The following is added to the definition of "occurrence" in the **DEFINITIONS** Section:

Unless you are in the business or occupation of providing professional health care services, "occurrence" also means an act or omission

COMMERCIAL GENERAL LIABILITY

- (2) The total of all deductible and self-insured amounts under that "other Insurance".

We will share the remaining loss, if any, with any "other insurance" that is not described in this Excess Insurance provision.

c. Method Of Sharing

If all of the "other Insurance" permits contribution by equal shares, we will follow this method also. Under this approach each provider of insurance contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the "other insurance" does not permit contribution by equal shares, we will contribute by limits. Under this method, the share of each provider of insurance is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all providers of insurance.

2. The following definition is added to **SECTION V – DEFINITIONS**:

"Other Insurance":

- a. Means Insurance, or the funding of losses, that is provided by, through or on behalf of:
- (1) Another insurance company;
 - (2) Us or any of our affiliated insurance companies, except when the Non cumulation of Each Occurrence Limit section of Paragraph 5. of **LIMITS OF INSURANCE** (Section III) or the Non cumulation of Personal and Advertising Injury limit sections of Paragraph 4. of **LIMITS OF INSURANCE** (Section III) applies;
 - (3) Any risk retention group;
 - (4) Any self-insurance method or program, other than any funded by you and over which this Coverage Part applies; or
 - (5) Any similar risk transfer or risk management method.
- b. Does not include umbrella insurance, or excess insurance, that you bought specifically to apply in excess of the Limits of

Insurance shown on the Declarations of this Coverage Part.

R. UNINTENTIONAL OMISSION

1. The following is added to Paragraph 6. **Representations of SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

The unintentional omission of, or unintentional error in, any information provided by you which we relied upon in Issuing this policy shall not prejudice your rights under this insurance.

2. This Provision R. does not affect our right to collect additional premium or to exercise our right of cancellation or nonrenewal in accordance with applicable insurance laws or regulations.

S. WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US WHEN REQUIRED BY CONTRACT

The following is added to Paragraph 8. **Transfer of Rights of Recovery Against Others to Us of SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

We waive any rights of recovery we may have against any person or organization because of payments we make for "bodily injury", "property damage", "personal injury" or "advertising injury" arising out of:

1. Premises owned by you, temporarily occupied by you with permission of the owner, or leased or rented to you;
2. Ongoing operations performed by you, or on your behalf, under a contract or agreement with that person or organization;
3. "Your work"; or
4. "Your products".

We waive these rights only where you have agreed to do so as part of a "written contract requiring insurance" entered into by you before, and in effect when, the "bodily injury" or "property damage" occurs, or the "personal injury" offense or "advertising injury" offense is committed.

T. AMENDED BODILY INJURY DEFINITION

The following replaces the definition of "bodily injury" in the **DEFINITIONS** Section:

"Bodily injury" means bodily injury, mental anguish, mental injury, shock, fright, disability, humiliation, sickness or disease sustained by a per-

POLICY NUMBER: P-630-4885B479-TIL-16

ISSUE DATE: 1 - 1 - 16

P-810-4885B479-COF-16; PSM-CUP-4885B479-TIL-16

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED ENTITY – EARLIER NOTICE OF CANCELLATION/NONRENEWAL PROVIDED BY US

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS INCLUDED IN THIS POLICY

SCHEDULE

CANCELLATION:

Number of Days Notice: 30

WHEN WE DO NOT RENEW (Nonrenewal):

Number of Days Notice: 30

NAME: City of Prescott

ADDRESS: 433 N. Virginia Street
Prescott, AZ 86301

A. For any statutorily permitted reason other than nonpayment of premium, the number of days required for notice of cancellation, as provided in the CONDITIONS Section of this insurance, or as amended by any applicable state cancellation endorsement applicable to this insurance, is increased to the number of days shown in the SCHEDULE above.

B. For any statutorily permitted reason other than nonpayment of premium, the number of days required for notice of When We Do Not Renew (Nonrenewal), as provided in the CONDITIONS Section of this insurance, or as amended by any

applicable state When We Do Not Renew (Nonrenewal) endorsement applicable to this insurance, is increased to the number of days shown in the SCHEDULE above.

C. We will mail notice of cancellation or nonrenewal or material limitation of those coverage forms to the person or organization shown in the schedule above. We will mail the notice at least the Number of Days indicated above before the effective date to our action.



WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY

ENDORSEMENT WC 00 03 13 (00) -

POLICY NUMBER: PVYCJ-UB-4885B47-9-16

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit any one not named in the Schedule.

SCHEDULE

DESIGNATED PERSON:

City of Prescott

433 N. Virginia Street
Prescott, AZ 86301

DESIGNATED ORGANIZATION:

DATE OF ISSUE: 1-1-16

ST ASSIGN: Iowa



CERTIFICATE OF LIABILITY INSURANCE

10/5/2016

DATE (MM/DD/YYYY)

2/22/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Lockton Companies 444 W. 47th Street, Suite 900 Kansas City MO 64112-1906 (816) 960-9000	CONTACT NAME:	
	PHONE (A/C, No. Ext.):	FAX (A/C, No.):
E-MAIL ADDRESS:		
INSURER(S) AFFORDING COVERAGE		
INSURER A: Continental Casualty Company		
INSURER B:		
INSURER C:		
INSURER D:		
INSURER E:		
INSURER F:		

INSURED 1386364	STANLEY CONSULTANTS, INC. 1661 EAST CAMELBACK ROAD, SUITE 400 PHOENIX AZ 85016	NAIC # 20443
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COVERAGES CERTIFICATE NUMBER: 13921024 REVISION NUMBER: XXXXXXXX

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☐ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PROJECT ☐ LOC OTHER:			NOT APPLICABLE			EACH OCCURRENCE \$ XXXXXXXX DAMAGE TO RENTED PREMISES (Ea occurrence) \$ XXXXXXXX MED EXP (Any one person) \$ XXXXXXXX PERSONAL & ADV INJURY \$ XXXXXXXX GENERAL AGGREGATE \$ XXXXXXXX PRODUCTS - COM/OP AGG \$ XXXXXXXX \$
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ☐ NON-OWNED AUTOS			NOT APPLICABLE			COMBINED SINGLE LIMIT (Ea accident) \$ XXXXXXXX BODILY INJURY (Per person) \$ XXXXXXXX BODILY INJURY (Per accident) \$ XXXXXXXX PROPERTY DAMAGE (Per accident) \$ XXXXXXXX \$ XXXXXXXX
	UMBRELLA LIAB EXCESS LIAB DED RETENTION \$			NOT APPLICABLE			EACH OCCURRENCE \$ XXXXXXXX AGGREGATE \$ XXXXXXXX \$ XXXXXXXX
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N ☐ N/A		NOT APPLICABLE			PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ XXXXXXXX E.L. DISEASE - EA EMPLOYEE \$ XXXXXXXX E.L. DISEASE - POLICY LIMIT \$ XXXXXXXX
A	PROFESSIONAL LIABILITY	N	N	AEH008220975	10/5/2015	10/5/2016	\$1,000,000 PER CLAIM & \$2,000,000 IN THE AGGREGATE

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
RE: ON-CALL PSA #2016-175

CERTIFICATE HOLDER

CANCELLATION

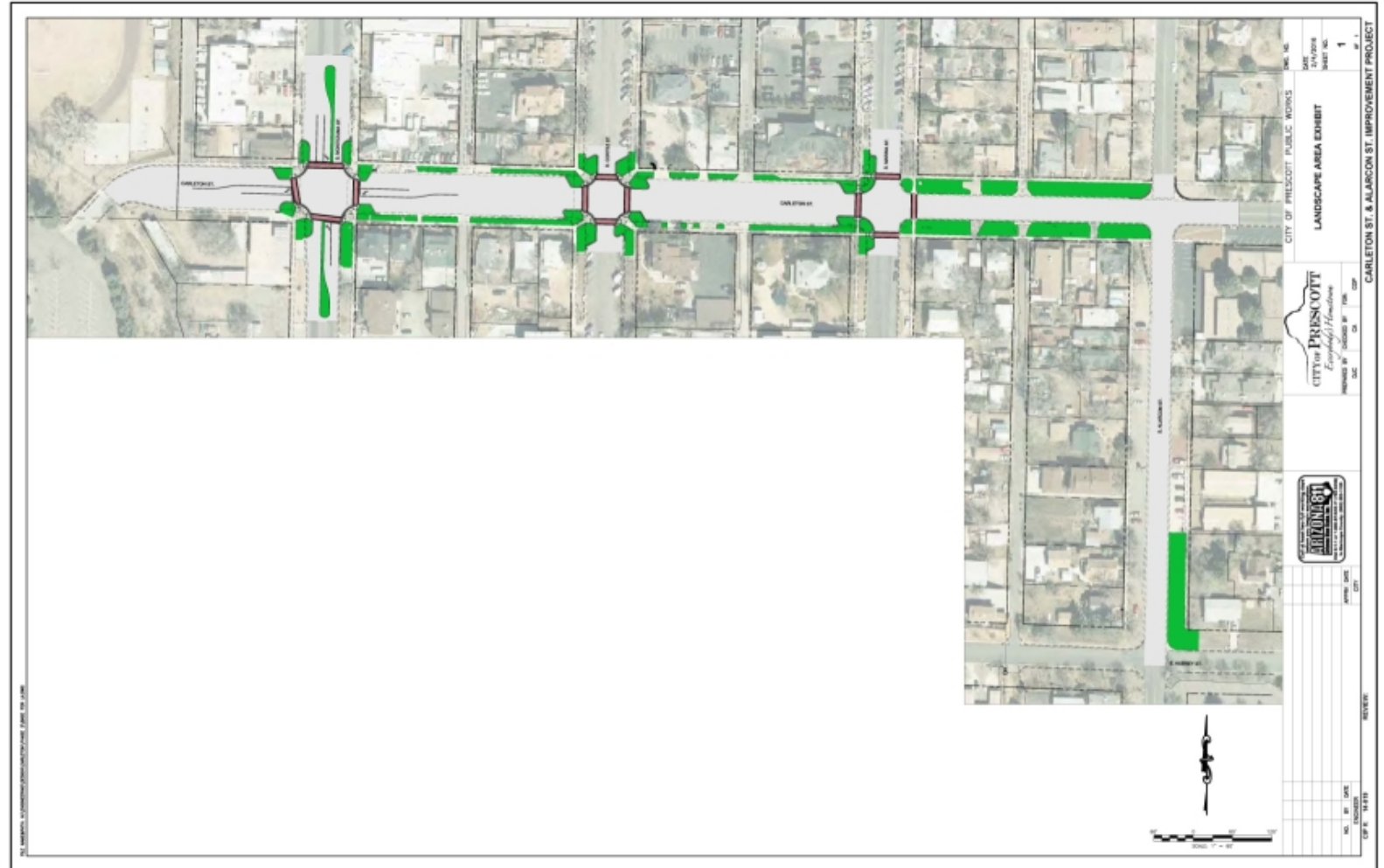
13921024 CITY OF PRESCOTT PUBLIC WORKS DIRECTOR 433 N. VIRGINIA STREET PRESCOTT AZ 86301	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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Capital Improvement Program Streetscape Enhancements

Carlton-Alarcon Street Concept

Public Works Department



MEETING DATE/TYPES: VOTING SESSION 6-7-16

DEPARTMENT: Information Technology

AGENDA ITEM: Approval of purchase of UPS battery backup, installation, and electrical services from Titan Power, in the amount of \$10,052.86, using State of Arizona Contract No. ADSPO12-026687 pricing (City Contract No. 2016-307)

FUNDING SOURCE(S): Cost-allocated to Various Funds

Approved By:

Date:

IT Director:	Nate Keegan	05/31/2016
City Attorney:	Jon Paladini	05/31/2016
City Manager:	Craig McConnell	05/31/2016

Item Summary

This item is for purchase of an Eaton 9155 battery backup unit, Eaton Power Expert Gateway Card, electrical installation services, project management of construction, and first year support and maintenance after installation. The unit replaces a failed existing battery backup that regulates power for all network infrastructure and equipment at Fire Administration, and other parts of the City's corporate network as it passes through that building.

Background

Battery backup units are used to maintain power to IT equipment during utility power outages as well as buffer power spikes, sags, and fluctuations which can damage equipment. Battery backup units or "uninterrupted power supplies" (UPS) are deployed as a "float" during a utility power outage or a short float until a generator can come online to restore power.

This item is for the replacement of a battery backup unit at Fire Administration. The unit that is being replaced has exceeded its useful life (installation circa 2000), and despite regular preventative maintenance has failed. The failed unit is not manageable via the City network, like the remaining UPS units citywide, limiting the ability of IT to detect power issues, error issues with the UPS unit, and other failures.

An investigation of electrical requirements for a replacement UPS revealed various

Agenda Item: Approval of purchase of UPS battery backup, installation, and electrical services from Titan Power in the amount of \$10,052.86 using State of Arizona Contract No. ADSPO12-026687 pricing (City Contract No. 2016-307)

electrical issues at Fire Administration. This purchase covers the replacement and removal of the failed UPS with a modern and expandable UPS unit, installation of that unit, and fixing the electrical issues discovered to bring the system up to the proper building code standards.

A solicitation for quote from the traditional vendor used by the City of Prescott for UPS units yielded a quote for old and outdated technology, the same technology that failed, and did not include the expense to correct the electrical issues at Fire Administration. Finally, the cost for this quote was more than the entire purchase outlined here. Replacing the existing failed UPS with the same unit is not cost effective nor does it address the weak management capabilities of the failed unit.

After investigating various procurement options, IT identified Titan Power, and the company then specified the equipment and related costs to install the new UPS unit. In the future, Titan Power will also perform maintenance services for other large City of Prescott UPS units in addition to this replacement, if approved. Titan Power is well regarded for their service responsiveness and knowledge, and the purchase will be made using State of Arizona contract No. ADSPO12-026687 pricing.

Titan Power will be a valuable partner for the City of Prescott in terms of servicing and supporting various battery backup systems around the network, resulting in lower operating costs and better overall service and support.

Financial Impact

Funding is available in the FY 2016 Information Technology Department budget, which is cost-allocated across the City organization.

Attachments

1. Titan Power Proposal

Recommended Action: MOVE to approve City Contract No. 2016-307.

Mar 7, 2016

Nate Keegan
Prescott, City Of

Prescott, AZ 86303

Subject: Contracting Proposal
Titan Power Proposal #: 13486
Customer Solicitation # (if applicable):

Dear Nate Keegan,

Titan Power is pleased to have the opportunity to submit a Contracting Proposal for your review and consideration. Enclosed please find Titan Power's proposal, along with supporting information and documentation for your reference. We have taken great care to be as thorough as possible in our submittal of this proposal.

As an industry leading specialized contractor for critical power and air environments, Titan Power pledges to provide a superior level of service and reliability through several key differentiating factors:

- **Licensed Contractor** - Commercial Contractor in the states of Arizona, California and Nevada
- **Experience** - Complete over 50 turnkey critical power and air equipment installations on average every year
- **Support** - 24 x 7 x 365 Support and Emergency Service
- **Single-Source Solution** - We provide, install and service all major brands of equipment from over 35 different manufacturers
- **Competitive Pricing** - History of high sales volume with suppliers, passing top-tier level pricing and discounts to the customer

Thank you for your interest in Titan Power as your specialized contractor for your critical environment. We look forward to working with you and Prescott, City Of on your critical power or air requirements now and in the future. Should you have any questions or require any additional information please feel free to contact me.

Sincerely,

Dan Bullard

Dan Bullard
Associate Account Representative
O: 480-968-3191, x106 | M: | F: 480-968-3111
dbullard@titanpower.com | www.titanpower.com



CONTRACTING PROPOSAL

Proposal Number: 13486

Corporate Office

7031 W. Oakland St. | Chandler, Arizona 85226
(800) 509-6170 | Office: (480) 968-3191 | Fax: (480) 968-3111
| info@titanpower.com

CUSTOMER ADDRESS

Contact: Nate Keegan

Prescott, City Of

Prescott, AZ 86303

PROJECT LOCATION

Prescott, City Of

1700 Iron Springs Road

Prescott, AZ 86303

L/I	QTY	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
1	1.00	Eaton 9155 Series Single Phase Tower UPS 8kVA/7.2kW 120/208/240V HW in and out Mechanical Bypass Switch 32-Batt (2-High) for 11.9 minutes internal runtime at full load	\$5,576.71	\$5,576.71
2	1.00	Eaton Power Expert Gateway Card- Single Phase	\$281.52	\$281.52
3	1.00	Scope of Work Trip 1 Review Installation of new UPS Input and Output Panel. Trip 2 Connect UPS to new UPS Input and Output Panels. UPS Input and Output Breakers to be in new Panels. UPS has to be next to Input and Output Panels. Seal-Tite needs to be run low from UPS to Panels (not overhead).	\$2,737.00	\$2,737.00
4	1.00	General Conditions, Overhead & Project Management All Titan Power travel, expenses, incidentals, overhead, administration and labor associated in managing the project in a timely and efficient manner.	\$855.00	\$855.00
*By signing customer block below and/or submitting payment, customer agrees to all the terms and conditions as specified in Titan Power's Terms and Conditions *All sales are subject to appropriate sales taxes. Sales Tax, if applicable, may not be included in the proposal unless specifically indicated in the pricing quoted. ROC: AZ 216136, 228490 NV 77127 CA 884661			SUBTOTAL	\$9,450.23
			SALES TAX	\$456.94
			TOTAL COST	\$9,907.17

OPTIONS

L/I	QTY	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
A	1.00	Eaton - Upgrade from 5x8 to &x24 Startup 10kVA, 9155	\$135.15	\$135.15
B				
C				
D				
E				

SHIPPING

Ship Via: Best Way Ground

Delivery Time: 1 - 2 weeks ARO

PROPOSAL PARAMETERS

Type of Service: Contracting**Completion Schedule:** Two weeks after receiving of equipment**Equipment Warranty:** Direct from Manufacture**Drawings, Licenses, Permits:** Not included unless otherwise stated in Proposal.**Attachments:** None**Payment Terms:** 25% down with order. Progressive billing. Equipment billed upon shipment; due net 15 from date of invoice. Remainder of project billed

progressively as completed every 30 days; net 30 from date of invoice.
Purchase Order: Send Purchase Authorization to orders@titanpower.com or (480) 968-3111 by fax.
Payments Accepted: check, all major credit or P cards, ACH

CUSTOMER		TITAN POWER	
Signature:		Signature:	<i>Dan Bullard</i>
Print Name:		Print Name:	Dan Bullard
Title:		Title	Associate Account Representative
Date:		Date:	Mar 7, 2016
Phone:		Phone	480-968-3191 Ext.106
Email:		Email	dbullard@titanpower.com

Titan Power, Inc. | Terms & Conditions | Contracting

1. **DEFINITIONS:** As used in this Service Agreement ("Agreement"): (A) "TPI" shall mean Titan Power, Inc.; (B) "Customer" shall mean the party requesting Titan Power's services; (C) "The Parties" or "a Party" shall mean either Customer, TPI or both. These terms and conditions, in conjunction with any specific terms set out on the attached Proposal or order, or in any other document issued by TPI and specified in the attached proposal, or order, shall constitute the entire contract between TPI and the Customer. No variation of these Terms and Conditions shall be effective or binding upon TPI unless in writing and signed by an authorized employee of TPI.
2. **PROPOSAL AND PRICES:** (A) Written Proposals are valid for 30 days from the date they are issued. Prices are firm for goods that are on order unless the shipping date is beyond 6 months from the date the order was placed. All clerical errors are subject to correction; (B) All proposals, delivery dates and other agreements are contingent upon strikes, accidents, fire, availability of materials and all other causes beyond our control and dependent upon our prompt receipt of all details necessary for the execution of customer's order; (C) All sales are subject to appropriate sales taxes. Sales Tax, if applicable, may not be included in the proposal unless specifically indicated in the above pricing
3. **ACCEPTANCE OF ORDER:** Orders based on valid proposals are subject to acceptance by an authorized employee of TPI. TPI is not obligated to execute any order received other than in writing.
4. **PAYMENT TERMS:** Payment terms are set forth in the Proposal. New Customers are subject to credit approval. Contracting Projects will be progressive billing and all invoices are due Net fifteen (15) from date of invoice. Final payment shall be upon substantial completion and submittal of the final invoice.
5. **WARRANTIES AND LIMITATIONS:** (A) Contractor grants the customer a one year warranty on workmanship from Substantial Completion and/or date of occupancy. All work will be performed in accordance with any provided required drawings and specifications, National Electrical Code (NEC) and National Electrical Safety Code (NESC). In the event of a claim of defective workmanship, the notice of the warranty claim must be submitted in writing and must describe the claim in sufficient detail to determine the nature of the problem(s) and must be signed by the customer; (B) TPI is a reseller of manufactured equipment. Equipment sold by TPI will have a manufacturer warranty. In the event of a claim of defective equipment, notice of claim must be submitted to manufacturer as outlined in the manufacturer's warranty policy.
6. **CHANGE ORDERS:** Any additional work beyond the initially accepted Proposal, which is requested of or required due to the condition of the building or building code changes shall be performed only after a written Change Order/Addendum is signed by the customer and delivered to contractor. A change order may increase or decrease the price, provided for more or less time to complete work, for more or less materials or labor and other clauses.
7. **CUSTOMERS COVENANT NONINTERFERENCE:** Customer shall not attempt to direct workers on the site, exclude them from the site, demand work from them, remove the permit from the site or interfere in any way with the contractors work.
8. **CONTRACTORS REQUIRED INSURANCE:** Contractor shall provide Certificate of Insurance for General Liability & Workers Compensation naming Owner/Customer as Additional Insured
9. **DELIVERY AND SHIPMENT OF EQUIPMENT AND MATERIALS:** (A) Delivery of the equipment and/or materials to a common carrier shall constitute delivery to the purchaser. TPI cannot be held responsible for damaged goods that were delivered in good condition to the carrier. TPI shall assist customer in making a claim and shall expedite replacement materials to satisfy the claim. Claims must be made within 10 days from the date of shipment; (B) TPI reserves the right to invoice and the Customer shall pay for the value of the goods and/or storage fees in the event shipment is delayed at the customer's request beyond this date. Title shall pass to the Customer on the date of invoice; (C) Any change in equipment or materials at the request of the Customer shall be made only upon approval by TPI. A restocking fee may apply.
10. **DEFAULT:** In the event that either party defaults in performing any covenant hereof, the non-defaulting party shall deliver to the defaulting party a dated "notice of default," specifying the default and requesting the correction thereof. In the event it is not corrected within ten (10) days after receipt of said notice, the non-defaulting party shall have all remedies at law and in equity for said default. Contractor shall have the right, but not the obligation to suspend or terminate its work(s), to retain all deposits then held and to peacefully repossess all materials previously delivered or installed, for which payment has not been made in full, to remove its equipment from the job site and terminate this agreement.
11. **ASSIGNMENT:** Neither this agreement nor any warranty granted herein is assignable.
12. **ACT OF GOD AND DELAYS:** In the event the completion of work is prevented or delayed due to damage or destruction of the building, fire, accident, vandalism, earth movement, hurricane, tornado, windstorm, theft, labor strikes, warfare, material shortage, delay of any governmental agency in issuing any required permit or certificate or in performing inspections, litigation or any act of God, then the completion of work shall be delayed until a later date and contractor and customer shall sign a change order reflecting the same. If customer declines to sign the change order then this agreement may be terminated by contractor where upon all sums then due to contractor for work(s) completed shall be immediately due and payable to contractor.
13. **GOVERNING LAW:** This agreement is to be governed by the laws of the State in which the work is performed. Venue for any action other than a lien foreclosure may at contractor's option lie in its home county. The parties intentionally waive the right of a jury trial, in any litigation arising under this agreement; the prevailing party shall recover its attorney fees and costs.
14. **GENERAL:** This is the entire agreement upon the contractor and customer. There is no representation past or present, by contractor or any person acting for contractor, which does not appear herein. This agreement may not be amended except by a written change order or amendment executed and paid for as provided herein.
15. **SERVERABILITY:** If any section or part of these Terms and Conditions is or becomes illegal, unenforceable or invalid, then such part or section shall be struck from these Terms and Conditions and the remainder of this Agreement shall remain in full force and effect.

MEETING DATE/TYPES: VOTING SESSION 6-7-16

DEPARTMENT: Information Technology

AGENDA ITEM: Approval of purchase of airport ARFF truck radio equipment from Durham Communications in the amount of \$11,534.17 using State of Arizona Contract No. ADSPO13-036881 pricing (City Contract No. 2016-308)

FUNDING SOURCE(S): Grant Fund (97.5%); Airport Fund (2.5%)

Approved By:		Date:
IT Director:	Keegan, Nate	5/31/2016
City Attorney:	Paladini, Jon	5/31/2016
City Manager:	McConnell, Craig	6/1/2016

Item Summary

This item is for purchase of radio equipment and spare radio equipment for the newly acquired Airport Rescue Fire Fighting (ARFF) truck located at Station 74 at the Prescott Municipal Airport.

Background

The type of work that the ARFF truck engages in requires a different radio configuration than other Prescott Fire units. As a result, this purchase includes not only ARFF radio equipment, but also sufficient spare radio equipment to ensure that the ARFF truck radio system is functioning on a 24x7 basis.

The specified radio equipment is manufactured by Kenwood/EF Johnson. This equipment exceeds Motorola equipment functionality in several key areas, and has a lower procurement and total cost of ownership compared to equivalent Motorola radio equipment. The purchase will be made using State of Arizona Contract No. ADSPO13-036881 pricing.

Financial Impact

Funding is available in the FY 2016 Grants Fund (97.5%) and Airport Fund (2.5%) for this purchase, related to the Airport Rescue Fire Fighting apparatus purchased with FAA AIP Grant and matching ADOT Standard Grant awards.

Agenda Item: Approval of purchase of airport ARFF truck radio equipment from Durham Communications in the amount of \$11,534.17 using State of Arizona Contract No. ADSPO13-036881 pricing (City Contract No. 2016-308)

Attachment

1. ARFF Spec Sheet

Recommended Action: **MOVE** to approve City Contract No. 2016-308.

INVOICE

CUSTOMER COPY



Communication Integration & Solutions Since 1945

4611 EAST VIRGINIA STREET
MESA, ARIZONA 85215
ROC #086328
(480) 981-8875
FAX: (480) 981-7146

INVOICE NUMBER: 46517

INVOICE DATE: 03/31/2016

ORDER NUMBER: 63361AA

ORDER DATE: 03/03/2016

SALESPERSON: RC

CUSTOMER NO: 491

SOLD TO:
PRESCOTT, CITY OF
P. O. BOX 2059
PRESCOTT, AZ 86302-2059

SHIP TO:
PRESCOTT, CITY OF
P. O. BOX 2059
PRESCOTT, AZ 86302-2059

CONFIRM TO:

CUSTOMER P.O.	SHIP VIA	F.O.B.	TERMS
HS77091	FEDEX		NET 30 DAYS

ITEM NO.	ORDERED	SHIPPED	BACK ORD	PRICE	AMOUNT
WHEN ORDER SHIPS, EM: nate.cornish@prescott-az.gov					
THIS INVOICE IS FOR TOTAL					
ORDER. MOST OF ITEMS					
PREVIOUSLY SHIPPED. SEE					
HIGHLIGHTED ITEMS FOR WHAT					
IS SHIPPING TO CUSTOMER BY					
APRIL 1, 2016.					
IC A220M	2.000	2.000	0.000	1,621.97	3,243.94
AIRBAND MOBILE					
Serial Number: 4102100		1.000			
Serial Number: 4102189		1.000			
K220C	1.000	1.000	0.000	45.57	45.57
ANTENNA MOBILE VHF AVIATION					
OPC1529R	1.000	1.000	0.000	25.44	25.44
CABLE PROGRAMMING					
A14-21	2.000	2.000	0.000	247.49	494.98
RADIO PORTABLE VHF AVIATION					
Serial Number: 2141464		1.000			
Serial Number: 2141465		1.000			
FAB02AR	2.000	2.000	0.000	28.11	56.22
A14-21 ANTENNA					
BC160	2.000	2.000	0.000	50.89	101.78
BATTERY CHARGER, RAPID - FOR BATTS BP230/231/232					
BP232H	3.000	3.000	0.000	56.97	170.91
7.2V 2300MAH LIION BATT F4021					
GROUP SUB TOTAL \$2904.82					
2425X1B254T78	2.000	2.000	0.000	1,452.41	2,904.82
VP400 PORTABLE RADIO					
Serial Number: 511051530230014		1.000			
Serial Number: 511051530230030		1.000			



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INVOICE CUSTOMER COPY

Page 2 of 3

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CONFIRM TO:

CUSTOMER P.O.	SHIP VIA	F.O.B.	TERMS			
HS77091	FEDEX		NET 30 DAYS			
ITEM NO.		ORDERED	SHIPPED	BACK ORD	PRICE	AMOUNT
5875700471 VP400 BATTERY		3.000	3.000	0.000	131.75	395.25
5630600236 CHARGER, SINGLE BAY RAPID		2.000	2.000	0.000	106.25	212.50
5630600135 VEHICLE CHARGER		2.000	2.000	0.000	335.75	671.50
250060070016 PROG KIT, USB		1.000	1.000	0.000	420.74	420.74
GROUP SUB TOTAL \$1371.92						
NX-5700K VHF MOBILE, 50W		2.000	2.000	0.000	685.96	1,371.92
Serial Number: B6210092			1.000			
Serial Number: B6210095			1.000			
KES-5 SPEAKER KENWOOD		1.000	1.000	0.000	52.14	52.14
KAP-2 HORN ALERT / PA RELAY UNIT		1.000	1.000	0.000	31.17	31.17
ANXB1442NS NO GROUND PLAN ANT W/SPRING		1.000	1.000	0.000	38.62	38.62
ANXMB8UP COAX KIT W/PL259		1.000	1.000	0.000	13.25	13.25
KPG-D1NK		1.000	1.000	0.000	131.75	131.75
KPT-300LMC		1.000	1.000	0.000	0.00	0.00
L-5000 LABOR CHARGE		1.000	1.000	0.000	0.00	0.00



INVOICE

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PRESCOTT, AZ 86302-2059

CONFIRM TO:

CUSTOMER P.O.	SHIP VIA	F.O.B.	TERMS
HS77091	FEDEX		NET 30 DAYS

ITEM NO.	ORDERED	SHIPPED	BACK ORD	PRICE	AMOUNT
KPG-46XM PROG CABLE, USB	1.000	1.000	0.000	134.58	134.58

GROUP SUB TOTAL \$10517.08

FINANCE CHARGE

170.46

Invoices remaining unpaid after 30 days of invoice date are subject to a 1.5% late charge per month and collection costs.


☐

For your convenience, we accept Visa and Mastercard.
To pay by credit card, fill in the information below,
and fax or mail back to us.


☐

Exp Date: ____/____/____ Amount: \$____ Print Name: _____

Account Number	CCV	
----------------	-----	--

Date (mm/dd/yy)

Cardmember Signature

Net Invoice:	10,687.54
Less Discount:	0.00
Freight:	0.00
Sales Tax:	846.63
Invoice Total:	11,534.17

* THIS IS A DUPLICATE INVOICE*

MEETING DATE/TYPES: VOTING SESSION 6-7-16

DEPARTMENT: City Clerk

AGENDA ITEM: Special Event Liquor License Applications

Approved By:

Date:

City Clerk:	DeLong, Dana	05/20/2016
City Manager:	McConnell, Craig	05/23/2016

Liquor License Applications

The following special event liquor license applications are presented for Council consideration.

- A. Yavapai Big Brothers Big Sisters
Holiday Courtyard of the Grand Highland Hotel, 150 S Montezuma Street
Applicant: Michael Smith
City Application No. 16-0043S
Date/Time of Event Liquor Sales: Friday, July 22, 2016, 9:00 am – 10:00 pm

The application has been reviewed and determined to be in compliance with City requirements.

- B. 2016 Prescott Rodeo Dance
Prescott Frontier Days Community Service Foundation
BMO Harris Bank Parking Lot, 303 N. Montezuma Street
Applicant: Richard James Warinner
City Application No. 16-0044S
Date/Time of Event Liquor Sales: Thursday, June 30, 2016, 8:00 am – 11:59 pm;
Friday and Saturday, July 1 and 2, 2016, 12:00 am – 2:00 am, and 10:00 am – 11:59 pm; Sunday, July 3, 2016, 12:00 am – 2:00 am, and 8:00 am – 8:00 pm

The application has been reviewed and determined to be in compliance with City requirements.

- C. 2016 World's Oldest Rodeo
Prescott Frontier Days, Inc.
Prescott Rodeo Grounds, 840 Rodeo Drive
Applicant: Christopher John Graff
City Application No. 16-0045S
Date/Time of Event Liquor Sales: Monday, June 27, through Monday, July 4,
2016, 8:00 am – 11:59 pm

The application has been reviewed and determined to be in compliance with City requirements.

Series 15 Special Event Liquor License

Special Event Liquor Licenses are processed in a similar manner as other liquor license applications, except that there are no posting or protest period requirements, and no school location restrictions. These licenses permit the sale of all spirituous liquor for consumption on the licensed premises. They can be issued only to: (1) a political party or campaign committee; (2) an organization formed for a specific charitable or civic purpose; (3) a fraternal organization in existence for over five years with a regular membership; or (4) a religious organization. Qualifying organizations will be granted a special event license for no more than ten (10) days per calendar year. The State places primary emphasis on the City's recommendation in deciding whether or not to issue these licenses.

Financial Impact

The application and license fees have been paid. According to State law, proceeds from liquor license fees are required to be used for hospitality promotion (tourism development) purposes.

Attachments

1. Yavapai Big Brothers Big Sisters, Application Information and Location Map
2. 2016 Prescott Rodeo Dance, Application Information and Location Map
3. 2016 World's Oldest Rodeo, Application Information and Location Map
4. Liquor License Series Number Definitions
5. ARS 4-203.02: Special event licenses: rules

Recommended Action: **MOVE** to forward special event liquor license applications II.A., through II.C. to the Arizona State Liquor Board with a recommendation of approval/denial.

SPECIAL EVENT – PRIVATE PROPERTY Liquor License Information

NAME OF EVENT
OR ORGANIZATION: Yavapai Big Brothers Big Sisters

EVENT LOCATION: Holiday Courtyard of the Grand Highland Hotel

DATE /TIME

OF EVENT LIQUOR LICENSE: Friday, July 22, 2016, 9:00 am - 10:00 pm

DATE/TIME OF EVENT:

APPLICATION INFORMATION

CITY LIQUOR LICENSE

APPLICATION NO: 16-0043S

APPLICANT NAME: Michael Smith

<u>ORGANIZATIONS & INDIVIDUAL RECEIVING PROCEEDS:</u>	Yavapai Big Brothers Big Sisters	25%
	Grand Highland Hotel	75%

STAFF RECOMMENDATION

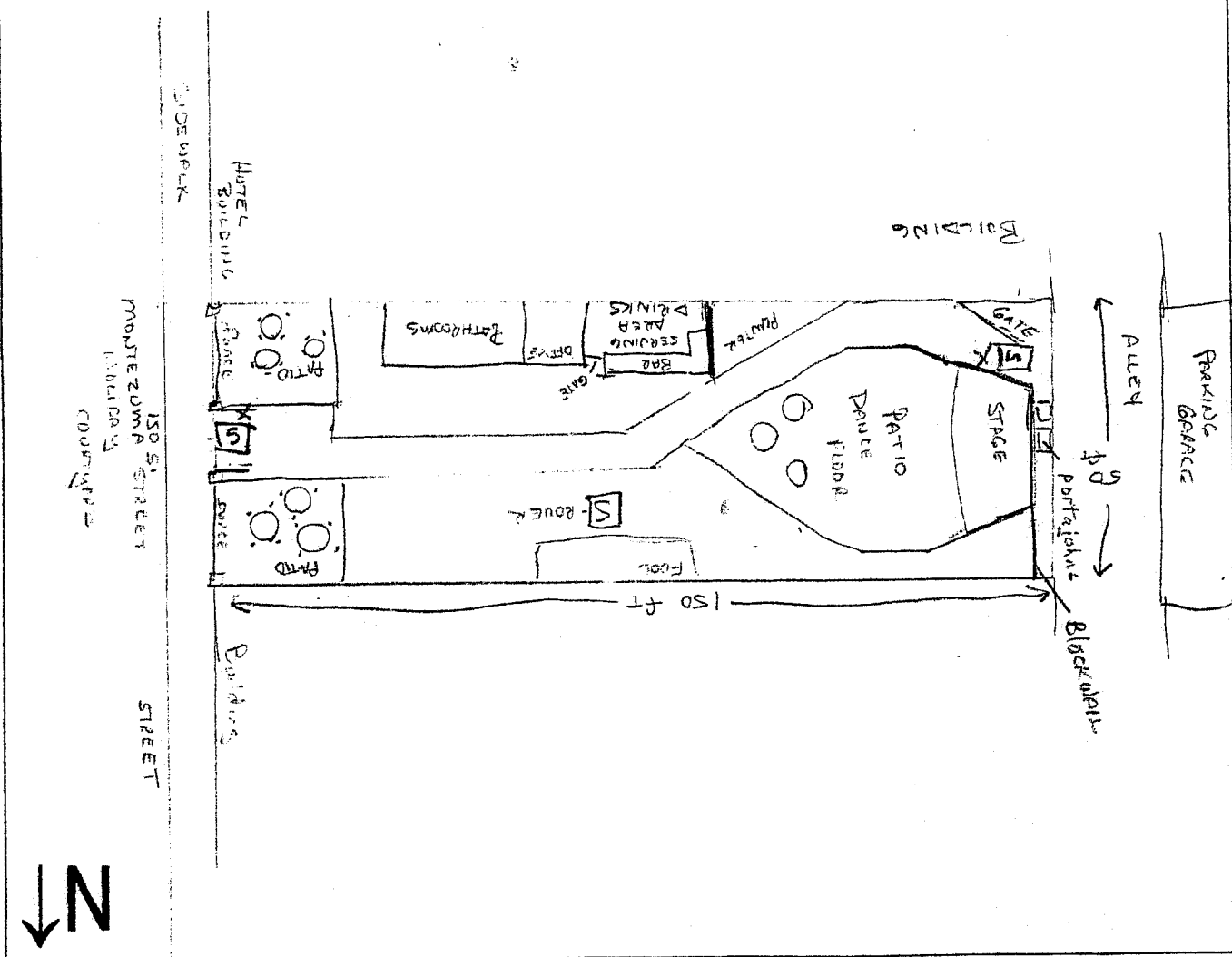
COMMUNITY DEVELOPMENT: In Compliance

PUBLIC COMMENT RECEIVED: None

ADDITIONAL INFORMATION: ARS 4-203.02(D) states that a physical location may not be issued more than twelve special event licenses during a calendar year.

Holiday Courtyard has been approved four special event liquor licenses in calendar year 2016.

EVENT SIZE =
 150 FY XSD ±
 [S] = SECURITY
 channel
 STATIONARY
 O = stable
 X - sign posted,
 No action required at this point.



LIQUOR LICENSE SERIES NUMBER DEFINITIONS

- 1 **In-State Producer**, all spirituous liquor, produced on-premises, may sell to Arizona-licensed wholesalers only.
- 2 **Out-of-state Producer**, all spirituous liquor, produced on-premises, may sell to Arizona-licensed wholesalers only.
- 3 **Microbrewery**, less than 1,240,000 gallons of beer produced annually on premises, unlimited on- and off-sale, less than 93,000 gallons may be distributed to retail licensees annually.
- 4 **Wholesaler**, all spirituous liquor, purchased from in- and out-of-state Arizona licensed producers, may sell to Arizona-licensed retailers.
- 5 **Government**, all spirituous liquor, may sell to patrons to consume on premises.
- 6 **Bar**, all spirituous liquor, off-sale sales in original, unopened container may not exceed 30% of on-sale receipts, may sell to patrons to consume on premises.
- 7 **Beer and Wine Bar**, beer and wine only, off-sale sales in original, unopened container may not exceed 30% of on-sale receipts, may sell to patrons to consume on premises.
- 9 **Liquor Store**, all spirituous liquor, may sell "carry-out" to patrons to consume off-premises, on-site temporary sampling events hosted by producer or wholesaler.
- 9S **Liquor Store with Sampling Privileges**, all spirituous liquor, may sell "carry-out" to patrons to consume off-premises, provide limited residential delivery, on-site permanent sampling events using store inventory.
- 10 **Beer and Wine Store**, beer and wine only, may sell "carry-out" to patrons to consume off-premises, on-site temporary sampling events hosted by producer or wholesaler.
- 10S **Beer and Wine Store with Sampling Privileges**, beer and wine only, may sell "carry-out" to patrons to consume off-premises, on-site permanent sampling events using store inventory.
- 11 **Hotel/Motel w/Restaurant**, all spirituous liquor, may sell to patrons to consume on premises.
- 12 **Restaurant**, all spirituous liquor, may sell to patrons to consume on premises.
- 13 **Farm Winery**, produces at least 200 gallons, but not more than 40,000 gallons of wine annually, produced on premises and by other domestic farm wineries.
- 14 **Private Club**, all spirituous liquor, may sell to bona fide members & their guests for on-premises consumption.
- 15 **Special Event**, all spirituous liquor, temporary license, off-sale allowed by auction in closed, original container for off-sale consumption, may sell to patrons to consume on premises.
- 18 **In-State Craft Distillery**, less than 20,000 gallons of distilled spirits annually on-premises, may sell and ship to Arizona licensed wholesalers. May sell and ship to Arizona-licensed retailers when annual production is less than 1,189 gallons. On-and off-sale retail privileges on licensed premises.
- 19 **Remote Tasting Room**, owned and operated by a licensee that concurrently owns one of the following Arizona liquor licenses: (1) Series 2W, Out-of-state Farm Winery; (2) Series 2D, Out-of-state Craft Distillery; (3) Series 13, In-state Farm Winery; or (4) Series 18, In-state Craft Distiller.

4-203.02. Special event license; rules

A. The director may issue on a temporary basis:

1. A daily on-sale special event license authorizing the sale of spirituous liquor for consumption on the premises where sold. The fee for the license is twenty-five dollars per day. The director shall transfer the monies collected to the department of health services for the purpose prescribed in title 36, chapter 18, article 2.

2. A daily off-sale special event license authorizing a charitable auction for the sale of spirituous liquor for consumption off premises.

B. Before the director may issue a temporary special event license, a special event that is to occur at an otherwise unlicensed location or by a licensee at a location that is not fully within the licensee's existing licensed premises must be approved by the board of supervisors of a county if the event is to be held in an unincorporated area or by the governing body of the city or town if the event is to be held in a city or town.

C. The approval process prescribed in this section does not apply to physical locations that are fully within premises licensed pursuant to this title.

D. A physical location, other than a physical location that is owned, operated, leased, managed or controlled by the United States, this state or a city, town or county of this state, that is not licensed pursuant to this title may not be issued more than twelve special event licenses during the same calendar year. All applications for a special event license issued pursuant to this subsection must be submitted to the department at least ten days before the scheduled event.

E. The director may only issue the special event license to a political party or campaign committee supporting a candidate for public office or a ballot measure, an organization formed for a specific charitable or civic purpose, a fraternal organization in existence for over five years with a regular membership or a religious organization.

F. The director may issue a special event license concurrently with a wine festival license and a craft distillery festival license and may approve the location of the wine festival license within an excluded area of a special event license specifically described in each license. Notwithstanding section 4-244, paragraphs 13 and 19, both licenses shall permit the presence of purchased spirituous liquor in the possession of the purchaser.

G. An organization selling spirituous liquor under a special event license shall purchase the spirituous liquor from the holder of a license authorized to sell off-sale or a licensed wholesaler. In the case of a nonprofit organization that has obtained a special event license for the purpose of charitable fund-raising activities, the nonprofit organization may receive the spirituous liquor from a wholesaler, farm winery, microbrewery or producer as a donation, except that a licensee licensed pursuant to subsection A, paragraph 2 of this section may receive spirituous liquor from a donor when the donor receives no remuneration or payment of any kind, directly or indirectly, other than any tax benefits that might result.

H. An organization that is issued a license pursuant to subsection A, paragraph 2 of this section shall receive at least seventy-five per cent of the gross receipts of the auction. Up to twenty-five per cent of the gross receipts of a special event auction conducted pursuant to subsection A, paragraph 2 of this section may be used to pay reasonable and necessary expenses incurred in connection with the auction. All expenses shall be supported by written contracts, invoices or receipts, which shall be made available to the director on request.

I. The director may adopt those rules the director determines are necessary to implement and administer this section including a limitation on the number of times during a calendar year a qualified organization may apply for and be issued a license under this section. The qualified organization issued a license pursuant to subsection A, paragraph 1 of this section must receive at least twenty-five per cent of the gross revenues of all spirituous liquor sold at the special events, which shall be supported by a contract between the parties to be supplied at the time of application.

J. An organization that is issued a license pursuant to subsection A, paragraph 2 of this section shall not sell more than twenty cases of spirituous liquor annually under a special event license.

K. Section 4-201 does not apply to the licenses provided for under this section.

L. A licensed wholesaler may donate spirituous liquor directly to an organization that is issued a license pursuant to subsection A of this section. The licensed wholesaler shall in such instances issue a net zero cost billing invoice in the name of the special event licensee. All licensees making or receiving spirituous liquor donations remain subject to the applicable limitations and requirements set forth in this title and in the rules adopted by the department.

M. A licensed wholesaler may temporarily leave a delivery vehicle and other items of equipment necessary for the sale or service of spirituous liquor on the premises of a licensed special event for the duration of the event and up to one business day before and after the event.

N. A licensed wholesaler may leave spirituous liquor products at a special event if the products are properly described on a preliminary billing invoice from the wholesaler that is issued in the name of the special event licensee. The licensed wholesaler has up to five business days after the special event ends to make any necessary billing adjustments and issue a final billing invoice to the special event licensee.

MEETING DATE/TYPES: VOTING SESSION 6-7-16

DEPARTMENT: City Clerk

AGENDA ITEM: Special Event Liquor License Applications

Approved By:

Date:

City Clerk:	DeLong, Dana	05/20/2016
City Manager:	McConnell, Craig	05/23/2016

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Prescott Frontier Days Community Service Foundation
BMO Harris Bank Parking Lot, 303 N. Montezuma Street
Applicant: Richard James Warinner
City Application No. 16-0044S
Date/Time of Event Liquor Sales: Thursday, June 30, 2016, 8:00 am – 11:59 pm;
Friday and Saturday, July 1 and 2, 2016, 12:00 am – 2:00 am, and 10:00 am – 11:59 pm; Sunday, July 3, 2016, 12:00 am – 2:00 am, and 8:00 am – 8:00 pm

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2. 2016 Prescott Rodeo Dance, Application Information and Location Map
3. 2016 World's Oldest Rodeo, Application Information and Location Map
4. Liquor License Series Number Definitions
5. ARS 4-203.02: Special event licenses: rules

Recommended Action: **MOVE** to forward special event liquor license applications II.A., through II.C. to the Arizona State Liquor Board with a recommendation of approval/denial.

SPECIAL EVENT – PRIVATE PROPERTY Liquor License Information

NAME OF EVENT
OR ORGANIZATION: 2016 Prescott Rodeo Dance
Prescott Frontier Days Community Service Foundation

EVENT LOCATION: BMO Harris Bank Parking Lot, 303 N. Montezuma Street

DATE /TIME
OF EVENT LIQUOR LICENSE: Thursday June 30, 2016, 8:00 am - 11:59 pm
Friday and Saturday, July 1 and 2, 2016, 12:00 am - 2:00 am,
and 10:00 am - 11:59 pm
Sunday, July 3, 2016, 12:00 am - 2:00 am, and 8:00 am - 8:00
DATE/TIME OF EVENT: pm

APPLICATION INFORMATION

CITY LIQUOR LICENSE
APPLICATION NO: 16-0044S

APPLICANT NAME: Richard James Warinner

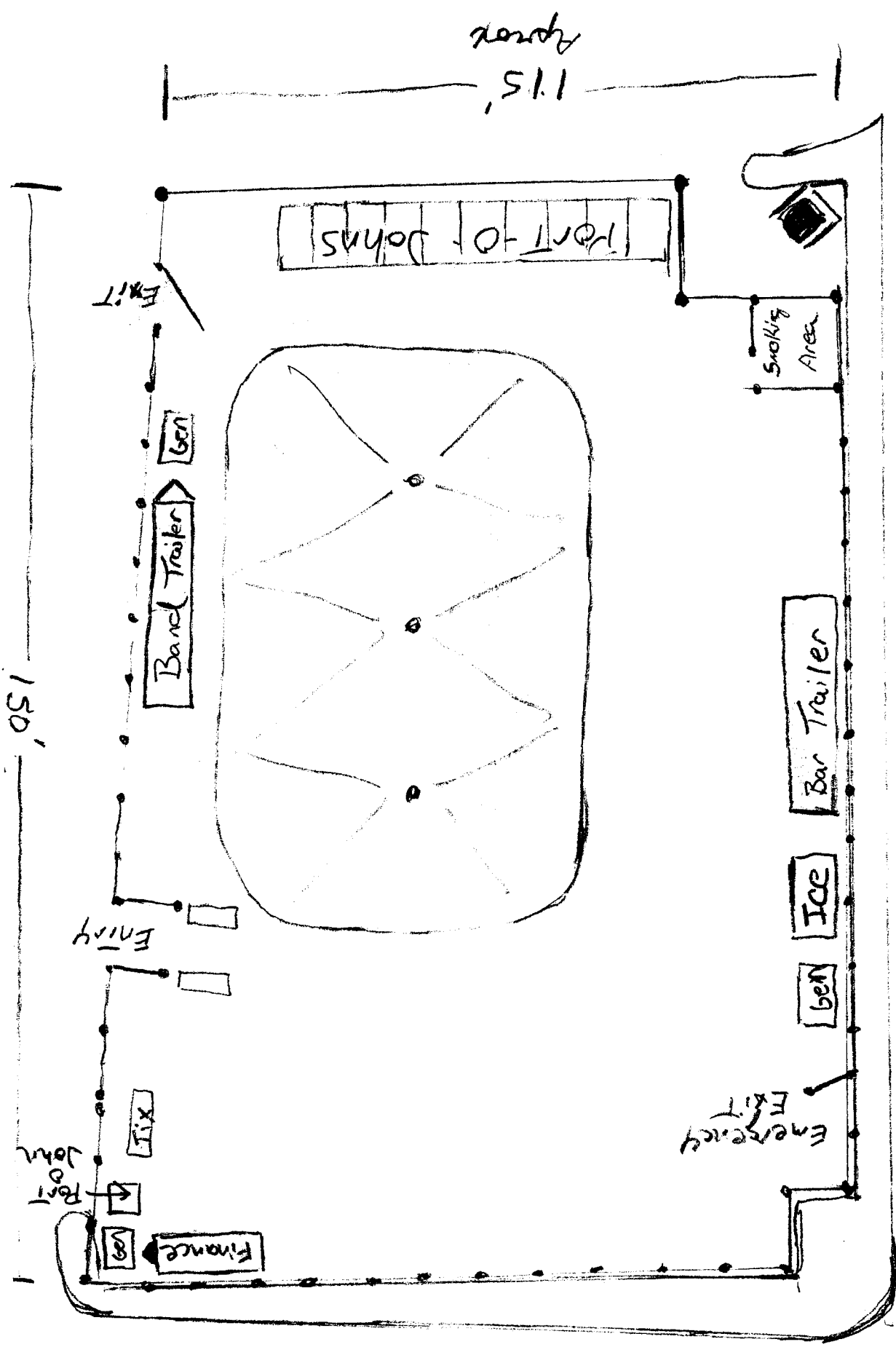
ORGANIZATIONS & INDIVIDUAL
RECEIVING PROCEEDS: Prescott Frontier Days, Inc. 100%

STAFF RECOMMENDATION

COMMUNITY DEVELOPMENT: In Compliance

PUBLIC COMMENT RECEIVED: None

ADDITIONAL INFORMATION:



LIQUOR LICENSE SERIES NUMBER DEFINITIONS

- 1 **In-State Producer**, all spirituous liquor, produced on-premises, may sell to Arizona-licensed wholesalers only.
- 2 **Out-of-state Producer**, all spirituous liquor, produced on-premises, may sell to Arizona-licensed wholesalers only.
- 3 **Microbrewery**, less than 1,240,000 gallons of beer produced annually on premises, unlimited on- and off-sale, less than 93,000 gallons may be distributed to retail licensees annually.
- 4 **Wholesaler**, all spirituous liquor, purchased from in- and out-of-state Arizona licensed producers, may sell to Arizona-licensed retailers.
- 5 **Government**, all spirituous liquor, may sell to patrons to consume on premises.
- 6 **Bar**, all spirituous liquor, off-sale sales in original, unopened container may not exceed 30% of on-sale receipts, may sell to patrons to consume on premises.
- 7 **Beer and Wine Bar**, beer and wine only, off-sale sales in original, unopened container may not exceed 30% of on-sale receipts, may sell to patrons to consume on premises.
- 9 **Liquor Store**, all spirituous liquor, may sell "carry-out" to patrons to consume off-premises, on-site temporary sampling events hosted by producer or wholesaler.
- 9S **Liquor Store with Sampling Privileges**, all spirituous liquor, may sell "carry-out" to patrons to consume off-premises, provide limited residential delivery, on-site permanent sampling events using store inventory.
- 10 **Beer and Wine Store**, beer and wine only, may sell "carry-out" to patrons to consume off-premises, on-site temporary sampling events hosted by producer or wholesaler.
- 10S **Beer and Wine Store with Sampling Privileges**, beer and wine only, may sell "carry-out" to patrons to consume off-premises, on-site permanent sampling events using store inventory.
- 11 **Hotel/Motel w/Restaurant**, all spirituous liquor, may sell to patrons to consume on premises.
- 12 **Restaurant**, all spirituous liquor, may sell to patrons to consume on premises.
- 13 **Farm Winery**, produces at least 200 gallons, but not more than 40,000 gallons of wine annually, produced on premises and by other domestic farm wineries.
- 14 **Private Club**, all spirituous liquor, may sell to bona fide members & their guests for on-premises consumption.
- 15 **Special Event**, all spirituous liquor, temporary license, off-sale allowed by auction in closed, original container for off-sale consumption, may sell to patrons to consume on premises.
- 18 **In-State Craft Distillery**, less than 20,000 gallons of distilled spirits annually on-premises, may sell and ship to Arizona licensed wholesalers. May sell and ship to Arizona-licensed retailers when annual production is less than 1,189 gallons. On-and off-sale retail privileges on licensed premises.
- 19 **Remote Tasting Room**, owned and operated by a licensee that concurrently owns one of the following Arizona liquor licenses: (1) Series 2W, Out-of-state Farm Winery; (2) Series 2D, Out-of-state Craft Distillery; (3) Series 13, In-state Farm Winery; or (4) Series 18, In-state Craft Distiller.

4-203.02. Special event license; rules

A. The director may issue on a temporary basis:

1. A daily on-sale special event license authorizing the sale of spirituous liquor for consumption on the premises where sold. The fee for the license is twenty-five dollars per day. The director shall transfer the monies collected to the department of health services for the purpose prescribed in title 36, chapter 18, article 2.

2. A daily off-sale special event license authorizing a charitable auction for the sale of spirituous liquor for consumption off premises.

B. Before the director may issue a temporary special event license, a special event that is to occur at an otherwise unlicensed location or by a licensee at a location that is not fully within the licensee's existing licensed premises must be approved by the board of supervisors of a county if the event is to be held in an unincorporated area or by the governing body of the city or town if the event is to be held in a city or town.

C. The approval process prescribed in this section does not apply to physical locations that are fully within premises licensed pursuant to this title.

D. A physical location, other than a physical location that is owned, operated, leased, managed or controlled by the United States, this state or a city, town or county of this state, that is not licensed pursuant to this title may not be issued more than twelve special event licenses during the same calendar year. All applications for a special event license issued pursuant to this subsection must be submitted to the department at least ten days before the scheduled event.

E. The director may only issue the special event license to a political party or campaign committee supporting a candidate for public office or a ballot measure, an organization formed for a specific charitable or civic purpose, a fraternal organization in existence for over five years with a regular membership or a religious organization.

F. The director may issue a special event license concurrently with a wine festival license and a craft distillery festival license and may approve the location of the wine festival license within an excluded area of a special event license specifically described in each license. Notwithstanding section 4-244, paragraphs 13 and 19, both licenses shall permit the presence of purchased spirituous liquor in the possession of the purchaser.

G. An organization selling spirituous liquor under a special event license shall purchase the spirituous liquor from the holder of a license authorized to sell off-sale or a licensed wholesaler. In the case of a nonprofit organization that has obtained a special event license for the purpose of charitable fund-raising activities, the nonprofit organization may receive the spirituous liquor from a wholesaler, farm winery, microbrewery or producer as a donation, except that a licensee licensed pursuant to subsection A, paragraph 2 of this section may receive spirituous liquor from a donor when the donor receives no remuneration or payment of any kind, directly or indirectly, other than any tax benefits that might result.

H. An organization that is issued a license pursuant to subsection A, paragraph 2 of this section shall receive at least seventy-five per cent of the gross receipts of the auction. Up to twenty-five per cent of the gross receipts of a special event auction conducted pursuant to subsection A, paragraph 2 of this section may be used to pay reasonable and necessary expenses incurred in connection with the auction. All expenses shall be supported by written contracts, invoices or receipts, which shall be made available to the director on request.

I. The director may adopt those rules the director determines are necessary to implement and administer this section including a limitation on the number of times during a calendar year a qualified organization may apply for and be issued a license under this section. The qualified organization issued a license pursuant to subsection A, paragraph 1 of this section must receive at least twenty-five per cent of the gross revenues of all spirituous liquor sold at the special events, which shall be supported by a contract between the parties to be supplied at the time of application.

J. An organization that is issued a license pursuant to subsection A, paragraph 2 of this section shall not sell more than twenty cases of spirituous liquor annually under a special event license.

K. Section 4-201 does not apply to the licenses provided for under this section.

L. A licensed wholesaler may donate spirituous liquor directly to an organization that is issued a license pursuant to subsection A of this section. The licensed wholesaler shall in such instances issue a net zero cost billing invoice in the name of the special event licensee. All licensees making or receiving spirituous liquor donations remain subject to the applicable limitations and requirements set forth in this title and in the rules adopted by the department.

M. A licensed wholesaler may temporarily leave a delivery vehicle and other items of equipment necessary for the sale or service of spirituous liquor on the premises of a licensed special event for the duration of the event and up to one business day before and after the event.

N. A licensed wholesaler may leave spirituous liquor products at a special event if the products are properly described on a preliminary billing invoice from the wholesaler that is issued in the name of the special event licensee. The licensed wholesaler has up to five business days after the special event ends to make any necessary billing adjustments and issue a final billing invoice to the special event licensee.

MEETING DATE/TYPES: VOTING SESSION 6-7-16

DEPARTMENT: City Clerk

AGENDA ITEM: Special Event Liquor License Applications

Approved By:

Date:

City Clerk:	DeLong, Dana	05/20/2016
City Manager:	McConnell, Craig	05/23/2016

Liquor License Applications

The following special event liquor license applications are presented for Council consideration.

- A. Yavapai Big Brothers Big Sisters
Holiday Courtyard of the Grand Highland Hotel, 150 S Montezuma Street
Applicant: Michael Smith
City Application No. 16-0043S
Date/Time of Event Liquor Sales: Friday, July 22, 2016, 9:00 am – 10:00 pm

The application has been reviewed and determined to be in compliance with City requirements.

- B. 2016 Prescott Rodeo Dance
Prescott Frontier Days Community Service Foundation
BMO Harris Bank Parking Lot, 303 N. Montezuma Street
Applicant: Richard James Warinner
City Application No. 16-0044S
Date/Time of Event Liquor Sales: Thursday, June 30, 2016, 8:00 am – 11:59 pm;
Friday and Saturday, July 1 and 2, 2016, 12:00 am – 2:00 am, and 10:00 am – 11:59 pm; Sunday, July 3, 2016, 12:00 am – 2:00 am, and 8:00 am – 8:00 pm

The application has been reviewed and determined to be in compliance with City requirements.

- C. 2016 World's Oldest Rodeo
Prescott Frontier Days, Inc.
Prescott Rodeo Grounds, 840 Rodeo Drive
Applicant: Christopher John Graff
City Application No. 16-0045S
Date/Time of Event Liquor Sales: Monday, June 27, through Monday, July 4,
2016, 8:00 am – 11:59 pm

The application has been reviewed and determined to be in compliance with City requirements.

Series 15 Special Event Liquor License

Special Event Liquor Licenses are processed in a similar manner as other liquor license applications, except that there are no posting or protest period requirements, and no school location restrictions. These licenses permit the sale of all spirituous liquor for consumption on the licensed premises. They can be issued only to: (1) a political party or campaign committee; (2) an organization formed for a specific charitable or civic purpose; (3) a fraternal organization in existence for over five years with a regular membership; or (4) a religious organization. Qualifying organizations will be granted a special event license for no more than ten (10) days per calendar year. The State places primary emphasis on the City's recommendation in deciding whether or not to issue these licenses.

Financial Impact

The application and license fees have been paid. According to State law, proceeds from liquor license fees are required to be used for hospitality promotion (tourism development) purposes.

Attachments

1. Yavapai Big Brothers Big Sisters, Application Information and Location Map
2. 2016 Prescott Rodeo Dance, Application Information and Location Map
3. 2016 World's Oldest Rodeo, Application Information and Location Map
4. Liquor License Series Number Definitions
5. ARS 4-203.02: Special event licenses: rules

Recommended Action: **MOVE** to forward special event liquor license applications II.A., through II.C. to the Arizona State Liquor Board with a recommendation of approval/denial.

SPECIAL EVENT – PRIVATE PROPERTY
Liquor License Information

NAME OF EVENT
OR ORGANIZATION: 2016 World's Oldest Rodeo
Prescott Frontier Days, Inc.

EVENT LOCATION: Prescott Rodeo Grounds, 840 Rodeo Drive

DATE /TIME
OF EVENT LIQUOR LICENSE: June 27 through July 4, 2016, 8:00 am - 11:59 pm

DATE/TIME OF EVENT:

APPLICATION INFORMATION

CITY LIQUOR LICENSE
APPLICATION NO: 16-0045S

APPLICANT NAME: Christopher John Graff

ORGANIZATIONS & INDIVIDUAL
RECEIVING PROCEEDS: Prescott Frontier Days, Inc. 100%

STAFF RECOMMENDATION

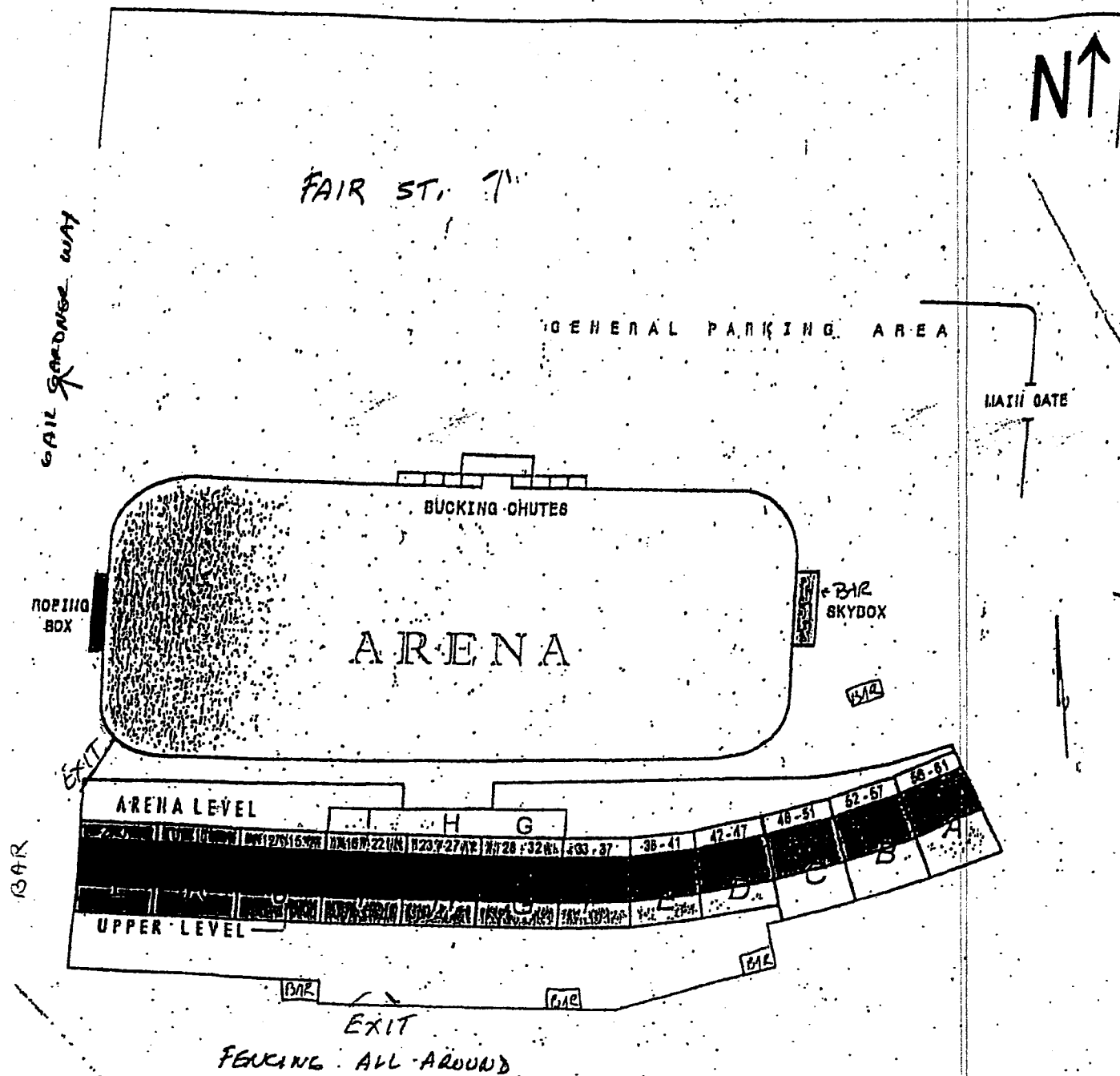
COMMUNITY DEVELOPMENT: In Compliance

PUBLIC COMMENT RECEIVED: None

ADDITIONAL INFORMATION:

(This diagram must be completed with this application)

Special Event Diagram: (Show dimensions, serving areas, and label type of enclosure and security positions)
NOTE: Show nearest cross streets, highway, or road if location doesn't have an address.



LIQUOR LICENSE SERIES NUMBER DEFINITIONS

- 1 **In-State Producer**, all spirituous liquor, produced on-premises, may sell to Arizona-licensed wholesalers only.
- 2 **Out-of-state Producer**, all spirituous liquor, produced on-premises, may sell to Arizona-licensed wholesalers only.
- 3 **Microbrewery**, less than 1,240,000 gallons of beer produced annually on premises, unlimited on- and off-sale, less than 93,000 gallons may be distributed to retail licensees annually.
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- 9S **Liquor Store with Sampling Privileges**, all spirituous liquor, may sell "carry-out" to patrons to consume off-premises, provide limited residential delivery, on-site permanent sampling events using store inventory.
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- 14 **Private Club**, all spirituous liquor, may sell to bona fide members & their guests for on-premises consumption.
- 15 **Special Event**, all spirituous liquor, temporary license, off-sale allowed by auction in closed, original container for off-sale consumption, may sell to patrons to consume on premises.
- 18 **In-State Craft Distillery**, less than 20,000 gallons of distilled spirits annually on-premises, may sell and ship to Arizona licensed wholesalers. May sell and ship to Arizona-licensed retailers when annual production is less than 1,189 gallons. On-and off-sale retail privileges on licensed premises.
- 19 **Remote Tasting Room**, owned and operated by a licensee that concurrently owns one of the following Arizona liquor licenses: (1) Series 2W, Out-of-state Farm Winery; (2) Series 2D, Out-of-state Craft Distillery; (3) Series 13, In-state Farm Winery; or (4) Series 18, In-state Craft Distiller.

4-203.02. Special event license; rules

A. The director may issue on a temporary basis:

1. A daily on-sale special event license authorizing the sale of spirituous liquor for consumption on the premises where sold. The fee for the license is twenty-five dollars per day. The director shall transfer the monies collected to the department of health services for the purpose prescribed in title 36, chapter 18, article 2.

2. A daily off-sale special event license authorizing a charitable auction for the sale of spirituous liquor for consumption off premises.

B. Before the director may issue a temporary special event license, a special event that is to occur at an otherwise unlicensed location or by a licensee at a location that is not fully within the licensee's existing licensed premises must be approved by the board of supervisors of a county if the event is to be held in an unincorporated area or by the governing body of the city or town if the event is to be held in a city or town.

C. The approval process prescribed in this section does not apply to physical locations that are fully within premises licensed pursuant to this title.

D. A physical location, other than a physical location that is owned, operated, leased, managed or controlled by the United States, this state or a city, town or county of this state, that is not licensed pursuant to this title may not be issued more than twelve special event licenses during the same calendar year. All applications for a special event license issued pursuant to this subsection must be submitted to the department at least ten days before the scheduled event.

E. The director may only issue the special event license to a political party or campaign committee supporting a candidate for public office or a ballot measure, an organization formed for a specific charitable or civic purpose, a fraternal organization in existence for over five years with a regular membership or a religious organization.

F. The director may issue a special event license concurrently with a wine festival license and a craft distillery festival license and may approve the location of the wine festival license within an excluded area of a special event license specifically described in each license. Notwithstanding section 4-244, paragraphs 13 and 19, both licenses shall permit the presence of purchased spirituous liquor in the possession of the purchaser.

G. An organization selling spirituous liquor under a special event license shall purchase the spirituous liquor from the holder of a license authorized to sell off-sale or a licensed wholesaler. In the case of a nonprofit organization that has obtained a special event license for the purpose of charitable fund-raising activities, the nonprofit organization may receive the spirituous liquor from a wholesaler, farm winery, microbrewery or producer as a donation, except that a licensee licensed pursuant to subsection A, paragraph 2 of this section may receive spirituous liquor from a donor when the donor receives no remuneration or payment of any kind, directly or indirectly, other than any tax benefits that might result.

H. An organization that is issued a license pursuant to subsection A, paragraph 2 of this section shall receive at least seventy-five per cent of the gross receipts of the auction. Up to twenty-five per cent of the gross receipts of a special event auction conducted pursuant to subsection A, paragraph 2 of this section may be used to pay reasonable and necessary expenses incurred in connection with the auction. All expenses shall be supported by written contracts, invoices or receipts, which shall be made available to the director on request.

I. The director may adopt those rules the director determines are necessary to implement and administer this section including a limitation on the number of times during a calendar year a qualified organization may apply for and be issued a license under this section. The qualified organization issued a license pursuant to subsection A, paragraph 1 of this section must receive at least twenty-five per cent of the gross revenues of all spirituous liquor sold at the special events, which shall be supported by a contract between the parties to be supplied at the time of application.

J. An organization that is issued a license pursuant to subsection A, paragraph 2 of this section shall not sell more than twenty cases of spirituous liquor annually under a special event license.

K. Section 4-201 does not apply to the licenses provided for under this section.

L. A licensed wholesaler may donate spirituous liquor directly to an organization that is issued a license pursuant to subsection A of this section. The licensed wholesaler shall in such instances issue a net zero cost billing invoice in the name of the special event licensee. All licensees making or receiving spirituous liquor donations remain subject to the applicable limitations and requirements set forth in this title and in the rules adopted by the department.

M. A licensed wholesaler may temporarily leave a delivery vehicle and other items of equipment necessary for the sale or service of spirituous liquor on the premises of a licensed special event for the duration of the event and up to one business day before and after the event.

N. A licensed wholesaler may leave spirituous liquor products at a special event if the products are properly described on a preliminary billing invoice from the wholesaler that is issued in the name of the special event licensee. The licensed wholesaler has up to five business days after the special event ends to make any necessary billing adjustments and issue a final billing invoice to the special event licensee.

MEETING DATE/TYPES: VOTING SESSION 6-7-16

DEPARTMENT: City Clerk

AGENDA ITEM: Public hearing and consideration of a Series 15, Special Event Liquor License application for the Whiskey Row Street Dance, applicant Gerald Szostak for the Boys and Girls Club of Central Arizona

Approved By:		Date:
City Clerk:	DeLong, Dana	05/25/2016
City Manager:	McConnell, Craig	

Item Summary

The following special event liquor license application is presented for Council consideration.

- A. Whiskey Row Street Dance
Boys & Girls Club of Central Arizona
100 Block of Montezuma Street
Applicant: Gerald Szostak
City Application No. 16-0040S
Date/Time of Event Liquor Sales: Saturday, July 2, 2016, 4:00 pm – midnight

The application has been reviewed and determined to be in compliance with City requirements

Background

Since 2001, the Whiskey Row Street Dance has been held on Montezuma Street, following the Parade and Boot Race, on the Saturday associated with other Independence Day celebrations. According to organizers of the original event, the purpose of hosting the Street Dance at that time and place was to provide spectators of the Parade and Boot Race a way to continue festivities while supporting downtown business.

Since 2004, the liquor sales associated with the event have ended at 11:00 PM or 12:00 AM (four times at 11:00 PM and seven times at 12:00 am) with the exception of 2015,

Agenda Item: Approval of a Series 15, Special Event Liquor License application for the Whiskey Row Street Dance, applicant Gerald Szostak for the Boys and Girls Club of Central Arizona

when alcohol sales were ended at 10:00 pm in order to address concerns raised by downtown bar owners, that the late hours of operation adversely affected their business. The City Council discussed potential restrictions for downtown special event timeframes as part of a series of discussions that took place between October 2014 and July 2015. No formal action was taken to restrict the hours for downtown events, as each event with liquor sales requires Council approval of the liquor license, including the timeframe for service.

The event promoter for the Whiskey Row Street Dance, as a part of the 2016 liquor license application, has requested alcohol sales end at 12:00 AM. The Special Events Committee has reviewed the application and has found it to be in compliance, however, due to prior year concerns pertaining to the hours of operation, final approval of the event permit is dependent upon the City Council's decision on the liquor license application.

Series 15 Special Event Liquor License

Special Event Liquor Licenses are processed in a similar manner as other liquor license applications, except that there are no posting or protest period requirements, and no school location restrictions. These licenses permit the sale of all spirituous liquor for consumption on the licensed premises. They can be issued only to: (1) a political party or campaign committee; (2) an organization formed for a specific charitable or civic purpose; (3) a fraternal organization in existence for over five years with a regular membership; or (4) a religious organization. Qualifying organizations will be granted a special event license for no more than ten (10) days per calendar year. The State places primary emphasis on the City's recommendation in deciding whether or not to issue these licenses.

Financial Impact

The application and license fees have been paid. According to State law, proceeds from liquor license fees are required to be used for hospitality promotion (tourism development) purposes.

Attachments

1. Whiskey Row Street Dance, Application Information and Location Map
2. Liquor License Series Number Definitions
3. ARS 4-203.02: Special event licenses: rules

Recommended Action: (1) **MOVE** to close the Public Hearing; and (2) **MOVE** to forward the Whiskey Row Street Dance Special Event Liquor License Application No. 16-0040S to the Arizona State Liquor Board with a recommendation of either approval between the hours of 4:00 p.m. to _____ p.m., or denial.

SPECIAL EVENT – CITY PROPERTY Event Information

NAME OF EVENT
OR ORGANIZATION: Whiskey Row Street Dance
Boys and Girls Club of Central Arizona

EVENT LOCATION: 100 Block of Montezuma Street

DESCRIPTION OF EVENT: Street Dance

EVENT TIMES

DATE /TIME
OF EVENT LIQUOR SALES: Saturday, July 2, 2016, 4:00 pm - midnight

DATE/TIME OF EVENT: same

TIME OF EVENT SETUP: Approximately 2:00 pm (after the parade)

TIME OF EVENT TEAR DOWN: Midnight

APPLICATION INFORMATION

CITY LIQUOR LICENSE
APPLICATION NO: 16-0040S

APPLICANT NAME: Gerald Szostak

ORGANIZATIONS & INDIVIDUAL
RECEIVING PROCEEDS: Boys and Girls Club of Central Arizona - 25%
Eagle Management & Events LLC - 75%

CITY SERVICES REQUIRED

STREET CLOSURE:

☒

YES

☐

NO

STREET NAME:

Montezuma Street

CLOSURE TIME:

July 2, 2016 at 5:00 am

RE-OPEN TIME:

July 2, 2016 at midnight

SECURITY:

Using Prescott PD

CITY SANITATION SERVICES:

☒

YES

☐

NO

CITY WATER CONNECTION:

☒

YES

☐

NO

EVENT DETAILS

LIVE MUSIC:

☒

YES

☐

NO

LIVE ENTERTAINMENT:

☒

YES

☐

NO

AMPLIFIED SOUND:

☒

YES

☐

NO

FOOD SALES:

☒

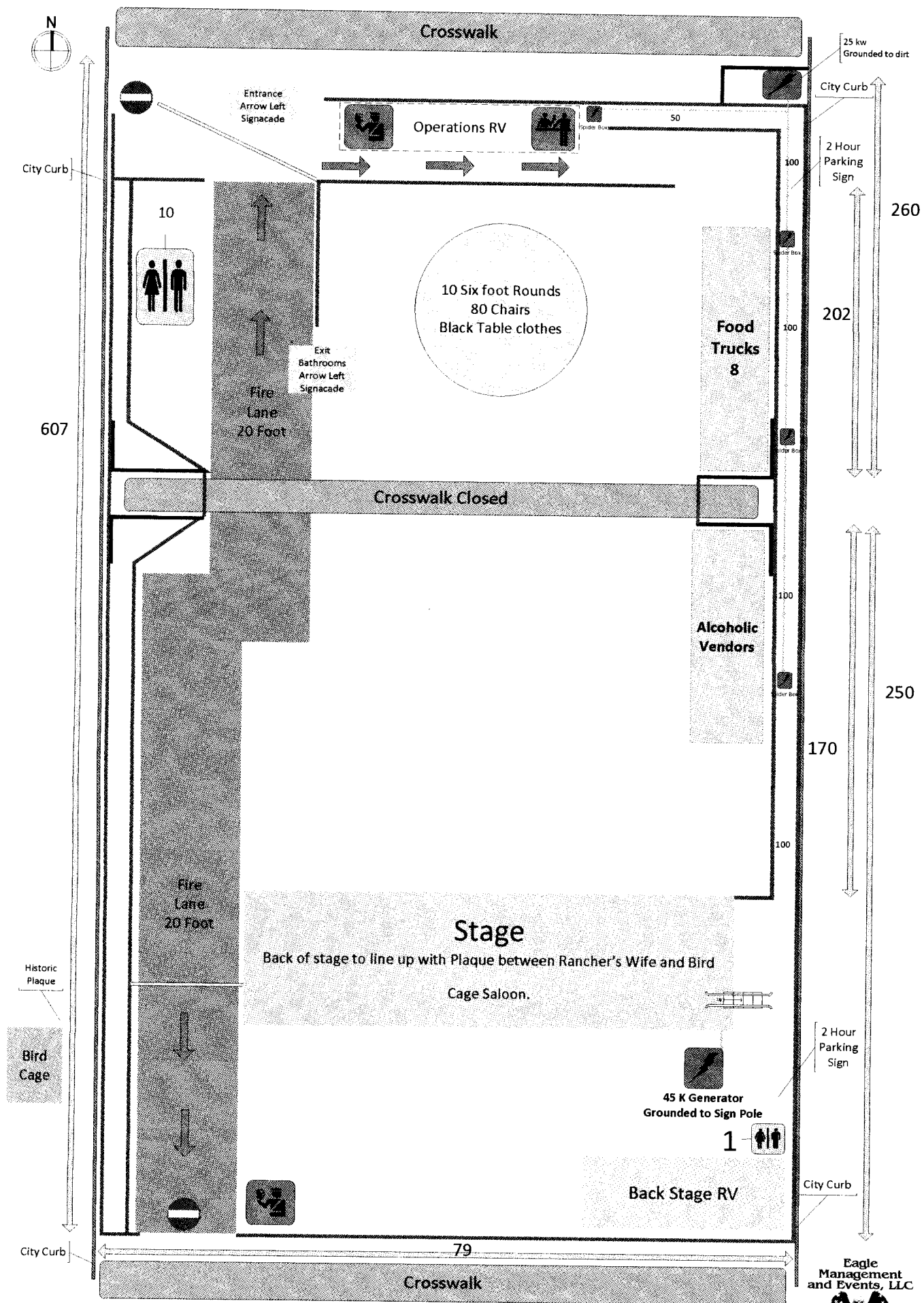
YES

☐

NO

ADDITIONAL INFORMATION:

Event will go before the City Special Event Committee on May 19, 2016.



WRSD 2016



LIQUOR LICENSE SERIES NUMBER DEFINITIONS

- 1 **In-State Producer**, all spirituous liquor, produced on-premises, may sell to Arizona-licensed wholesalers only.
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- 18 **In-State Craft Distillery**, less than 20,000 gallons of distilled spirits annually on-premises, may sell and ship to Arizona licensed wholesalers. May sell and ship to Arizona-licensed retailers when annual production is less than 1,189 gallons. On-and off-sale retail privileges on licensed premises.
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4-203.02. Special event license; rules

A. The director may issue on a temporary basis:

1. A daily on-sale special event license authorizing the sale of spirituous liquor for consumption on the premises where sold. The fee for the license is twenty-five dollars per day. The director shall transfer the monies collected to the department of health services for the purpose prescribed in title 36, chapter 18, article 2.

2. A daily off-sale special event license authorizing a charitable auction for the sale of spirituous liquor for consumption off premises.

B. Before the director may issue a temporary special event license, a special event that is to occur at an otherwise unlicensed location or by a licensee at a location that is not fully within the licensee's existing licensed premises must be approved by the board of supervisors of a county if the event is to be held in an unincorporated area or by the governing body of the city or town if the event is to be held in a city or town.

C. The approval process prescribed in this section does not apply to physical locations that are fully within premises licensed pursuant to this title.

D. A physical location, other than a physical location that is owned, operated, leased, managed or controlled by the United States, this state or a city, town or county of this state, that is not licensed pursuant to this title may not be issued more than twelve special event licenses during the same calendar year. All applications for a special event license issued pursuant to this subsection must be submitted to the department at least ten days before the scheduled event.

E. The director may only issue the special event license to a political party or campaign committee supporting a candidate for public office or a ballot measure, an organization formed for a specific charitable or civic purpose, a fraternal organization in existence for over five years with a regular membership or a religious organization.

F. The director may issue a special event license concurrently with a wine festival license and a craft distillery festival license and may approve the location of the wine festival license within an excluded area of a special event license specifically described in each license. Notwithstanding section 4-244, paragraphs 13 and 19, both licenses shall permit the presence of purchased spirituous liquor in the possession of the purchaser.

G. An organization selling spirituous liquor under a special event license shall purchase the spirituous liquor from the holder of a license authorized to sell off-sale or a licensed wholesaler. In the case of a nonprofit organization that has obtained a special event license for the purpose of charitable fund-raising activities, the nonprofit organization may receive the spirituous liquor from a wholesaler, farm winery, microbrewery or producer as a donation, except that a licensee licensed pursuant to subsection A, paragraph 2 of this section may receive spirituous liquor from a donor when the donor receives no remuneration or payment of any kind, directly or indirectly, other than any tax benefits that might result.

H. An organization that is issued a license pursuant to subsection A, paragraph 2 of this section shall receive at least seventy-five per cent of the gross receipts of the auction. Up to twenty-five per cent of the gross receipts of a special event auction conducted pursuant to subsection A, paragraph 2 of this section may be used to pay reasonable and necessary expenses incurred in connection with the auction. All expenses shall be supported by written contracts, invoices or receipts, which shall be made available to the director on request.

I. The director may adopt those rules the director determines are necessary to implement and administer this section including a limitation on the number of times during a calendar year a qualified organization may apply for and be issued a license under this section. The qualified organization issued a license pursuant to subsection A, paragraph 1 of this section must receive at least twenty-five per cent of the gross revenues of all spirituous liquor sold at the special events, which shall be supported by a contract between the parties to be supplied at the time of application.

J. An organization that is issued a license pursuant to subsection A, paragraph 2 of this section shall not sell more than twenty cases of spirituous liquor annually under a special event license.

K. Section 4-201 does not apply to the licenses provided for under this section.

L. A licensed wholesaler may donate spirituous liquor directly to an organization that is issued a license pursuant to subsection A of this section. The licensed wholesaler shall in such instances issue a net zero cost billing invoice in the name of the special event licensee. All licensees making or receiving spirituous liquor donations remain subject to the applicable limitations and requirements set forth in this title and in the rules adopted by the department.

M. A licensed wholesaler may temporarily leave a delivery vehicle and other items of equipment necessary for the sale or service of spirituous liquor on the premises of a licensed special event for the duration of the event and up to one business day before and after the event.

N. A licensed wholesaler may leave spirituous liquor products at a special event if the products are properly described on a preliminary billing invoice from the wholesaler that is issued in the name of the special event licensee. The licensed wholesaler has up to five business days after the special event ends to make any necessary billing adjustments and issue a final billing invoice to the special event licensee.

MEETING DATE/TYPES: VOTING SESSION 6-7-16

DEPARTMENT: City Clerk

AGENDA ITEM: Public Hearing and consideration of a new liquor license application for a Series 18, In-state craft distillery from Dana Anita Murdock, applicant for Thumb Butte Distillery, located at 400 N Washington

Approved By:		Date:
City Clerk:	Dana DeLong	05/20/2016
City Attorney:	Jon Paladini	05/20/2016
City Manager:	Craig McConnell	05/23/2016

Item Summary

Dana Anita Murdock has applied for a Series 18 liquor license for Thumb Butte Distillery

License	Thumb Butte Distillery
	400 N Washington
Applicant	Dana Anita Murdock
Requested License Type	Series 18, In-state craft distillery
City Application No.	16-272
State Application No.	18133001
Sixty-day Processing Deadline	June 7, 2016

Staff Recommendation

Police Department	In Compliance
Community Development	In Compliance
Public Comments Received	None

NOTE: State law provides that for new license application, "In all proceedings before the governing body of a city...the applicant bears the burden of showing that the public convenience requires that the best interest of the community will be substantially served by the issuance of a license." (A.R.S. §4-201)

Background

Agenda Item: Public Hearing and consideration of a new liquor license application for a Series 18, In-state craft distillery from Dana Anita Murdock, applicant for Thumb Butte Distillery, located at 400 N Washington

The application presented for consideration has complied with each of the following requirements.

1. The application has been filed with the State Liquor Department and released to the City for additional processing.
2. The City application fee, set by Section 4-7-3 of the Prescott City Code, has been paid.
3. The application has been posted at the proposed location for the required twenty days and statements of opposition or statements of support received by the City Clerk are attached.
4. The Police Department has reviewed the application according to State law, which precludes issuance of a license to any person who: (1) Within one year has violated any provision of a liquor license or had a liquor license revoked; or (b) Within five years of the date of application has been convicted of a felony involving moral turpitude.
5. The Community Development Department has reviewed the application to determine whether zoning is proper.

Public Hearing and Action Procedure

The City Council's recommendation of approval, disapproval or no recommendation will be forwarded to the Department of Liquor Licenses and Control ("Department") for their consideration.

Recommendation of Approval

If the City Council recommendation is for approval, no hearing is required unless the Director of the Department, the State Liquor Board ("Board"), or any aggrieved party, requests a hearing on the grounds that the public convenience and the best interest of the community will not be substantially served if a license is issued. If no hearing is requested, the Director may approve the license.

Recommendation of Disapproval

If the City Council recommendation is for disapproval of an application, a statement of the specific reasons along with a summary of the testimony or other evidence supporting the recommendation for disapproval is required to be attached to the order of disapproval and submitted to the Director, after which a public hearing will be held.

No Recommendation

Agenda Item: Public Hearing and consideration of a new liquor license application for a Series 18, In-state craft distillery from Dana Anita Murdock, applicant for Thumb Butte Distillery, located at 400 N Washington

If the City Council makes no recommendation, the Director may cancel the hearing and issue the license unless the Board or any aggrieved party protests and requests a hearing. If the reason for the protest is clearly removed or deemed satisfied by the Director, the Board shall cancel the hearing and the Department may issue the license.

Financial Impact

The application and license fees have been paid. According to State law, proceeds from liquor license fees are required to be used for hospitality promotion (tourism development) purposes.

Attachments

1. Liquor License Series Number Definitions
2. R19-1-702, Arizona Laws and Regulations Relating to Granting a Liquor License

Recommended Action: (1) **MOVE** to close the Public Hearing; and (2) **MOVE** to approve/deny/make no recommendation for Liquor License Application No. 18133001, for a Series 18 In-house craft distillery, for Thumb Butte Distillery, located at 400 N Washington

LIQUOR LICENSE SERIES NUMBER DEFINITIONS

- 1 **In-State Producer**, all spirituous liquor, produced on-premises, may sell to Arizona-licensed wholesalers only.
- 2 **Out-of-state Producer**, all spirituous liquor, produced on-premises, may sell to Arizona-licensed wholesalers only.
- 3 **Microbrewery**, less than 1,240,000 gallons of beer produced annually on premises, unlimited on- and off-sale, less than 93,000 gallons may be distributed to retail licensees annually.
- 4 **Wholesaler**, all spirituous liquor, purchased from in- and out-of-state Arizona licensed producers, may sell to Arizona-licensed retailers.
- 5 **Government**, all spirituous liquor, may sell to patrons to consume on premises.
- 6 **Bar**, all spirituous liquor, off-sale sales in original, unopened container may not exceed 30% of on-sale receipts, may sell to patrons to consume on premises.
- 7 **Beer and Wine Bar**, beer and wine only, off-sale sales in original, unopened container may not exceed 30% of on-sale receipts, may sell to patrons to consume on premises.
- 9 **Liquor Store**, all spirituous liquor, may sell "carry-out" to patrons to consume off-premises, on-site temporary sampling events hosted by producer or wholesaler.
- 9S **Liquor Store with Sampling Privileges**, all spirituous liquor, may sell "carry-out" to patrons to consume off-premises, provide limited residential delivery, on-site permanent sampling events using store inventory.
- 10 **Beer and Wine Store**, beer and wine only, may sell "carry-out" to patrons to consume off-premises, on-site temporary sampling events hosted by producer or wholesaler.
- 10S **Beer and Wine Store with Sampling Privileges**, beer and wine only, may sell "carry-out" to patrons to consume off-premises, on-site permanent sampling events using store inventory.
- 11 **Hotel/Motel w/Restaurant**, all spirituous liquor, may sell to patrons to consume on premises.
- 12 **Restaurant**, all spirituous liquor, may sell to patrons to consume on premises.
- 13 **Farm Winery**, produces at least 200 gallons, but not more than 40,000 gallons of wine annually, produced on premises and by other domestic farm wineries.
- 14 **Private Club**, all spirituous liquor, may sell to bona fide members & their guests for on-premises consumption.
- 15 **Special Event**, all spirituous liquor, temporary license, off-sale allowed by auction in closed, original container for off-sale consumption, may sell to patrons to consume on premises.
- 18 **In-State Craft Distillery**, less than 20,000 gallons of distilled spirits annually on-premises, may sell and ship to Arizona licensed wholesalers. May sell and ship to Arizona-licensed retailers when annual production is less than 1,189 gallons. On-and off-sale retail privileges on licensed premises.
- 19 **Remote Tasting Room**, owned and operated by a licensee that concurrently owns one of the following Arizona liquor licenses: (1) Series 2W, Out-of-state Farm Winery; (2) Series 2D, Out-of-state Craft Distillery; (3) Series 13, In-state Farm Winery; or (4) Series 18, In-state Craft Distiller.

**Arizona Laws and Regulations Relating to
Granting a Liquor License for a Certain Location
(pursuant to Arizona Revised Statute §4-201(I))**

R19-1-702. Determining Whether to Grant a License for a Certain Location

- A. To determine whether public convenience requires and the best interest of the community will be substantially served by issuing or transferring a license at a particular unlicensed location, local governing authorities and the Board may consider the following criteria:
1. Petitions and testimony from individuals who favor or oppose issuance of a license and who reside in, own, or lease property within one mile of the proposed premises;
 2. Number and types of licenses within one mile of the proposed premises;
 3. Evidence that all necessary licenses and permits for which the applicant is eligible at the time of application have been obtained from the state and all other governing bodies;
 4. Residential and commercial population of the community and its likelihood of increasing, decreasing, or remaining static;
 5. Residential and commercial population density within one mile of the proposed premises;
 6. Evidence concerning the nature of the proposed business, its potential market, and its likely customers;
 7. Effect on vehicular traffic within one mile of the proposed premises;
 8. Compatibility of the proposed business with other activity within one mile of the proposed premises;
 9. Effect or impact on the activities of businesses or the residential neighborhood that might be affected by granting a license at the proposed premises;
 10. History for the past five years of liquor violations and reported criminal activity at the proposed premises provided that the applicant received a detailed report of the violations and criminal activity at least 20 days before the hearing by the Board;
 11. Comparison of the hours of operation at the proposed premises to the hours of operation of existing businesses within one mile of the proposed premises; and
 12. Proximity of the proposed premises to licensed childcare facilities as defined by A.R.S. § 36-881.
- B. This Section is authorized by A.R.S. § 4-201(I).

MEETING DATE/TYPES: VOTING SESSION 6-7-16

DEPARTMENT: City Clerk

AGENDA ITEM: Public Hearing and consideration of a new liquor license application for a Series 12, Restaurant liquor license from Randy D. Nations, applicant for Far From Folsom, located at 214 S. Montezuma Street

Approved By:		Date:
City Clerk:	Dana DeLong	05/20/2016
City Attorney:	Jon Paladini	05/20/2016
City Manager:	Craig McConnell	05/23/2016

Item Summary

Randy Nations has applied for a Series 12 liquor license for Far From Folsom

License	Far From Folsom
	214 S Montezuma Street
Applicant	Randy D. Nations
Requested License Type	Series 12, Restaurant
City Application No.	16-276
State Application No.	12133660
Sixty-day Processing Deadline	July 1, 2016

Staff Recommendation

Police Department	In Compliance
Community Development	In Compliance
Public Comments Received	None

NOTE: State law provides that for new license application, "In all proceedings before the governing body of a city...the applicant bears the burden of showing that the public convenience requires that the best interest of the community will be substantially served by the issuance of a license." (A.R.S. §4-201)

Background

Agenda Item: Public Hearing and consideration of a new liquor license application for a Series 12, Restaurant liquor license from Randy D. Nations, applicant for Far From Folsom, located at 214 S. Montezuma Street

The application presented for consideration has complied with each of the following requirements.

1. The application has been filed with the State Liquor Department and released to the City for additional processing.
2. The City application fee, set by Section 4-7-3 of the Prescott City Code, has been paid.
3. The application has been posted at the proposed location for the required twenty days and statements of opposition or statements of support received by the City Clerk are attached.
4. The Police Department has reviewed the application according to State law, which precludes issuance of a license to any person who: (1) Within one year has violated any provision of a liquor license or had a liquor license revoked; or (b) Within five years of the date of application has been convicted of a felony involving moral turpitude.
5. The Community Development Department has reviewed the application to determine whether zoning is proper.

Public Hearing and Action Procedure

The City Council's recommendation of approval, disapproval or no recommendation will be forwarded to the Department of Liquor Licenses and Control ("Department") for their consideration.

Recommendation of Approval

If the City Council recommendation is for approval, no hearing is required unless the Director of the Department, the State Liquor Board ("Board"), or any aggrieved party, requests a hearing on the grounds that the public convenience and the best interest of the community will not be substantially served if a license is issued. If no hearing is requested, the Director may approve the license.

Recommendation of Disapproval

If the City Council recommendation is for disapproval of an application, a statement of the specific reasons along with a summary of the testimony or other evidence supporting the recommendation for disapproval is required to be attached to the order of disapproval and submitted to the Director, after which a public hearing will be held.

Agenda Item: Public Hearing and consideration of a new liquor license application for a Series 12, Restaurant liquor license from Randy D. Nations, applicant for Far From Folsom, located at 214 S. Montezuma Street

No Recommendation

If the City Council makes no recommendation, the Director may cancel the hearing and issue the license unless the Board or any aggrieved party protests and requests a hearing. If the reason for the protest is clearly removed or deemed satisfied by the Director, the Board shall cancel the hearing and the Department may issue the license.

Financial Impact

The application and license fees have been paid. According to State law, proceeds from liquor license fees are required to be used for hospitality promotion (tourism development) purposes.

Attachments

1. Liquor License Series Number Definitions
2. R19-1-702, Arizona Laws and Regulations Relating to Granting a Liquor License

Recommended Action: (1) **MOVE** to close the Public Hearing; and (2) **MOVE** to approve/deny/make no recommendation for Liquor License Application No. 12133660, for a Series 12 Restaurant Liquor License, for Far From Folsom, located at 214 S Montezuma Street

LIQUOR LICENSE SERIES NUMBER DEFINITIONS

- 1 **In-State Producer**, all spirituous liquor, produced on-premises, may sell to Arizona-licensed wholesalers only.
- 2 **Out-of-state Producer**, all spirituous liquor, produced on-premises, may sell to Arizona-licensed wholesalers only.
- 3 **Microbrewery**, less than 1,240,000 gallons of beer produced annually on premises, unlimited on- and off-sale, less than 93,000 gallons may be distributed to retail licensees annually.
- 4 **Wholesaler**, all spirituous liquor, purchased from in- and out-of-state Arizona licensed producers, may sell to Arizona-licensed retailers.
- 5 **Government**, all spirituous liquor, may sell to patrons to consume on premises.
- 6 **Bar**, all spirituous liquor, off-sale sales in original, unopened container may not exceed 30% of on-sale receipts, may sell to patrons to consume on premises.
- 7 **Beer and Wine Bar**, beer and wine only, off-sale sales in original, unopened container may not exceed 30% of on-sale receipts, may sell to patrons to consume on premises.
- 9 **Liquor Store**, all spirituous liquor, may sell "carry-out" to patrons to consume off-premises, on-site temporary sampling events hosted by producer or wholesaler.
- 9S **Liquor Store with Sampling Privileges**, all spirituous liquor, may sell "carry-out" to patrons to consume off-premises, provide limited residential delivery, on-site permanent sampling events using store inventory.
- 10 **Beer and Wine Store**, beer and wine only, may sell "carry-out" to patrons to consume off-premises, on-site temporary sampling events hosted by producer or wholesaler.
- 10S **Beer and Wine Store with Sampling Privileges**, beer and wine only, may sell "carry-out" to patrons to consume off-premises, on-site permanent sampling events using store inventory.
- 11 **Hotel/Motel w/Restaurant**, all spirituous liquor, may sell to patrons to consume on premises.
- 12 **Restaurant**, all spirituous liquor, may sell to patrons to consume on premises.
- 13 **Farm Winery**, produces at least 200 gallons, but not more than 40,000 gallons of wine annually, produced on premises and by other domestic farm wineries.
- 14 **Private Club**, all spirituous liquor, may sell to bona fide members & their guests for on-premises consumption.
- 15 **Special Event**, all spirituous liquor, temporary license, off-sale allowed by auction in closed, original container for off-sale consumption, may sell to patrons to consume on premises.
- 18 **In-State Craft Distillery**, less than 20,000 gallons of distilled spirits annually on-premises, may sell and ship to Arizona licensed wholesalers. May sell and ship to Arizona-licensed retailers when annual production is less than 1,189 gallons. On-and off-sale retail privileges on licensed premises.
- 19 **Remote Tasting Room**, owned and operated by a licensee that concurrently owns one of the following Arizona liquor licenses: (1) Series 2W, Out-of-state Farm Winery; (2) Series 2D, Out-of-state Craft Distillery; (3) Series 13, In-state Farm Winery; or (4) Series 18, In-state Craft Distiller.

**Arizona Laws and Regulations Relating to
Granting a Liquor License for a Certain Location
(pursuant to Arizona Revised Statute §4-201(I))**

R19-1-702. Determining Whether to Grant a License for a Certain Location

- A. To determine whether public convenience requires and the best interest of the community will be substantially served by issuing or transferring a license at a particular unlicensed location, local governing authorities and the Board may consider the following criteria:
1. Petitions and testimony from individuals who favor or oppose issuance of a license and who reside in, own, or lease property within one mile of the proposed premises;
 2. Number and types of licenses within one mile of the proposed premises;
 3. Evidence that all necessary licenses and permits for which the applicant is eligible at the time of application have been obtained from the state and all other governing bodies;
 4. Residential and commercial population of the community and its likelihood of increasing, decreasing, or remaining static;
 5. Residential and commercial population density within one mile of the proposed premises;
 6. Evidence concerning the nature of the proposed business, its potential market, and its likely customers;
 7. Effect on vehicular traffic within one mile of the proposed premises;
 8. Compatibility of the proposed business with other activity within one mile of the proposed premises;
 9. Effect or impact on the activities of businesses or the residential neighborhood that might be affected by granting a license at the proposed premises;
 10. History for the past five years of liquor violations and reported criminal activity at the proposed premises provided that the applicant received a detailed report of the violations and criminal activity at least 20 days before the hearing by the Board;
 11. Comparison of the hours of operation at the proposed premises to the hours of operation of existing businesses within one mile of the proposed premises; and
 12. Proximity of the proposed premises to licensed childcare facilities as defined by A.R.S. § 36-881.
- B. This Section is authorized by A.R.S. § 4-201(I).

MEETING DATE/TYPES: VOTING SESSION 6-7-16

DEPARTMENT: Economic Initiatives

AGENDA ITEM: (1) Acceptance of an Economic Strength Program (ESP) Grant Award (ADOT GRT-16-0005843) in the amount of \$500,000.00 from the Arizona Commerce Authority (ACA) and Arizona Department of Transportation (ADOT); (2) Approval of an Economic Development Agreement with Arizona Eco-Development, LLC (City Contract No. 2016-305); (3) Approval of a Grant Agreement No. GRT-16-0005843 with ADOT for construction of the Corsair Connection (Corsair Avenue to Wilkinson Drive) (City Contract No. 2016-309); and (4) Adoption of Resolution No. 4338-1547

FUNDING SOURCE(S): All necessary matching funds (\$140,000.00) for the grant will be provided by the City's private sector partner(s)

Approved By:

Date:

Economic Initiatives Director:	Jeff Burt	05/24/2016
City Attorney:	Jon Paladini	05/26/2016
City Manager:	Craig McConnell	06/01/2016

Item Summary

City Council authorized the submission of an Economic Strength Program grant application on October 27, 2015. The grant submission and award was for \$500,000.00. The project will directly serve and benefit businesses in the Prescott Airpark by creating a street connection, the "Corsair Connection" (see attached map). The grant request was given final approval by ADOT on February 19, 2016. The total estimated project cost is \$1.4 million. The balance of project funds, approximately \$900,000.00 in cash and services, will be provided by a private sector project team led by Arizona Eco-Development, LLC. The key project elements are contained within the enclosed Economic Development Agreement.

The grant has a cash-match requirement of an estimated \$140,000.00, which will be provided by the private sector. The City, as the eligible grant recipient, will prepare bid documents, manage the bid process, and award the construction contract via the City's procurement process.

Key elements of the associated Economic Development Agreement (Exhibit A) are as follows:

Agenda Item: (1) Acceptance of an Economic Strength Program (ESP) Grant Award (ADOT GRT-16-0005843) in the amount of \$500,000.00 from the Arizona Commerce Authority (ACA) and Arizona Department of Transportation (ADOT); (2) Approval of an Economic Development Agreement with Arizona Eco-Development, LLC (City Contract No. 2016-305); (3) Approval of a Grant Agreement No. GRT-16-0005843 with ADOT for construction of the Corsair Connection (Corsair Avenue to Wilkinson Drive) (City Contract No. 2016-309); and (4) Adoption of Resolution No. 4338-1547

City of Prescott responsibilities:

- Apply the ESP grant proceeds of \$500,000.00 to construction of the Corsair Connector
- Submit all requests for ESP grant reimbursement to ACA/ADOT
- Review and permit construction
- Prepare and issue an Invitation For Bid (IFB) and award a construction contract per City procurement guidelines
- Accept the street segment and infrastructure improvements into the City's system and maintain thereafter
- Close out the grant with ACA and ADOT upon completion of grant eligible construction costs within the timeframe provided in the approved IGA between the City and ADOT (Exhibit B)

Arizona Eco-Development responsibilities:

- Provide the balance of funds and services necessary for street design and construction of the Corsair Connector and related infrastructure to complete the construction (with a value of approximately \$900,000.00) including \$140,000.00 in cash
- Acquire/provide all right-of-way necessary to the City (Exhibit C)
- Secure and pay for the services of a qualified engineering firm(s) to prepare construction drawings, project specifications, and a cost estimate for the street segment and any utility and/or drainage improvements, meeting grant requirements
- Transfer ownership of the completed and accepted Corsair Connector and related public drainage and infrastructure improvements to the City

Economic Development Benefit

A focus for existing business visits by the Department of Economic Initiatives (DEI) over the past 18 months has been manufacturers in the Prescott Regional Airport and Commerce Center, and the Prescott Airpark. A common refrain from numerous manufactures was the need for better access and traffic circulation. To that end, DEI found a promising means of improvement upon ACA's announcement of the Economic Strength Grant Award Project Program in August 2015. This program provides funds for new road construction that are in support of job creation and capital investment.

Financial Impact

Agenda Item: (1) Acceptance of an Economic Strength Program (ESP) Grant Award (ADOT GRT-16-0005843) in the amount of \$500,000.00 from the Arizona Commerce Authority (ACA) and Arizona Department of Transportation (ADOT); (2) Approval of an Economic Development Agreement with Arizona Eco-Development, LLC (City Contract No. 2016-305); (3) Approval of a Grant Agreement No. GRT-16-0005843 with ADOT for construction of the Corsair Connection (Corsair Avenue to Wilkinson Drive) (City Contract No. 2016-309); and (4) Adoption of Resolution No. 4338-1547

The Corsair Connection project has two funding components: (1) the ACA/ADOT Economic Strength grant award of \$500,000.00; and, (2) approximately \$900,000.00 in cash and services from the project team led by AED. The completed road segment (approximately 2,900 feet in length) and related improvements will become part of the City's street system. All project matching funds are to be provided by the private sector.

Attachments

1. Economic Development Agreement with Arizona Eco-Development, City Contract No. 2016-305
2. Grant Agreement with Arizona Department of Transportation, City Contract No. 2016-309
3. Map of Corsair Connector Alignment – Option A
4. Resolution No. 4338-1547

Recommended Action (one motion): **MOVE** to (1) accept the Economic Strength Project grant in the amount of \$500,000.00; (2) approve the Economic Development Agreement with Arizona Eco-Development, LLC (City Contract No. 2016-305); (3) approve the Grant Agreement with ADOT (City Contract No. 2016-309); and (4) adopt Resolution No. 4338-1547.



ECONOMIC DEVELOPMENT AGREEMENT FOR CORSAIR CONNECTOR

City Contract No. 2016-305

City of Prescott and Arizona Eco-Development, LLC

This ECONOMIC DEVELOPMENT AGREEMENT ("Agreement") is entered into to be effective as of the ____ day of _____ 2016 (the "Effective Date"), by and between the CITY OF PRESCOTT, a municipal corporation of the State of Arizona (the "City") and grantee and ARIZONA ECO-DEVELOPMENT, LLC, an Arizona limited liability company ("AED"). The City and AED are each a "Party" to this Agreement and may be referred to herein collectively as "Parties."

Recitals. As background to this Agreement, the Parties recite, acknowledge and confirm the following, each of which shall be a material term and provision of this Agreement:

A. On October 27, 2015, the Prescott City Council authorized the submission of an Economic Strength Project Grant (ESP) application to the Arizona Commerce Authority (ACA) to further the City's ability to support the attraction and expansion of business in the Airpark Area.

B. Final approval of the grant request of \$500,000.00 was provided by the ADOT Transportation Board on February 19, 2016. The grant provides funding assistance for the construction of the Corsair Connector (Exhibit A – NGA). Grant funds may only be used for eligible construction costs outlined in the program application. The street segment begins at the southern terminus of existing Corsair Avenue and connects with Wilkinson Drive, a distance of approximately 2,200 lineal feet (See Exhibit B). This project will markedly improve vendor and employee access for businesses in the Airpark Area and also provide improved traffic circulation. Furthermore, the project will support new job creation and new capital investment per the requirements of the ESP program.

C. The Corsair Connector represents a public private partnership of the City and AED, wherein, AED will provide the balance of funding of approximately \$900,000. Combined with the City's \$500,000.00 ESP grant, the total project cost of the Corsair Connector is estimated at \$1,400,000.00. The overall project includes design, engineering, street construction, and related utility improvements.

D. An important requirement of the ESP program grant is that the project must be completed within 18 months from the effective date (_____) of the governing ESP agreement (Exhibit C). Furthermore, the first request for reimbursement of eligible project costs must be submitted to ADOT no later than eight (8) months after the effective date of this Intergovernmental Agreement (IGA).

1. **Agreements.** In consideration of the mutual promises and representations set forth herein and in the recitals hereto, the City and AED agree as follows:

A. City of Prescott shall: participate in and help cause the construction of the Corsair Connector through the funds provided by the newly approved ESP Grant (Contract # P0012013003419). To that end and in furtherance of the Corsair Connector Project, the City shall:

1. Contribute all proceeds of the ESP Grant (\$500,000.00) to the project and the funds may be used for any and all purposes deemed eligible under program guidelines.

2. Manage the ESP grant and submit all invoices for reimbursement expenses up to \$500,000.00 to ADOT per ESP program guidelines.

3. Prepare and issue an Invitation for Bid (IFB) for the construction of the Corsair Connector and related improvements.

4. Receive, review, and award a construction contract to the lowest responsible bidder, per City and State procurement guidelines.

5. Receive and accept the Corsair Connector and related infrastructure improvements into the City's street and utility networks and provide normal, ongoing, and necessary street and utility maintenance upon successful completion of construction

6. Manage and close out the ESP grant with ACA and ADOT upon completion of all grant-eligible construction costs within the time frame presented in the effective IGA

7. Provide technical assistance to AED, as requested, in its efforts to create a community Improvement District in furtherance of the Corsair Connector Project

B. AED shall: participate in and help cause the construction of the Corsair Connector through the provision of services and funds. Specifically, AED shall:

1. Provide all additional funds and services (less the City's contribution \$500,000.00) required of the project which is estimated to be up to \$900,000.00 in value including a cash match of \$140,000.00 to enable the completion of the Corsair Connector and related improvements per the project specifications

2. Acquire/provide all right-of-way necessary to construct the project which extends from the southern terminus of Corsair Avenue to Wilkinson Drive and transfer the right-of-way to the City and provide an 8" x 11" map of the project alignment (Exhibit B)

3. Secure and pay for the services of a qualified professional engineering firm to prepare construction drawings, project specifications and cost estimate for the road segment and any utility and/or drainage improvements meeting the standards specified by the City and ADOT

4. Transfer the successfully completed Corsair Connector and related improvements to the City for inclusion in its street and utility network

5. Cooperate with City staff in the administration and management of the ESP grant program

2. **ESP Reimbursement Process.** Grant funds under the ESP program are provided on a reimbursement basis. As the grantee, the City shall submit all eligible invoices for reimbursement to ADOT. AED, as the project partner, shall submit all ESP-eligible invoices to the City for processing.

A. The initial request for reimbursement from ADOT by the City must be made no later than eight (8) months from the effective date of the governing agreement.

B. Total requests for reimbursement from the ESP program shall not exceed \$500,000.00.

C. All grant reimbursements (not to exceed \$500,000.00) must be distributed no later than 18 months from the effective date of the IGA.

3. **Term.** Unless mutually terminated by the City and AED due to Force-Majeure of ESP funds not being available from ACA/ADOT, the term of this Agreement ("Term") shall begin on the Effective Date of the IGA and end with the formal close of the project. However, program reporting requirements indicate that the grantee will continue to provide annual reports on the project for years (36 months) from the completion of the project and the City requests AED's continuing cooperation during this time period to facilitate the continuing reporting.

4. **Notices.** Unless otherwise specifically provided herein, or unless written notice of a change of address has been previously given pursuant hereto, all notices, demands or other communication given hereunder (each, a "Notice") shall be in writing and shall be deemed to have been duly delivered upon (i) personal delivery, (ii) upon delivery by a recognized overnight courier (e.g., Federal Express, United Parcel Service) for next business day delivery, or (iii) as of the second business day after mailing by United States mail, postage prepaid, by certified mail, return receipt requested, addressed as follows:

To AED: Arizona Eco-Development, LLC
3200 Lakeside Village
Prescott, AZ 86301
Attn: Jason Gisi

To the City: City of Prescott
Department of Economic Initiatives
201 S. Cortez Street
Prescott, AZ 86303
Attn: Jeff Burt

Copy to: City of Prescott
Legal Department
221 S. Cortez Street
Prescott, Arizona 86303
Attn: Jon Paladini, City Attorney

Communications may be made by facsimile or by electronic or digital means (for example, email), but such communications shall not constitute "Notice" as required by this Agreement unless also sent by one of the methods specified above, and shall be deemed only to be courtesies to the recipient.

5. **Unintended Delay; Extensions.** If and to the extent that the Parties' performance in this Agreement is impaired or delayed by war, fire, casualty, acts of God or other similar causes beyond or outside the control of each party, then the Termination Date shall be equitably extended (that is, by one day for each day of Unintended Delay) as necessary subject to the consent of ACA/ADOT. In no event will Unintended Delay include any delay resulting from general economic or market conditions, or from the unavailability for any reason of particular contractors, subcontractors, or vendors,

6. **Representations and Warranties.** As of the Effective Date:

A. AED represents and warrants to the City that it is a limited liability company duly formed and validly existing under the laws of the State of Arizona and is in good standing in the State of Arizona.

B. AED represents and warrants to the City that the person executing this Agreement on behalf of AED has full right, power, and authority to execute this Agreement and bind Arrowhead hereunder.

C. AED represents and warrants to the City that the assets, properties, and agreements required to fulfill its obligations under this Agreement are available and committed to the successful completion of the project.

D. AED represents and warrants to the City that it is in material compliance with all applicable federal, state and local regulations, codes and laws regarding its ability to participate in and perform under this Agreement.

7. **Default.** In the event any Party fails to comply with any terms, conditions and obligations under this Agreement which are applicable to such Party, such Party shall be deemed to be in default under this Agreement. It is expressly agreed by AED that a failure by AED to comply with the Program Criteria and the Performance Criteria will be and constitute a default under this Agreement. The failure of any Party to cure a default within thirty (30) days after receipt of written notice from the other Party shall be an "Event of Default."

8. **Remedies.**

A. If the City is in default and fails to cure its Event of Default within the time period described in Section 8 above, then, in that event and as AED sole and exclusive remedy, AED shall have the right to seek specific performance of the City's obligations contained herein or to pursue those remedies detailed in this Agreement.

B. If AED is in default and fails to cure its Event of Default within the time period described in Section 8 above, then, in that event and as the City's sole and exclusive remedies, the City shall have the following rights and remedies: (i) if the Event of Default occurs on or prior to the third anniversary of the Initial Reimbursement Date, the City's rights and remedies are set forth in Sections 3(b)(3), (4), and (5); and (ii) if the Event of Default occurs after the third anniversary of the Initial Reimbursement Date,

the City's rights and remedies are set forth in Section 3(C). The City's remedies under this Agreement are not exclusive, and the City may exercise one or more remedies concurrently, although the City shall be entitled to a single recovery.

9. Assignment.

A. AED shall not assign any right or obligation in this Agreement other than to a subsidiary or affiliate of AED, or to an entity that acquires the entirety of AED's interest in the Project, without the City's express written consent, which consent may be granted, conditioned or delayed in the City's sole and absolute discretion. In order to be effective, any such assignment must contain an express written agreement and assumption by the assignee agreeing to be unconditionally liable for AED's obligations contained herein. Any such assignment shall relieve AED of its obligations in this Agreement.

B. Notwithstanding the foregoing, AED may assign to its Manager its rights to receive payments of the Reimbursable Amount. AED and Manager agree and acknowledge that such assignment shall not relieve AED of any of its obligations in this Agreement and that the Manager's right to receive any assigned payments are conditioned upon the satisfaction of and compliance with the Program Criteria and Performance Criteria required by this Agreement by AED, its successors and assigns.

10. Additional Matters.

A. City's Right to Terminate. This Agreement is subject to termination by the City pursuant to the provisions of A.R.S. 38-511.

B. Effective Date. This Agreement is entered into on _____, 2016 and represents the Effective Date of the IGA subject to final approval and signature of ADOT.

C. Recitals. The recitals set forth in Paragraph A through D, inclusive, of this Agreement are incorporated in this Agreement by reference as if fully set forth herein.

D. City Processes. Nothing in this Agreement shall preclude the City from the reasonable exercise of its normal zoning, platting and review processes, or its enforcement of public health and safety.

E. No Exemption. Nothing in this Agreement exempts AED from payment of any sales tax, rental tax, use tax or any other municipal fees or charges.

F. Severability. The City and AED each believes that the execution, delivery and performance of this Agreement are in compliance with all applicable laws. However, in the unlikely event that any provision of this Agreement is declared void or unenforceable (or is construed as requiring the City to do any act in violation of any applicable constitutional provision, law, regulation, City code or City charter), such provision shall be deemed severed from this Agreement and this Agreement shall otherwise remain in full force and effect; provided that this Agreement shall retroactively be deemed reformed to the extent reasonably possible in such a manner so that the reformed Agreement (and any related agreements effective as of the same date) provide essentially the same rights and benefits (economic and otherwise) to the Parties as if such severance and reformation were not required. The Parties further agree, in such circumstances, to do all acts and to execute all amendments, instruments and consents necessary to accomplish and to give effect to the purposes of this Agreement, as reformed.

G. No Waiver. The failure of any Party to exercise any right, power or remedy given to it under this Agreement, or to insist upon strict compliance with it, shall not constitute a waiver of the terms and conditions of this Agreement with respect to any other or subsequent breach, nor a waiver by either Party of its rights at any time to require exact and strict compliance with all of the terms of this Agreement. The rights or remedies under this Agreement are exclusive of any other rights or remedies which may be granted by law.

H. Entire Agreement; Amendments; Counterparts. This Agreement constitutes the entire Agreement between the City and AED with respect to its subject matter, and all agreements, oral or written, entered into prior to this Agreement are revoked and superseded by this Agreement. This Agreement may not be changed, modified or rescinded, except in writing, signed by all Parties and any attempt at oral modification of this Agreement shall be void and of no effect. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same instrument.

I. Attorney's Fees. In the event of any dispute between the Parties in connection with this Agreement, the Party prevailing in such action or proceeding shall be entitled to recover from the other Party all of its costs and fees, including reasonable attorneys' fees; provided, however, that no such amount shall be awarded, owed or payable until (i) the court in question has made a finding that one or the other party is the "prevailing party" in such proceeding, and (ii) a final, non-appealable order of judgment is entered by a court of competent jurisdiction, or where applicable, the mandate of an appellate court of competent jurisdiction shall issue.

J. Governing Law; Choice of Forum. This Agreement shall be deemed to be made under, shall be construed in accordance with, and shall be governed solely and exclusively by the internal, substantive laws of the State of Arizona (without reference to conflict of law principles). Any action brought to interpret, enforce or construe any provision of this Agreement shall be commenced and maintained in the Superior Court of the State of Arizona in and for the County of Yavapai (or in the United States District Court for the District of Arizona, if, but only if, the Superior Court lacks or declines jurisdiction over such action, or the City elects such forum in its sole election). The Parties irrevocably consent to the sole and exclusive jurisdiction and venue in such courts for such purposes and agree not to seek transfer or removal of any action commenced in accordance with the terms of this Section 11(J). The provisions of this Section 11(J) have been specifically bargained for by the City and constitute additional consideration to the City for its entering into, and agreeing to be bound by, this Agreement.

K. No Personal Liability. No member, agent, representative, official, officer, or employee of any Party shall be personally liable to any Party, or any successor-in-interest, in the event of any default or breach by a Party or for any amount which may become due to another Party or any successor in interest or on any obligation under the terms of this Agreement.

L. No Partnership. It is not intended by this Agreement to, and nothing contained in this Agreement shall, create any partnership, joint venture or other arrangement between AED and the City. No term or provision of this Agreement is intended to, or shall, be for the benefit of any person, firm, organization or corporation not a Party hereto, and no such other person, firm, organization or corporation shall have any right or cause of action hereunder.

M. No Recording. Neither Party shall record this Agreement nor any memorandum hereof in the Yavapai County records.

N. Waiver. The Parties agree that A.R.S. § 12-552 shall not act to prevent, extinguish, or otherwise alter this agreement in any way.

= Signatures are on the following two (2) pages.

IN WITNESS WHEREOF, the Parties have executed this Agreement through their representatives duly authorized to execute this document and bind their respective entities to the terms and obligations herein contained as of the Effective Date.

CITY OF PRESCOTT, an Arizona
municipal corporation

By: _____
Harry B. Oberg, Mayor

ATTEST:

By: _____
Dana DeLong, City Clerk

APPROVED AS TO FORM:

By: _____
Jon Paladini, City Attorney

STATE OF ARIZONA)
) ss.
COUNTY OF YAVAPAI)

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

Notary Public

My Commission Expires:

By: Arizona Eco-Development, LLC, an
Arizona Limited Liability Company

By: _____
Name: _____
Title: _____

STATE OF ARIZONA)
) ss.
COUNTY OF YAVAPAI)

The foregoing instrument was acknowledged before me this _____ day of
_____ 2016, by _____, the President of Arizona Eco-Development
LLC, an Arizona limited liability company.

Notary Public

My commission expires:

Agreement / CAR Number	GRT-16-0005843
AG Contract Number	P0012013003419
Advantage Vendor Number	PZ000008393
DUNS Number	(N/A – State Funds)
Advantage Project Number Eligible From Date Eligibility Expiration Date Project Details	Refer to Exhibit A

GRANT AGREEMENT
BETWEEN
THE ARIZONA DEPARTMENT OF TRANSPORTATION
MULTIMODAL PLANNING DIVISION acting for and on behalf of
THE STATE OF ARIZONA
AND
THE CITY OF PRESCOTT

This GRANT AGREEMENT, established pursuant to Arizona Revised Statutes (A.R.S.) § 28-7281, is entered into _____ between the ARIZONA DEPARTMENT OF TRANSPORTATION (ADOT) MULTIMODAL PLANNING DIVISION (MPD) acting for and on behalf of THE STATE OF ARIZONA herein referred to as the STATE, and THE CITY OF PRESCOTT herein referred to as the SUBRECIPIENT. The STATE and the SUBRECIPIENT are collectively referred to as the “Parties”, and individually as STATE, SUBRECIPIENT, and “Party”.

I. RECITALS

- 1) STATE is authorized to enter into this Agreement and has delegated to the undersigned the authority to execute this Agreement on behalf of STATE.
- 2) SUBRECIPIENT has obtained appropriate action by ordinance or resolution or otherwise pursuant to the laws or other rules and regulations applicable to it and its governing bodies and is authorized to enter into this Agreement and has delegated to the undersigned the authority to execute this Agreement on behalf of SUBRECIPIENT.
- 3) Exhibit A: Project Award Description provides the Project Award Description, Eligibility Dates, Funding Participation, and Match Requirements. The STATE and the SUBRECIPIENT desire to secure the Project as described in Exhibit A through the expenditure of State Economic Strength Project Funds and carried out according to this Agreement and under the applicable sections of ARS 28-7282 et seq.
- 4) Exhibit B: Program Description provides the statutory reference and describes rules, regulations, and requirements specific to the program(s) awarded in this Agreement.

- 5) Exhibit C: Responsibility Matrix delineates key requirements specific to roles. The STATE and the SUBRECIPIENT desire defining their respective responsibilities related to the expenditure and reimbursement of up to the amount of funds described in Exhibit A and referred to as the PROJECT within the authority granted by the Program described in Exhibit B.
- 6) Exhibit D: Procurement and Third Party Contract Provisions provides rules specific to sub-recipient procurement in this Agreement.
- 7) Exhibit E: Discrimination & Title VI Requirements provides mandatory Title VI requirements.
- 8) Exhibit F: Disadvantaged Business Enterprise (DBE) Requirements provides mandatory DBE requirements.
- 9) Exhibit G: Insurance (Risk Management) Requirements provides mandatory insurance requirements.
- 10) Exhibit H: Language Modifications provides exceptions, exemptions, and language variations for Agreements with Tribes, Nations, or Native Indian Communities.
- 11) SUBRECIPIENT qualified local match and fees for the PROJECT to be procured by the STATE is due upon demand and prior to procurement. Match for PROJECT to be procured by SUBRECIPIENT shall be indicated in and deducted from request for reimbursement.
- 12) The APPLICATION for this Agreement does not constitute the AWARD amount. The AWARD will be demonstrated in Exhibit A of this Agreement, incorporated into the document at the time of execution and/or as updated from time-to-time by mutual consent.
- 13) The State has the authority to re-distribute Award if the signed Agreement is not received by the program required deadline, or if applicable cash Match (if required) is not received, so that the Agreement may be executed within 90 days from the date that Exhibit A documenting Award is distributed.

THEREFORE, in consideration of the mutual agreements expressed herein, it is agreed as follows:

II. SCOPE

- 1) SUBRECIPIENT shall provide specific services or activities related to eligible funding, herein called the PROJECT in accordance with the SUBRECIPIENT'S application(s), incorporated herein as referenced and as described in Exhibit B and the PROJECT description and Award described in Exhibit A.
- 2) PROJECT expense and cost awards will be detailed in Exhibit A. Awards may consist of any combination of expense or cost categories eligible in the associated grant program.
- 3) PROJECT Award is limited to the quantity, description, and/or pricing of the items identified in Exhibit A. Any needed or desired variation from quantity, description, or pricing must be requested in writing and approved by the Program Manager prior to procurement or incurring expenses. Approvals will result in a modified Exhibit A being issued. For PROJECT Award items being procured by ADOT, actual pricing that exceeds the estimate on Exhibit A and requiring additional MATCH will be confirmed with the SUBRECIPIENT prior to purchase.
- 4) SUBRECIPIENT eligible PROJECT expenditures or incurrence of costs may not occur prior to the "Expenses Eligible from Date" and must occur prior to the "Eligibility Expiration Date" established in Exhibit A. All support documentation must be dated within that established data range to be considered eligible.
- 5) Authorized PROJECT-appropriate expenses and costs associated with the PROJECT Award, supported by receipts and other suitable and appropriate documentation, and incurred within the Exhibit A established data range are eligible for reimbursement upon execution of this Agreement. Final reimbursement requests must be received no later than 30 days after the calendar quarter within which the Eligibility Expiration Date occurs to be eligible for reimbursement unless an extension has been granted by the Program Manager.

III. RESPONSIBILITIES

- 1) **ADOT or its assignees will:**
 - a. Review PROJECTS for compliance with statutory requirements, oversight requirements, and program guidance.
 - b. Review documentation supporting PROJECT expenditures for eligibility and ensure program match requirements are met.
 - c. Review invoices, when appropriate to the Grant Award, from SUBRECIPIENT and reimburse SUBRECIPIENT within 30 days after receipt and approval of invoices, in a

total amount not to exceed the lesser of the approved invoiced costs or the Grant Award.

- d. Communicate with SUBRECIPIENT as necessary to facilitate program compliance and procedural efficiency.

2) SUBRECIPIENT will:

- a. Administer the grant from award to closeout.
- b. Take necessary steps to ensure compliance with program or Agreement stipulated deadlines.
- c. Develop and have in place prior to use of award internal policies and systems that ensure effective management of awards and compliance with grant requirements.
- d. Implement strong internal controls for accounting and compliance with grant terms and conditions and ensure that SUBRECIPIENT financial management system and any other system used for documentation or compliance is appropriate to implement the Project.
- e. Establish a budget of the costs required to perform the Project and a method for monitoring actual costs against the budget.
- f. Ensure that matching funds qualify under Program requirements and submit payment of Grant required MATCH or other fees as indicated in Exhibit A upon demand by the STATE.
- g. Comply with all terms of the Grant Program in accordance with the SUBRECIPIENT application(s) and statutes in effect at the time of application or subsequently revised and incorporated herein by reference.
- h. Obtain prior written concurrence of the State before assigning any portion of the work to be performed under this Agreement or execute any contract, amendment, or change order thereto, or obligate itself in any manner with any third party with respect to its rights and responsibilities under this Agreement.
- i. Communicate contractual requirements to contractors and sub-contractors and ensure all the requirements of this Agreement are incorporated by means of a contract or other legally binding documents stipulating the contractor and/or sub-contractor's responsibility to comply with this Agreement.
- j. In the event of an accident involving any equipment funded under this Agreement, the SUBRECIPIENT shall, within 48 hours, notify the ADOT Program Manager and the

MPD Finance & Administration Manager (see Exhibit B) electronically via email. Any insurance proceeds received when project property has been lost or damaged, the grantee shall a) apply those proceeds to the cost of replacing the damaged or destroyed project property taken out of service or b) return an amount equal to the remaining STATE interest in the lost, damaged, or destroyed project property. The SUBRECIPIENT agrees to request from and adhere to guidance from the ADOT Project Manager regarding which option shall be followed.

- k. Communicate with STATE as necessary to facilitate program compliance and procedural efficiency.
- l. Provide all required reports required by Program requirements or as requested by ADOT in a timely manner and as required by the STATE.
- m. Ensure users of PROJECT equipment and/or services meet applicable regulations and statutes.
- n. Review documentation supporting PROJECT expenditures for eligibility and ensure program match requirements are met.
- o. Comply with Performance Measure requirements when and as established or as designated by the STATE for its compliance.
- p. Comply with Cross-Cutting requirements for asset management plans and reporting of asset inventory and condition information when and as established by the STATE.
- q. Demonstrate that funds are expended for eligible and allocable activities; track receipts, disbursements, assets, liabilities, and balances; and track and report program income.
- r. Report to the STATE as required by the program but at a minimum quarterly on the invoice form provided by ADOT, for categorized reimbursable Project costs/expenses awarded as detailed in Exhibit A, as authorized and allowable under the grant requirements, and supported as required with vendor invoices, original receipts, or other suitable and appropriate documentation.

In the event that no expenditures occurred during a calendar quarter, submit a zero dollar invoice.

To be eligible for reimbursement, costs must meet the following general criteria:

- Be a direct cost. Indirect costs are eligible for reimbursement only with an indirect cost plan approved by the SUBRECIPIENTs federal cognizant agency and accepted by ADOT as indicated on Exhibit A.

- Be necessary and reasonable for proper and efficient performance and administration of the Project;
 - Be an eligible expense under program regulations and requirements;
 - Be treated consistently. A cost may not be assigned to the grant as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to a grant as an indirect cost;
 - Be determined in accordance with generally accepted accounting principles;
 - Not be included as a cost or used to meet cost sharing or matching requirements of any other award in either the current or a prior period;
 - Be the net of all applicable credits; and
 - Be adequately documented to include a system generated financial summary, or Excel spreadsheet accompanied by appropriate backup documentation (i.e. invoices, payroll, etc.), disclosing an expense amount that matches the invoice amount.
- s. Submit program required reports of procurement activities according to the section labeled: **PROCUREMENT AND THIRD PARTY CONTRACT PROVISIONS** and submit reports of contract activities via email in a spreadsheet template provided by the ADOT Program Manager.

IV. MISCELLANEOUS PROVISIONS

- 1) **Term Incorporation:** This Agreement is governed according to the laws of the State of Arizona. All cited statutes, public law, executive orders, and policies cited in this Agreement are incorporated by reference as a part of this Agreement. It is SUBRECIPIENT responsibility to ensure that any Agreement between RECIPIENT and its CONTRACTORS for use of grant funds shall incorporate the provisions contained herein.
- 2) **Duration:** This Agreement shall become effective upon signature by the parties hereto and shall remain in force and effect until PROJECT satisfaction plus 36 months after Project completion.

This Agreement may be cancelled at any time prior to the commencement of performance under this Agreement, upon thirty (30) days written notice to the other party.

- 3) **Amendments:** This Agreement may be amended upon mutual agreement of the Parties at any time when in the best interest of STATE, or SUBRECIPIENT. Modifications to Exhibit A describing the details of the approved PROJECT may be modified without adopting a formal amendment to this Agreement; acceptance of the modification shall be indicated by signature on the modified Exhibit A by an authorized signatory from the SUBRECIPIENT.

- 4) **Match:** Any needed or desired variation from quantity, description, or pricing must be requested in writing and approved by the Program Manager prior to procurement. Approvals will result in a modified Exhibit A being issued with updated approved not-to-exceed award, pricing, and MATCH indicated. Without advance approval, SUBRECIPIENT is responsible for all of the increased price or quantity procured.

In the event that this Agreement is terminated after matching and/or fee funds have been issued to and deposited by the STATE, there is no guarantee of timeframe for refund of match funds, and refund shall not occur prior to the reassignment of the PROJECT award to another eligible agency and payment by that agency of any required matching funds. Remitted fees may be non-refundable, depending on the purpose of the fees except when this Agreement is terminated by ADOT or the STATE at no fault of the SUBRECIPIENT.

In circumstances where the SUBRECIPIENT cannot accept delivery of the Project Equipment or where surrender of equipment is required, refund of capital match will be based on current fair-market value at the time of surrender less the cost of any repairs or modifications required to affect reassignment to another sub-recipient or program.

- 5) **Availability of Funds:** Every payment obligation of STATE under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by STATE at the end of the period for which the funds are available. No liability shall accrue to STATE in the event this provision is exercised, and STATE shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.
- 6) **Statutory Compliance:** All parties shall comply with all applicable federal, state, and local requirements including all applicable provision of A.R.S. 28-7281 through 28-7286 et seq. and other applicable regulations where and when relevant.
- 7) **Conflict of Interest:** This agreement may be cancelled in accordance with Arizona Revised Statutes Section 38-511.
- 8) **Recordkeeping:** All SUBRECIPIENTS and/or their CONTRACTORS and the parties shall retain all data, books, and other records relating to this Agreement for a period of five years after completion of the Agreement. All records shall be subject to inspection and audit by the STATE at reasonable times as set forth in A.R.S. 35-214.
- 9) **Audit:** The administration of resources awarded by ADOT to the SUBRECIPIENT may be subject to audits and/or monitoring by ADOT including but not be limited to: on-site visits by ADOT staff or designees, and limited scope audits. By entering into this Agreement, the SUBRECIPIENT agrees to comply and cooperate fully with any

monitoring procedures/processes deemed appropriate by ADOT. In the event ADOT determines that a limited scope audit of the SUBRECIPIENT is appropriate, the SUBRECIPIENT agrees to comply with any additional instructions provided by ADOT staff to the SUBRECIPIENT regarding such audit. The SUBRECIPIENT further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the ADOT's Office of Audit and Analysis, ADOT's Office of the Inspector General (OIG) and ADOT's Financial Management Services. It is the responsibility of the SUBRECIPIENT to monitor their sub-recipients.

The SUBRECIPIENT shall follow up and take corrective action on audit findings. Preparation of summary schedule of prior year audit findings, including corrective action, a timetable for resolution, and current status of the audit findings are required to be submitted to ADOT. Current year audit findings require corrective action, a timetable for resolution, and status of findings will also be reported to ADOT.

If the SUBRECIPIENT fails to take corrective action, ADOT will make a determination to:

- a. make financial adjustments to the allocated Federal funding as determined appropriate, up to and including repayment by the SUBRECIPIENT of disallowed costs, or
- b. ADOT may take other action as determined appropriate.

If the SUBRECIPIENT has not completed corrective action, a timetable for follow-up should be provided.

Records related to unresolved audit findings, appeals, or litigation shall be retained until the action is completed or the dispute is resolved. Access to project records and audit work papers shall be given to ADOT and the Arizona Auditor General. This section does not limit the authority of ADOT to conduct or arrange for the conduct of additional audits or evaluations of state financial assistance or limit the authority of any other state official.

Audit Report submission: Copies of reporting packages for audits conducted shall be submitted to:

ADOT at the following address:
Arizona Department of Transportation
206 S. 17th Ave. MD310B
Phoenix, AZ 85007

Copies of written communication between the SUBRECIPIENT and the independent auditor in compliance with the Statement on Auditing Standards No 114 and as required

by this section titled AUDIT of this agreement shall be submitted by or on behalf of the SUBRECIPIENT directly to:

ADOT at the following address:
Arizona Department of Transportation
206 S. 17th Ave. MD310B
Phoenix, AZ 85007

- 10) **Dispute Resolution / Arbitration:** In the event of any controversy, the Parties agree that it is in their mutual best interest to promptly meet with the purpose of resolving said Dispute. In the event that the Parties cannot resolve their dispute informally, the parties hereto agree to abide by required arbitration as set forth for in Arizona Revised Statute 12-1518.
- 11) **Third Party Antitrust Violations:** The SUBRECIPIENT assigns to the STATE any claim for overcharges resulting from antitrust violations to the extent that such violations concern materials or services supplied by third parties to the SUBRECIPIENT toward fulfillment of this Contract.
- 12) **Immigration:** To the extent applicable under Arizona Revised Statutes Section 41-4401, each Party and its subcontractors warrants their compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements under Arizona Revised Statutes Section 23-214(A). A breach of the above-mentioned warranty by any Party or its subcontractors shall be deemed a material breach of the Agreement and may result in the termination of the Agreement by the non-breaching Parties. Each Party retains the legal right to randomly inspect the papers and records of the other Parties or its subcontractor employees who work on the Agreement to ensure that the Parties or its subcontractors are complying with the above-mentioned warranty.
- 13) **Termination for Convenience:** Either Party has the right to terminate the Agreement, in whole or in part at any time, when in the best interests of the SUBRECIPIENT or STATE without penalty or recourse.
- 14) **Termination for Default:** STATE reserves the right to terminate this Agreement in whole or in part due to failure of SUBRECIPIENT to carry out any term, promise, or condition of the Agreement. STATE will issue a written ten (10) day cure notice to SUBRECIPIENT for failure to adequately perform, or if there is reason for STATE to believe that the SUBRECIPIENT cannot or will not adequately perform the requirements of the Agreement. If SUBRECIPIENT does not submit a Corrective Action Plan to the satisfaction of STATE within the ten (10) day period, then STATE may pursue action in accordance with the Agreement Article titled: *Arbitration*.

- 15) **Entire Agreement.** This Agreement may be amended, modified, or waived only by an instrument in writing signed by both Parties. Should the PROJECT awarded under this Agreement be completed at a lower cost than the amount awarded, or for any other reason should any of these funds not be expended, or expended in other than in strict accordance with the terms and conditions of this Agreement, a proportionate amount of the funds provided shall be reimbursed to the STATE. Except as identified in the PROJECT the SUBRECIPIENT shall not assign any portion of the PROJECT or execute any agreement, contract, amendment, or change order thereto, or obligate itself in any manner with any third party with respect to its rights and responsibilities under this Agreement without the prior written concurrence of the STATE.

VI. SECURITY AGREEMENT

- 1) In consideration of the funded PROJECT equipment identified in Exhibit A including any equipment added, and conveying title thereto, the SUBRECIPIENT hereby grants ADOT a security interest in the PROJECT equipment in the amount indicated in Exhibit A as the "STATE Portion" payable to the Department upon its demand, if and only if:
 - a. The SUBRECIPIENT by itself or any agent sells, transfers, offers or attempts to sell or transfer, in whole or in part, the PROJECT equipment, or,
 - b. The PROJECT equipment is totally destroyed or is lost, stolen or otherwise disappears, or,
 - c. This Agreement by and between the STATE and the SUBRECIPIENT is terminated.
- 2) In the event of the occurrences described in Articles VI.1.a or VI.1.c, the SUBRECIPIENT shall be liable for no more than the fair market value of the PROJECT equipment on the date of the occurrence of such event.
- 3) In the event the PROJECT is totally destroyed, lost, stolen, or disappears, the obligation herein may be extinguished by assigning to ADOT the proceeds of insurance covering such an event, provided the assignment and the ultimate payment is equal to the fair market value of the PROJECT equipment on the date of occurrence of such event.
- 4) Upon the occurrence of any other event described herein which would allow the STATE to demand payment under this agreement, the obligation assured herein may be extinguished by assigning the herein PROJECT equipment to ADOT in as good a condition as when received, normal wear and tear excepted, thereby no longer having any further obligation to reimburse the STATE should the STATE exercise its right to terminate the agreement under the Agreement Articles titled: *Termination for Convenience* and/or *Termination for Default*. ADOT may refuse to accept such assignment, if in its sole judgment the PROJECT equipment has been abused or is in such condition as to substantially impair its value.

- 5) During the useful, economical life of the PROJECT equipment, as defined in the current Program Guidebook and Application for the grant year, the equipment may be surrendered to ADOT subject to stipulated terms and ADOT acceptance, and the obligation herein will be extinguished.
- 6) In the event of a vehicle transfer back to ADOT during useful life, the Secondary Manufacturer and Aftermarket Vehicle Components, in addition to the original equipment manufacturer (OEM) components (as supplied by the manufacturer or vendor to the STATE or ADOT) or their equivalent—must remain with the vehicle as delivered by ADOT to the SUBRECIPIENT and are considered to be included in the lien.
- 7) This security agreement and its terms shall not inure to the benefit of any assignee, purchaser for value, or any other person acquiring an interest herein, and this security interest herein created shall not be extinguished until and unless the STATE receives the fair market value of the PROJECT equipment on the date of assignment, purchase, or acquisition of other interest.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

THE CITY OF PRESCOTT

STATE OF ARIZONA
Arizona Department of Transportation

By

Signatory Name (Printed):

Signatory Title (Printed):

By

Michael Kies, Assistant Director
Multimodal Planning Division

Date Signed

Date Signed

APPROVAL OF THE CITY OF PRESCOTT

I have reviewed this Grant Agreement BETWEEN the STATE OF ARIZONA, by and through its ARIZONA DEPARTMENT OF TRANSPORTATION, MULTIMODAL PLANNING DIVISION and THE CITY OF PRESCOTT and declare this Agreement to be in proper form and within the powers and authority granted to THE CITY OF PRESCOTT under the laws of the State of Arizona. No opinion is expressed as to the authority of the State to enter into this Agreement.

DATED _____

Attorney for THE CITY OF PRESCOTT

Note: This page is mandatory for any public agency. If you are not a public agency, at your option, you may write *"Acknowledged and Waived"* above an authorized signatory's signature. It is recommended that you have an attorney review the document even if not mandatory.



MARK BRNOVICH
ATTORNEY GENERAL

OFFICE OF THE ARIZONA ATTORNEY GENERAL
STATE GOVERNMENT DIVISION /
TRANSPORTATION SECTION

DAWN NORTHUP
DIVISION CHIEF COUNSEL
SUSAN E. DAVIS
ASSISTANT ATTORNEY GENERAL
DIRECT LINE: 602-542-8855
E-MAIL: SUSAN.DAVIS@AZAG.GOV

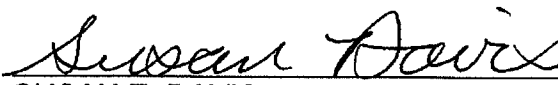
GRANT AGREEMENT

A.G. Contract No. P0012013003419 (**ADOT GRT-16-0005843**), an Agreement between public agencies, the State of Arizona and the City of Prescott, has been reviewed pursuant to A.R.S. §§ 28-401 and 28-334, as amended, by the undersigned Assistant Attorney General who has determined that it is in the proper form and is within the powers and authority granted to the State of Arizona.

No opinion is expressed as to the authority of the remaining Parties, other than the State or its agencies, to enter into said Agreement.

DATED: March 18, 2016

MARK BRNOVICH
Attorney General


SUSAN E. DAVIS
Assistant Attorney General
Transportation Section

SED:rl:#4960914
Attachment

Exhibit A
PROJECT AWARD DESCRIPTION
ECONOMIC STRENGTH PROJECT

Award Description	Minimum 10% Local Cash Match on Eligible Costs	ESP Grant for Eligible Project Costs	Other Project Costs	Total Estimated Project Cost (Match + ESP Grant + Other Costs)
ESP, G105134C Corsair Extension (City of Prescott)	\$140,000.00	Up To \$500,000.00 after Local Match	\$760,000.00	\$1,400,000.00

The project will extend Corsair Avenue by 2,200 ft. to connect to Wilkerson Drive and create access point to the Airpark Industrial Area.

Grant requires ten percent (10%) Local Cash Match toward eligible project costs.

Eligible Project Costs include but are not limited to:

- Public highway construction and/or reconstruction
- Turn Lanes
- Acceleration/deceleration lanes
- Utility placement within the public right of way that is component of the overall public highway construction project.
- Curb and gutter and/or other drainage construction associated with the overall public highway construction project

Costs ineligible for reimbursement or use as a match include but are not limited to:

- Application preparation
- Routine maintenance and rehabilitation
- Landscaping
- Beautification
- Construction of areas not designated for vehicular traffic such as sidewalks, etc.
- Work done on private property
- Signage for private companies
- Contingency fees
- Property purchase or easements
- Roadway and highway design and engineering
- Work done prior to the effective date of the ESP agreement
- Grant administration

EXHIBIT B
PROGRAM DESCRIPTION
Economic Strength Projects Grant Program
State of Arizona Highway User Revenue Fund 100%

The ESP is a competitive grant program designed to enhance the economic strength and competitiveness of Arizona rural communities by providing funding for highway projects that foster job growth. The ESP will reimburse specified costs of qualifying rural road and/or highway projects that are projected to accomplish one or more of the following: (i) retain a significant number of jobs, (ii) significantly increase the number of new jobs, (iii) foster significant private capital investment and (iv) otherwise make a significant contribution to the regional economy, particularly in base industries.

Administration of the ESP is shared between the Arizona Commerce Authority (ACA) and the Arizona Department of Transportation (ADOT). After initial screening by the ACA of eligible Projects and a recommended priority ranking of eligible Projects by the ACA's Rural Business Development Advisory Council (RBDAC), ADOT is charged with the final selection of approved Projects and with the contractual and financial administration of the Program. Further, see RFP Sections 3.1 and 4.1 and A.R.S. §§ 41-1505(E) and 28-7286(A).

Available Funding

Funding for the Program is allocated to ADOT through the Highway User Revenue Fund. The total amount available for grants pursuant to the ESP is \$1,000,000. The ACA and ADOT reserve the right to award less than \$1,000,000 in ESP grants depending on, among other considerations, the number and quality of Project proposals ("Proposals") received. Unallocated Program funds may be available for use in future Economic Strength Grant Project funding rounds. A single ESP grant award cannot exceed \$500,000. There is no prescribed minimum ESP grant award. The ACA and ADOT may choose to make one or more ESP grant awards.

Eligible Applicants

Applicants eligible for the ESP are as follows:

- Arizona incorporated cities and towns with populations of less than 150,000 (based on U.S. Census Bureau 2010 population data) not contiguous with or situated within a Metro Area
- Arizona counties with populations of less than 750,000 (based on U.S. Census Bureau 2010 population data)
- Federally recognized Indian tribes situated in Arizona.

Contact Information – G105134C, City of Prescott

	STATE Agreement Contact	Send Invoicing To	STATE Reimbursement Contact
Name	Sally J. Palmer	Lynn Sugiyama	Angela Ringor
Title	Contracts Program Manager	ESP – ADOT Contact	Senior Accountant
Email	SPalmer@azdot.gov	MPDInvoice@azdot.gov	ARingor@azdot.gov
Phone	602-712-6732	602-712-6883	602-712-7333
ADOT Fax			602-712-6412
	AZ Commerce Authority Project Manager	City of Prescott	
Name	Keith Watkins	Jeff Burt	
Title	Senior Vice Pres. Econ. Development	Economic Development Director	
Email	KeithW@AZcommerce.com	Jeff.Burt@prescott-az.gov	
Phone	602-845-1278	928-777-1227	
Mailing Address	Arizona Department of Transportation		
	Multimodal Planning Division		
	Mail Drop 310B		
	206 S. 17th Avenue		
	Phoenix, AZ 85007		

EXHIBIT C
RESPONSIBILITY MATRIX

Actions (not all-inclusive list)	SUBRECIPIENT Responsibility	STATE / ADOT Responsibility
Agreement Reviews / Approval	Submit to attorney for review prior to presentation to the governing body; Governing body must take appropriate action to approve the IGA and provide evidence of said action	Draft and send to Awarded Recipient
Match Approval	Where required, obtain official approval/vote and submit to ADOT Contract Program Manager within 90 days of notice of award, identifying original source (federal agency, local revenue, not-for-profit, for-profit.)	Review/Approve as eligible; Maintain Documentation
Execute Agreement	Sign Agreement and return within 60 days of receipt	Execute Agreement within 90 days from award of grant.
Procurement	Procure according to rules established in the Agreement.	Determine applicable procurement laws, rules, and regulations
Expenditures	Expenditures are only eligible upon the execution date of the Agreement and must be incurred within 18 months	Review/Approve as eligible and within permissible timeframe
Reimbursement Requests	Submit the first reimbursement request no later than 8 months after the effective date of the Agreement. Submit Reimbursement/Billing Summary form and adequate support documentation to MPDInvoice@azdot.gov	PM - Review and Approve/Reject within 7 days; Grant Accountant - process payments within 14 days from receipt
Match	Allocate at least 10% match to qualifying project costs on every reimbursement request, identifying fund source	Review/Approve as eligible. Grant funds from other State-funded programs, including the ACA's Rural Economic Development Grant ("REDG"), are ineligible as matching funds
Progress Reports	Submit within 20 days after the close of each calendar quarter	Determine content and provide the forms. Track project

Actions (not all-inclusive list)	SUBRECIPIENT Responsibility	STATE / ADOT Responsibility
		outcomes relative to goals
Annual Outcome Report	Provide an annual outcome report for a period of 36 months	Track project outcomes relative to goals
Compliance	Comply with all applicable terms and conditions as stipulated in the Agreement and in the application guide.	Oversight & Contract Administration

EXHIBIT D PROCUREMENT AND THIRD PARTY CONTRACT PROVISIONS
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In the event the SUBRECIPIENT is authorized to procure Project construction services, SUBRECIPIENT is responsible for following all procurement requirements established in the Agreement, by the Program, and applicable Arizona Revised Statutes.

In the event that zero federal monies will be used as match and this project is not within the bounds of an existing federally funded project:

1. If the sub-recipient is a local public agency or political subdivision of this state and has adopted the State Procurement Code pursuant to ARS 41-2501, the sub-recipient shall follow the State Procurement Code. In the event the State Procurement Code has not been adopted, the sub-recipient must reconcile the differences between local procurement rules and the State Procurement Code and receive authorization to proceed under local rules.
2. If the sub-recipient has completed procurement self-certification processes through ADOT, the sub-recipient shall follow the certified procurement rules.

In the event a single dollar of federal funds will be used in this project as match or if this project is within the bounds of an existing federally funded project,

1. If the sub-recipient is a local public agency or political subdivision of this state and has adopted the State Procurement Code pursuant to ARS 41-2501, the sub-recipient shall follow the State Procurement Code except and unless a federal rule applicable pursuant to the rules of the funding agency is more restrictive, then it shall apply. In the event the State Procurement Code has not been adopted, the sub-recipient must reconcile the differences between local procurement rules and the State Procurement Code and receive authorization to proceed under local rules.
2. If the sub-recipient has completed procurement self-certification processes through ADOT, the sub-recipient shall follow the certified procurement rules except and unless a federal rule applicable pursuant to the rules of the funding agency is more restrictive, then it shall apply.
3. All other sub-recipients of MPD shall follow 2 CFR 200.317 through 200.326 as applicable, Appendix II to Part 200, other CFR references provided in 2 CFR part 200 et seq. Contract provisions are located at:
http://www.ecfr.gov/cgi-bin/text-idx?SID=512ca5e6616b465f5cb28e0bc36a4a67&node=pt2.1.200&rgn=div5#ap2.1.200_1521.ii
4. The regulations required by the federal funding agency shall be adhered to explicitly. The sub-recipient must locate the federal funding agency required procurement requirements and contract provisions For example: FHWA procurement requirements can be linked to at: <http://www.fhwa.dot.gov/construction/> and contract provisions are located at: <http://www.fhwa.dot.gov/construction/contracts/provisions.cfm>

Include applicable contract provisions in every third-party contract and purchase order. In addition to other clauses required throughout this Agreement, a reference a table of required federal terms and conditions is provided to assist you in ensuring appropriate inclusion. The list is not all-inclusive. The SUBRECIPIENT is responsible to provide all statutory / contractual references, explanatory comments, and additional forms and certifications that may be required.

Scope Changes: Change orders **within the scope of the work** covered by the contract are permissible. In the event of changed conditions, an adjustment of contract scope is permissible if the altered character of the work does not differ materially from that of the original contract as long as the work is approved by the ADOT Project Manager **with the requirement that the change must involve the work covered by the contract**. All scope changes must be reviewed and documented in advance of proceeding to ensure the change is permissible under applicable State and/or Federal requirements and regulations.

Impermissible Changes – Federal Funding: Certain changes are not permitted when using federal funding. Neither the contractor nor the subrecipient may request any change in the scope of work that would be considered impermissible.

(1) Improper Contract Expansion. A contract has been improperly expanded when it includes a larger scope, greater quantities, or options beyond the original recipient's reasonably anticipated needs. A contract has also been improperly expanded when excess capacity has been added primarily to permit assignment of those contract rights to another entity.

Changes in Quantity: To categorize virtually any change in quantity as a prohibited cardinal change (sometimes referred to as an —out-of-scope change) fails to account for the realities of the marketplace and unnecessarily restricts a recipient from exercising reasonable freedom to make minor adjustments contemplated fairly and reasonably by the parties when they entered into the contract. The U.S. Supreme Court decision in *Freund v. United States*, 260 U.S. 60 (1922) supports FTA's policy.

(2) Cardinal Changes. A significant change in contract work (property or services) that causes a major deviation from the original purpose of the work or the intended method of achievement, or causes a revision of contract work so extensive, significant, or cumulative that, in effect, the contractor is required to perform very different work from that described in the original contract, is a cardinal change. Such practices are sometimes informally referred to as "tag-ons". A change within the scope of the contract (sometimes referred to as an —in-scope change) is not a —tag-on or cardinal change.

- (a) Identifying Cardinal Changes. Recognizing a cardinal change to a third party contract can be difficult. A cardinal change cannot be identified easily by assigning a specific percentage, dollar value, number of changes, or other objective measure that would apply to all cases.
- (b) Tests. Among other things, customary marketing practices can influence the determination of which changes will be "cardinal." Other tests involve the

nature and extent of the work to be performed, the amount of effort involved, whether the change was originally contemplated at the time the original contract was entered into, or the cumulative impact on the contract's quantity, quality, costs, and delivery terms.

EXHIBIT E DISCRIMINATION & TITLE VI REQUIREMENTS (REV 032013)

Discrimination: This Agreement is subject to all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 USC. 12101-12213) and all applicable Federal regulations under the ACT. SUBRECIPIENT or its CONTRACTORS shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, Arizona State Executive Order 2009-09, or A.R.S. 41-1461 through 1465, which mandates that all persons, regardless of race, color, religion, sex age, national origin or political affiliation shall have equal access to employment opportunities, and all other applicable state and federal employment laws, rules and regulations, including the Americans With Disabilities Act. The SUBRECIPIENT shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, age, national origin or political affiliation or disability.

Title VI Of The Civil Rights Act Of 1964: The SUBRECIPIENT hereby agrees that as a condition to receiving any Federal financial assistance from the Department of Transportation it will comply with Title VI of the Civil Rights Act of 1964, 78 Stat. 252, 42 U.S.C. 2000d-42 U.S.C. 2000d-4 (hereinafter referred to as the Act), the Civil Rights Restoration Act of 1987 (Public Law 100.259) and all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964 (hereinafter referred to as the Regulations) and other pertinent directives, to the end that in accordance with the Act, Regulations, and other pertinent directives, no person in the United States shall, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the SUBRECIPIENT receives Federal financial assistance from the U.S. Department of Transportation, HEREBY GIVES ASSURANCE THAT it will promptly take any measures necessary to effectuate this Agreement.

During the performance of this Agreement, the SUBRECIPIENT, for itself, its assignees and successors in interest agrees as follows:

(1) Compliance with Regulations. The SUBRECIPIENT shall comply with the regulations relative to non-discrimination in federally assisted programs of the U.S. Department of Transportation (USDOT), 49 CFR 21 and Executive Order 99-4, as they may be amended from time to time, which is herein incorporated by reference and made a part of the Agreement.

(2) Nondiscrimination. The SUBRECIPIENT, with regard to the work performed by it during the Agreement will not discriminate on the grounds of race, color, disability, sex, or national origin in the selection and retention of contractors and subcontractors, including procurement of material and leases of equipment. The SUBRECIPIENT will not participate either directly or

indirectly in discrimination prohibited by 49 CFR 21.5, including employment practices when the Agreement covers a program set forth in Appendix A of 49 CFR part 21.

(3) Solicitations for contractors, including procurement of real property, materials, and equipment. In all solicitations made by competitive bidding or negotiation by the SUBRECIPIENT for work to be performed under a contract or subcontract, including procurement of real property, materials, and purchase or lease of equipment, each potential contractor, subcontractor, supplier, or lessor shall be notified by the SUBRECIPIENT of the SUBRECIPIENT's obligations under this Agreement and the regulations relative to nondiscrimination on the grounds of race, color, disability, sex, or national origin. Any contract or agreement established shall contain the language from this Agreement's Appendix A and B, and where appropriate, Appendix C.

(4) Information and Reports. The SUBRECIPIENT shall provide all information and reports required by the regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information and its facilities as may be determined by ADOT, FHWA, and FTA to be pertinent to ascertain compliance with such regulations, orders, and instructions. Where any information required of the SUBRECIPIENT is in the exclusive possession of another who fails or refuses to furnish this information, the SUBRECIPIENT shall so certify to ADOT, FHWA, and FTA, as appropriate, and shall set forth what efforts it has made to obtain the information.

(5) Sanctions for Non-Compliance. In the event of the SUBRECIPIENT's non-compliance with the non-discrimination provisions of this Agreement, ADOT shall impose such sanctions as it, FHWA and FTA determine to be appropriate, including, but not limited to: withholding of payments to the SUBRECIPIENT under the Agreement until the SUBRECIPIENT complies, and/or cancellation, termination, or suspension of the Agreement, in whole or in part.

The SUBRECIPIENT will include the provisions of Paragraphs (1) through (5) above in every contract, including procurement of materials and leases of equipment, unless exempt by the regulations, order, or instruction issued pursuant thereto. The SUBRECIPIENT will take such action with respect to any subcontract or procurement as ADOT, FHWA, and FTA may direct as a means of enforcing such provisions, including sanctions for noncompliance, provided, however, that, in the event the SUBRECIPIENT becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the SUBRECIPIENT may request the State to enter into such litigation to protect the interests of the State, and in addition, may request the United States to enter into such litigation to protect the interests of the United States.

APPENDIX A
Title VI Agreement / Contract Requirements

During the performance of this contract, the contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

(1) Compliance with Regulations: The contractor shall comply with the Regulation relative to nondiscrimination in federally-assisted programs of the Department of Transportation (hereinafter, "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time, (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.

(2) Nondiscrimination: The contractor, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, color, national origin, or sex in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.

(3) Solicitations for Subcontractors, Including Procurements of Materials and Equipment: In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the contractor of the contractor's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, national origin, or sex.

(4) Information and Reports: The contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Arizona Department of Transportation or the Federal Highway Administration to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information the contractor shall so certify to the Arizona Department of Transportation, or the Federal Highway Administration as appropriate, and shall set forth what efforts it has made to obtain the information.

(5) Sanctions for Noncompliance: In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the Arizona Department of Transportation shall impose such contract sanctions as it or the Federal Highway Administration may determine to be appropriate, including, but not limited to:

- a) withholding of payments to the contractor under the contract until the contractor complies, and/or
- b) cancellation, termination or suspension of the contract, in whole or in part.

(6) Incorporation of Provisions: The contractor shall include the provisions of paragraphs (1) through (6) in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations, or directives issued pursuant thereto.

The contractor shall take such action with respect to any subcontract, or procurement as the Arizona Department of Transportation or the Federal Highway Administration may direct as a means of enforcing such provisions including sanctions for non-compliance: Provided, however, that, in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request the Arizona Department of Transportation to enter into such litigation to protect the interests of the Arizona Department of Transportation, and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

APPENDIX B
Title VI Agreement / Contract Requirements

The following clauses shall be included in any and all deeds effecting or recording the transfer of real property, structures or improvements thereon, or interest therein from the United States.
(GRANTING CLAUSE)

NOW, THEREFORE, the Department of Transportation, as authorized by law, and upon the condition that the Arizona Department of Transportation will accept title to the lands and maintain the project constructed thereon, in accordance with Title 23, United States Code the Regulations for the Administration of Federal Aid for Highways and the policies and procedures prescribed by Federal Highway Administration of the Department of Transportation and, also in accordance with and in compliance with all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation (hereinafter referred to as the Regulations) pertaining to and effectuating the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252; 42 U.S.C. 2000d to 2000d-4), and the Civil Rights Restoration Act of 1987 (Public Law 100.259) does hereby remise, release, quitclaim and convey unto the Arizona Department of Transportation all the right, title and interest of the Department of Transportation in and to said lands described in Exhibit "A" attached hereto and made a part hereof.

(HABENDUM CLAUSE)

TO HAVE AND TO HOLD said lands and interests therein unto Arizona Department of Transportation and its successors forever, subject, however, to the covenants, conditions, restrictions and reservations herein contained as follows, which will remain in effect for the period during which the real property or structures are used for a purpose for which Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits and shall be binding on the Arizona Department of Transportation, its successors and assigns.

The Arizona Department of Transportation, in consideration of the conveyance of said lands and interests in lands, does hereby covenant and agree as a covenant running with the land for itself, its successors and assigns, that (1) no person shall on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination with regard to any facility located wholly or in part on over or under such lands hereby conveyed [and]* (2) that the Arizona Department of Transportation shall use the lands and interests in lands and interests in lands so conveyed, in compliance with all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of -the Secretary, Part 21, Nondiscrimination in federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and the Civil Rights Restoration Act of 1987 (Public Law 100.259) and as said Regulations may be amended and (3) that in the event of breach of any of the above-mentioned nondiscrimination conditions, the Department shall have a right to re-enter said lands and facilities on said land, and the above described land and facilities shall thereon revert to and vest in and become the absolute property

of the Department of Transportation and its assigns as such interest existed prior to this instruction.*

***Reverter clause and related language to be used only when it is determined that such a clause is necessary in order to effectuate the purposes of Title VI of the Civil Rights Act of 1964.**

APPENDIX C

Title VI Agreement / Contract Requirements

The following clauses shall be included in all deeds, licenses, leases, permits, or similar instruments entered into by the Arizona Department of Transportation pursuant to the provisions of Assurance 7(a).

The (grantee, licensee, lessee, permittee, etc., as appropriate) for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree [in the case of deeds and leases add "as a covenant running with the land"] that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this (deed, license, lease, permit, etc.) for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the (grantee, licensee, lessee, permittee, etc.) shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, the Civil Rights Restoration Act of 1987 (Public Law 100.259) and as said Regulations may be amended.

[Include in licenses, leases, permits, etc.]*

That in the event of breach of any of the above nondiscrimination covenants, Arizona Department of Transportation shall have the right to terminate the [license, lease, permit, etc.] and to re-enter and repossess said land and the facilities thereon, and hold the same as if said [licenses, lease, permit, etc.] had never been made or issued.

[Include in deeds]*

That in the event of breach of any of the above nondiscrimination covenants, Arizona Department of Transportation shall have the right to re-enter said lands and facilities thereon, and the above described lands and facilities shall thereupon revert to and vest in and become the absolute property of Arizona Department of Transportation and its assigns.

The following shall be included in all deeds, licenses, leases, permits, or similar agreements entered into by Arizona Department of Transportation pursuant to the provisions of Assurance 7(b).

The (grantee, licensee, lessee, permittee, etc. as appropriate) for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds, and leases add "as a covenant running with the land") that (1) no person on the ground of race, color, national origin, or sex shall be excluded from participation in, denied the benefits of, or he otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over or under such land

and the furnishing of services thereon, no person on the ground of, race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the (grantee, licensee, lessee, permittee, etc.) shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations. Department of Transportation, Subtitle A, Office of the Secretary. Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964), and the Civil Rights Restoration Act of 1987 (Public Law 100.259) and as said Regulations may be amended.

[Include in licenses, leases, permits, etc.]*

That in the event of breach of any of the above nondiscrimination covenants, Arizona Department of Transportation shall have the right to terminate the [license, lease, permit, etc.] and to re-enter and repossess said land and the facilities thereon, and hold the same as if said [license, lease, permit, etc.] had never been made or issued.

[Include in deeds]*

That in the event of breach of any of the above nondiscrimination covenants, Arizona Department of Transportation shall have the right to re-enter said land and facilities thereon, and the above described lands and facilities shall thereupon revert to and vest in and become the absolute property of Arizona Department of Transportation and its assigns.

*Reverter clause and related language to be used only when it is determined that such a clause is necessary in order to effectuate the purposes of Title VI of the Civil Rights Act of 1964.

EXHIBIT F
DISADVANTAGED BUSINESS ENTERPRISE (DBE) REQUIREMENTS
(REV 02102016)

This language is applicable if \$1.00 of federal funding is used in payment of expenditures under this Agreement.

Disadvantaged Business Enterprises (DBE): The Arizona Department of Transportation (ADOT) has established a Disadvantaged Business Enterprise (DBE) program in accordance with regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 26. ADOT has received Federal financial assistance from the Department of Transportation, and as a condition of receipt of funding, ADOT has signed an assurance that it will comply with 49 CFR Part 26.

The SUBRECIPIENT shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any DOT-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The SUBRECIPIENT shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts.

Each contract you sign with a contractor or consultant (and each subcontract a prime signs with a subconsultant) must include the following assurance:

The contractor, subrecipient, or subcontractor shall not discriminate on the basis of race, color, national origin or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of USDOT assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the state deems appropriate, which may include, but not limited to:

- (1) Withholding monthly progress payments;*
- (2) Assessing sanctions;*
- (3) Liquidated damages; and/or*
- (4) Disqualifying the contractor from future bidding as non-responsible.*

It is ADOT's policy to ensure that DBEs as defined in 49 CFR Part 26 have an equal opportunity to receive and participate in DOT-assisted contracts. ADOT's objectives are as follows:

1. To ensure nondiscrimination in the award and administration of USDOT-assisted contracts;
2. To create a level playing field on which DBEs can compete fairly for USDOT-assisted contracts;
3. To ensure that the DBE program is narrowly tailored in accordance with applicable law;

4. To ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are counted as DBEs;
5. To help remove barriers to the participation of DBEs in USDOT-assisted contracts;
6. To assist in the development of firms that can compete successfully in the market place outside the DBE program and;
7. To promote the use of DBEs in all types of federally-assisted contracts and procurement activities

It is also the policy of the Department to facilitate and encourage participation of Small Business Concerns (SBCs), as defined herein in USDOT-assisted contracts. The Department encourages contractors to take reasonable steps to eliminate obstacles to SBCs' participation and to utilize SBCs in performing contracts.

Each LPA (Local Public Agency, Local for-Profit Agency, or Local non-Profit Agency), sub-SUBRECIPIENT, and subgrantee must adopt and implement the ADOT DBE Program Plan. In accordance with the plan, all LPAs, sub-SUBRECIPIENTS, and subgrantees agree to the following, but not limited to:

- Use DBE provisions for solicitation or contract language from ADOT BECO at <http://azdot.gov/business/business-engagement-and-compliance/dbe-compliance/LPA-Subrecipient-overview/fta> or by contacting BECO at <http://azdot.gov/business/business-engagement-and-compliance/contact-us>• • Utilize the ADOT DBE Compliance Checklist for guidance in ensuring compliance with DBE requirements found at <http://azdot.gov/business/business-engagement-and-compliance/dbe-compliance/LPA-Subrecipient-overview/fta>
- Direct all contractors, consultants, subcontractors and subconsultants to register in the Arizona Unified Transportation Registration and Certification System (AZ UTRACS) web portal; a centralized database for companies that seek to do business with ADOT.
- Conduct post-award monitoring and reporting using the web-based LPA Contract Management System found at <https://arizonalpa.dbesystem.com>;
- Designate a single point of contact for DBE compliance purposes;

LPAs, sub-SUBRECIPIENTS, and subgrantees are required to collect DBE and non-DBE participation data for all federally funded projects. The required information shall be submitted electronically through the LPA Contract Management System in accordance with the DBE Provisions.

The ADOT DBE Program Plan and LPA/Sub-recipient resources can be found online at www.azdot.gov/bec.

EXHIBIT G
INSURANCE (RISK MANAGEMENT) REQUIREMENTS
For Projects that Include Construction
(Effective 03/25/2016)

- 1) **Indemnification:** To the fullest extent permitted by law, the SUBRECIPIENT shall defend, indemnify, and hold harmless The State of Arizona, and its departments, agencies, boards, commissions, universities, Officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the SUBRECIPIENT or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state, or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified and held harmless by the SUBRECIPIENT from and against any and all claims. It is agreed that the SUBRECIPIENT will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the SUBRECIPIENT agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the State of Arizona.
- 2) *This indemnity shall not apply if the SUBRECIPIENT or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.*
- 3) In addition, should SUBRECIPIENT utilize a contractor(s) and subcontractor(s) the indemnification clause between SUBRECIPIENT and its contractor(s) and subcontractor(s) shall include the following:
 - a. *Contractor* shall defend, indemnify, and hold harmless the SUBRECIPIENT and the State of Arizona, and any jurisdiction or agency issuing any permits for any work arising out of this Agreement, and its departments, agencies, boards, commissions, universities, , officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the contractor or any of the directors, officers, agents, or employees or subcontractors of such contractor. This indemnity includes any claim or amount arising out of or recovered under the Workers'

Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified and held harmless by such contractor from and against any and all claims. It is agreed that such contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. Additionally on all applicable insurance policies, contractor and its subcontractors shall include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as an additional insured and shall also include a waiver of subrogation in favor of the State of Arizona.

(Note: this applies only to Contractors used by a governmental entity, not to the governmental entity itself.) The insurance requirements herein are minimum requirements and in no way limit the indemnity covenants contained in the Intergovernmental Agreement. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the governmental entity or Contractor from liabilities that might arise out of the performance of the work under this Contract by the Contractor, his agents, representatives, employees or subcontractors, and Contractor and the governmental entity are free to purchase additional insurance.

5) Commercial General Liability – Occurrence Form

Policy shall include bodily injury, property damage, and broad form contractual liability coverage.

• General Aggregate	\$2,000,000
• Products – Completed Operations Aggregate	\$1,000,000
• Personal and Advertising Injury	\$1,000,000
• Damage to Rented Premises	\$ 50,000
• Each Occurrence	\$1,000,000

- a. The policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.
- b. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

(Note that the other governmental entity(ies) is/are also required to be additional insured(s) and they should supply the Contractor with their own list of persons to be insured.)

6) Business Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned automobiles used in the performance of this Contract.

- Combined Single Limit (CSL) \$1,000,000
- a. Policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by, or on behalf of, the Contractor involving automobiles owned, hired and/or non-owned by the Contractor.
- b. Policy shall contain a waiver of subrogation endorsement as required by this written agreement in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

(Note that the other governmental entity(ies) is/are also required to be additional insured(s) and they should supply the Contractor with their own list of persons to be insured.)

7) Workers' Compensation and Employers' Liability

- Workers' Compensation Statutory
- Employers' Liability
 - Each Accident \$1,000,000
 - Disease – Each Employee \$1,000,000
 - Disease – Policy Limit \$1,000,000
- a. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- b. This requirement shall not apply to each Contractor or subcontractor that is exempt under A.R.S. § 23-901, and when such Contractor or subcontractor executes the appropriate waiver form (Sole Proprietor or Independent Contractor).

8) Additional Insurance Requirements

The policies shall include, or be endorsed to include, as required by this written agreement, the following provisions:

- a. The Contractor's policies, as applicable, shall stipulate that the insurance afforded the Contractor shall be primary and that any insurance carried by the Department, its agents,

officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. § 41-621 (E).

- b. Insurance provided by the Contractor shall not limit the Contractor's liability assumed under the indemnification provisions of this Contract.

NOTICE OF CANCELLATION: Applicable to all insurance policies required within the Insurance Requirements of this Contract, Contractor's insurance shall not be permitted to expire, be suspended, be canceled, or be materially changed for any reason without thirty (30) days prior written notice to the State of Arizona. Within two (2) business days of receipt, Contractor must provide notice to the State of Arizona if they receive notice of a policy that has been or will be suspended, canceled, materially changed for any reason, has expired, or will be expiring. Such notice shall be sent directly to the Department and shall be mailed, emailed, hand delivered or sent by facsimile transmission to (State Representative's Name, Address & Fax Number).

ACCEPTABILITY OF INSURERS: Insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A-VII. ADOT in no way warrants that the above-required minimum insurer rating is sufficient to protect the Grantees from potential insurer insolvency.

VERIFICATION OF COVERAGE: The Grantee shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona). The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy must be in effect prior to commencement of work and remain in effect for the duration of the project.

All certificates required by this Contract shall comply as follows: The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by the grant agreement at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT SECTION.**

INSURANCE REVIEW: The SUB-RECIPIENT shall submit all required insurance certificates to ADOT Risk Management via email to MVD1@azdot.gov; cc: the ADOT Project Manager.

Subject Line to Read:

- *Review of Insurance for {insert "MPD ESP" and the Contract Number and the name of SUB-RECIPIENT}*

Body of Email:

- *"Please review the attached insurance certificate for compliance with MPD Economic Strength Program requirements."*
- *"Requested Turn Around: 1 Week"*

Attach:

- *Insurance Certificate(s)*

Risk Management will reply back to the SUB-RECIPIENT with needed modification(s) and assist where possible to bring the SUB-RECIPIENT into compliance. Once the insurance is accepted, Risk Management will send an acceptance response to the SUB-RECIPIENT.

SUBCONTRACTORS: Grantees certificate(s) shall include all subcontractors as insured's under its policies or SUBRECIPIENT shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverage for subcontractors shall be subject to the minimum requirements identified above.

APPROVAL: Any modification or variation from these insurance requirements shall be made by the Department of Transportation, Risk Management Section, whose decision shall be final. Such action will not require a formal contract amendment, but may be made by administrative action.

EXCEPTIONS: In the event the Grantee or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-insurance. If the SUBRECIPIENT or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

EXHIBIT H
LANGUAGE MODIFICATIONS
Federally Recognized Tribes

Exhibit H does not apply to this Grant Agreement.

Certificate Of Completion

Envelope Id: BF46BADED090489CA1AB87CB80B9549F

Status: Sent

Subject: Please DocuSign: GRT-16-0005843 Prescott ESP Agreement 04222016.pdf

Source Envelope:

Document Pages: 37

Signatures: 0

Envelope Originator:

Certificate Pages: 5

Initials: 0

Sally J. Palmer

AutoNav: Enabled

290 Davidson Avenue

EnvelopeId Stamping: Disabled

Somerset, NJ 08873

Time Zone: (UTC-07:00) Arizona

SPalmer@azdot.gov

IP Address: 162.59.200.193

Record Tracking

Status: Original

Holder: Sally J. Palmer

Location: DocuSign

4/4/2016 12:29:25 PM

SPalmer@azdot.gov

Signer Events

Signature

Timestamp

Jeff Burt

Sent: 4/4/2016 12:37:19 PM

Jeff.Burt@prescott-az.gov

Resent: 4/22/2016 7:41:45 AM

Security Level: Email, Account Authentication
(None)

Viewed: 4/4/2016 3:43:25 PM

Electronic Record and Signature Disclosure:

Accepted: 4/4/2016 3:43:25 PM

ID: 2a5ed879-95c1-4753-8f6a-e1d55fa9c289

Harry Oberg

Harry.Oberg@prescott-az.gov

Security Level: Email, Account Authentication
(None)

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

ID:

Prescott Attorney

Jeff.Burt@prescott-az.gov

Security Level: Email, Account Authentication
(None)

Electronic Record and Signature Disclosure:

Accepted: 4/4/2016 3:43:25 PM

ID: 2a5ed879-95c1-4753-8f6a-e1d55fa9c289

Michael Kies

mkies@azdot.gov

Security Level: Email, Account Authentication
(None)

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

ID:

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events	Status	Timestamp
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Lynn (Ungyo) Sugiyama
LUngyoSugiyama@azdot.gov
Security Level: Email, Account Authentication (None)
Electronic Record and Signature Disclosure:
Not Offered via DocuSign
ID:

Keith Watkins
KeithW@AZcommerce.com
Security Level: Email, Account Authentication (None)
Electronic Record and Signature Disclosure:
Not Offered via DocuSign
ID:

Jeff Burt
Jeff.Burt@prescott-az.gov
Security Level: Email, Account Authentication (None)
Electronic Record and Signature Disclosure:
Accepted: 4/4/2016 3:43:25 PM
ID: 2a5ed879-95c1-4753-8f6a-e1d55fa9c289

Notary Events	Timestamp
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Envelope Summary Events	Status	Timestamps
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Envelope Sent	Hashed/Encrypted	4/22/2016 7:41:45 AM
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Electronic Record and Signature Disclosure
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ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, Arizona Dept of Transportation (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through your DocuSign, Inc. (DocuSign) Express user account. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. For such copies, as long as you are an authorized user of the DocuSign system you will have the ability to download and print any documents we send to you through your DocuSign user account for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of your DocuSign account. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use your DocuSign Express user account to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through your DocuSign user account all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact Arizona Dept of Transportation:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: djohnson2@azdot.gov

To advise Arizona Dept of Transportation of your new e-mail address

To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at djohnson2@azdot.gov and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..

In addition, you must notify DocuSign, Inc to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in DocuSign.

To request paper copies from Arizona Dept of Transportation

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to djohnson2@azdot.gov and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with Arizona Dept of Transportation

To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your DocuSign account, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an e-mail to djohnson2@azdot.gov and in the body of such request you must state your e-mail, full name, US Postal Address, telephone number, and account number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	•Allow per session cookies •Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection

**** These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.**

Acknowledging your access and consent to receive materials electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.

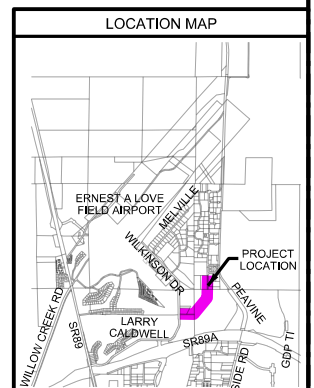
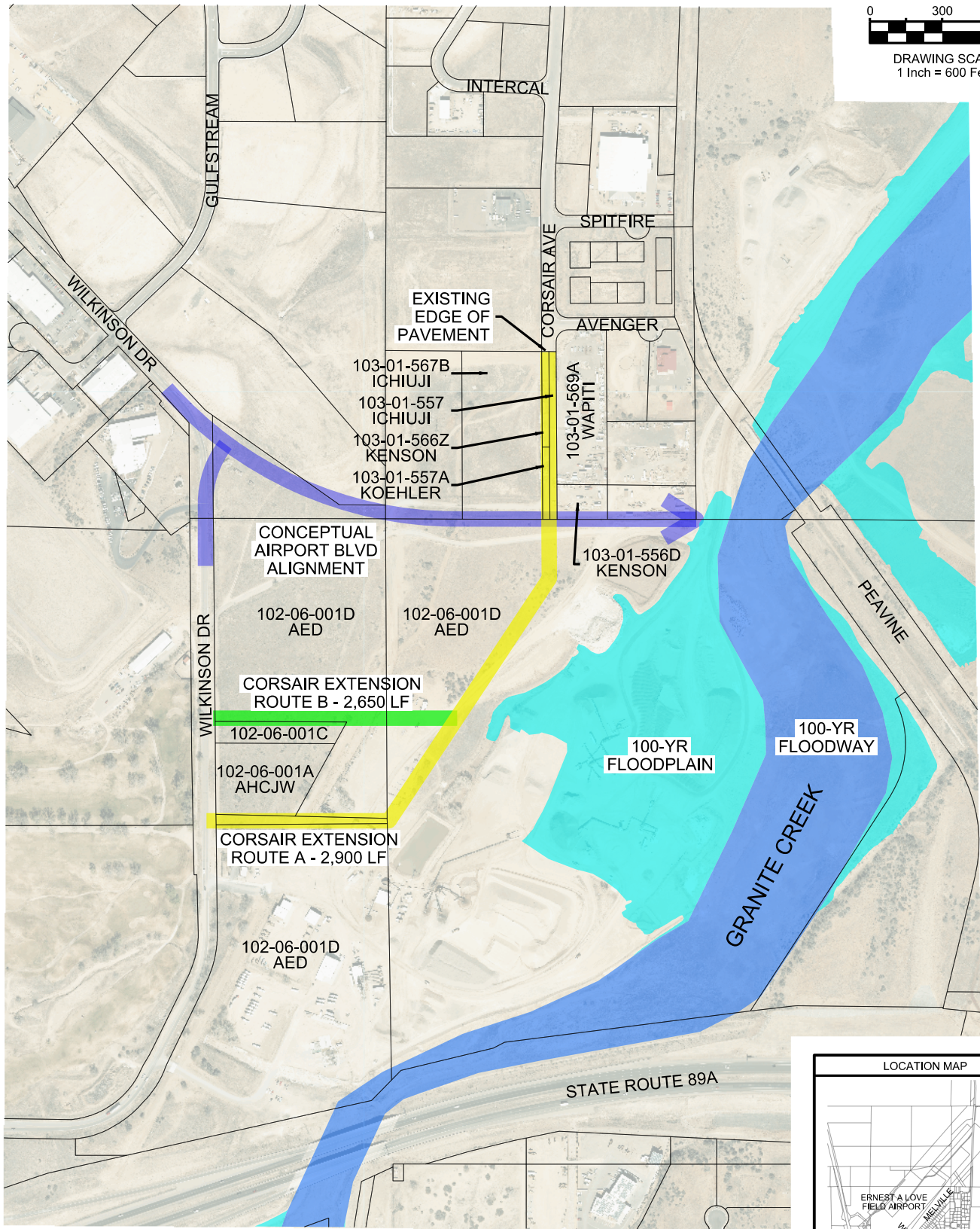
By checking the 'I Agree' box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC RECORD AND SIGNATURE DISCLOSURES document; and
- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and
- Until or unless I notify Arizona Dept of Transportation as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by Arizona Dept of Transportation during the course of my relationship with you.

CORSAIR AVENUE ROADWAY EXTENSION OVERVIEW EXHIBIT



DRAWING SCALE
1 Inch = 600 Feet



RESOLUTION NO. 4338-1547

A RESOLUTION OF THE CITY OF PRESCOTT, ARIZONA, APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH THE ARIZONA DEPARTMENT OF TRANSPORTATION IN FURTHERANCE OF AN ECONOMIC STRENGTH PROGRAM GRANT FOR THE CONSTRUCTION OF THE CORSAIR CONNECTOR AND RELATED PUBLIC IMPROVEMENTS.

RECITALS:

WHEREAS, the City has identified the need and benefit of additional road improvements serving the Prescott Airpark Area; and

WHEREAS, the Corsair Connector, qualifies as such a road improvement; and

WHEREAS, the City of Prescott successfully submitted and received a \$500,000.00 Economic Strength Program Grant from the Arizona Department of Transportation and Arizona Commerce Authority, and

WHEREAS, The City of Prescott is participating with a private sector partnership lead by Arizona Eco-Development, LLC, to further facilitate and complete the construction of the Corsair Connector Project through the provision of private sector funds and services; and

WHEREAS, the City of Prescott and Arizona-Eco Development, LLC, have prepared an Economic Development Agreement regarding the construction of the Corsair Connector and related public improvements.

ENACTMENTS:

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

THAT, The Mayor and Council of the City of Prescott, Arizona, approve the Intergovernmental Agreement with the Arizona Department of Transportation to facilitate the construction of the Corsair Connector and related public improvements.

PASSED, APPROVED, AND ADOPTED by the Mayor and Council of the City of Prescott this 7th day of June, 2016.

Harry Oberg, Mayor

ATTEST:

APPROVED AS TO FORM:

Dana R. DeLong, City Clerk

Jon M. Paladini, City Attorney

MEETING DATE/TYPES: VOTING SESSION 6-7-16

DEPARTMENT: Public Works

AGENDA ITEM: Adoption of Ordinance No. 4980-1518, Amending City Code, Title II; Ordinance No. 4981-1519, Amending City Code, Title VIII; Ordinance No. 4982-1520, Amending City Code, Title X; Ordinance No. 4983-1521, Amending City Code, Title XVI; Ordinance No. 4984-1522, creating a new Title XVII and adopting the “General Engineering Standards”; and Resolution No. 4333-1542 adopting the “General Engineering Standards” as a public record

Approved By:

Date:

Director:	Henry Hash	05/26/2016
City Attorney:	Jon Paladini	05/27/2016
City Manager:	Craig McConnell	06/01/2016

Item Summary

This item is for the adoption of the General Engineering Standards (GES). The GES will guide development and construction of public infrastructure for public and private projects within the City. The General Engineering Standards will be integrated into Title XVII of the City Code.

Background

Formulation of the General Engineering Standards (GES) began in 2009, and has been actively worked on since early 2015. The GES is a technical document to provide owners, developers, and contractors with guidance and construction requirements for development of infrastructure improvements. The GES will work in concert with the Land Development Code (LDC), addressing the following topics:

1. Introduction
2. Grading
3. Drainage
4. Water
5. Wastewater
6. Transportation and Traffic
7. Dry Utilities

Agenda Item: Adoption of Ordinance No. 4980-1518, Amending City Code, Title II; Ordinance No. 4981-1519, Amending City Code, Title VIII; Ordinance No. 4982-1520, Amending City Code, Title X; Ordinance No. 4983-1521, Amending City Code, Title XVI; Ordinance No. 4984-1522, creating a new Title XVII and adopting the “General Engineering Standards”; and Resolution No. 4333-1542 adopting the “General Engineering Standards” as a public record

8. Survey
9. Alterations & Modifications
10. Record Drawings (As-Builts)
11. Quad-Cities Standard Details

The City currently uses a pastiche of Yavapai County, State of Arizona, and Federal standards as the basis for development of infrastructure improvements.

As previously stated, formulation of the GES began in 2009. A draft was reviewed by a committee of local engineering firms in 2010. A separate group was formed to review Article 3, Drainage, but progress ceased in 2012.

The project was reinitiated in early 2015, and in Fall 2015, three public open house meetings were held to introduce the documents to stakeholders, which yielded extensive discussion and many comments. The Yavapai County Contractors Association (YCCA) reviewed the GES in 2015 and 2016, and formed its own committee of contractors and developers. A total of over 200 comments was received. Every comment was considered and/or discussed, and many changes to the document were made.

The public review process continued at the March 2nd and March 30th, 2016, meetings of the Unified Development Code Committee (UDC) where Public Works presented a general overview of the General Engineering Standards (GES) document and the Committee received public input on the document. Public comments included pipe materials used for stormdrain, the thickness of roadway base material and pipe materials used for potable water.

At the final meeting of the UDC on April 13, 2016, the roadway base material was further discussed. It was agreed that if a geotechnical engineer can certify that the roadway will have a service life of at least 20 years, a lesser structural section can be allowed for private roadways. The City standard for public roadways will remain at 4” of asphalt to meet the traffic volumes and 20 year standard.

On April 14, 2016, the Planning & Zoning Commission held a public hearing to seek input on the GES and the changes to the Land Development Code. Public comments pertained to concrete mailboxes and post mailboxes, and materials for stormwater pipes and water mains. The P&Z Commission unanimously approved sending the GES to the City Council for approval with the condition that any modifications to the GES related to mailboxes, PVC Pipe, or RGRCP pipe be contained in the Council agenda memo. The following items reflect the proposed changes:

1. A new note was added to Quad-Cities Standard Detail 134Q-1 and 134Q-2:

Agenda Item: Adoption of Ordinance No. 4980-1518, Amending City Code, Title II; Ordinance No. 4981-1519, Amending City Code, Title VIII; Ordinance No. 4982-1520, Amending City Code, Title X; Ordinance No. 4983-1521, Amending City Code, Title XVI; Ordinance No. 4984-1522, creating a new Title XVII and adopting the "General Engineering Standards"; and Resolution No. 4333-1542 adopting the "General Engineering Standards" as a public record

"Alternate post mounted mailbox designs meeting United States Postal Service specifications and requirements will be considered."

2. GES, Section 3.5.4.D.2/ CULVERTS AND BRIDGES, was modified to read:

"D. Acceptable materials for publicly maintained drainage facilities:

1. Rubber Gasket Reinforced Concrete Pipe (RGRCP)
2. High Density Polyethylene Pipe (HDPE) on a case-by-case basis, with approval of the City Engineer."

3. GES, Section 3.7.2.F/ STORMDRAINS was modified to read:

"Rubber Gasket Reinforced Concrete Pipe (RGRCP) shall be used for all stormdrains within the publicly maintained right-of-way. High Density Polyethylene Pipe (HDPE) may be used on a case-by-case basis, with approval of the City Engineer."

4. GES, Section 4.7.2.B/ WATERMAIN PIPES AND MATERIALS was modified to read:

"B. Pipe Materials

1. Class 350 (CL350) Ductile Iron Pipe (DIP) cement mortar lined and seal coated is preferred for all water main installations.
2. The use of Polyvinyl Chloride (PVC) pipe may be considered on a case by case basis, when installed in accordance with COP Standard Detail 200P-2."

In addition to adoption of the GES into Prescott City Code, Title XVII, other changes to the City Code, Title II, Title VIII, Title X and Title XVI are necessary to accommodate the adoption.

The GES were discussed at the Council Study session of May 17, 2016. Public Works strongly recommends the use of DIP for water main installations. However, in the spirit of cooperation with stakeholders, PVC may be allowed under specific conditions. These conditions are noted in the new COP Standard Detail 200P-2, attached.

Attachments

1. Resolution No. 4333-1542

Agenda Item: Adoption of Ordinance No. 4980-1518, Amending City Code, Title II; Ordinance No. 4981-1519, Amending City Code, Title VIII; Ordinance No. 4982-1520, Amending City Code, Title X; Ordinance No. 4983-1521, Amending City Code, Title XVI; Ordinance No. 4984-1522, creating a new Title XVII and adopting the “General Engineering Standards”; and Resolution No. 4333-1542 adopting the “General Engineering Standards” as a public record

2. City of Prescott Standard Detail 200P-2
3. Ordinance No. 4980-1518, Amending City Code, Title II
4. Ordinance No. 4981-1519, Amending City Code, Title VIII
5. Ordinance No. 4982-1520, Amending City Code, Title X
6. Ordinance No. 4983-1521, Amending City Code, Title XVI
7. Ordinance No. 4984-1522, Creating New City Code, Title XVII and Adopting the General Engineering Standards

Recommended Action (separate actions): MOVE to adopt:

1. Ordinance No. 4980-1518, Amending City Code, Title II
2. Ordinance No. 4981-1519, Amending City Code, Title VIII
3. Ordinance No. 4982-1520, Amending City Code, Title X
4. Ordinance No. 4983-1521, Amending City Code, Title XVI
5. Ordinance No. 4984-1522, creating a new Title XVII and adopting the “General Engineering Standards”
6. Resolution No. 4333-1542 adopting the “General Engineering Standards” as a public record.

RESOLUTION NO. 4333-1542

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PRESCOTT, ARIZONA, DECLARING AS PUBLIC RECORDS THOSE CERTAIN DOCUMENTS FILED WITH THE CITY CLERK AND ENTITLED “AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, CREATING A NEW TITLE XVII, ENTITLED “GENERAL ENGINEERING STANDARDS”; AND REVISING AND AMENDING CERTAIN SECTIONS OF TITLE II, CHAPTER 2-1 “DEPARTMENTS/PUBLIC WORKS”; TITLE VIII, CHAPTER 8-1 “PUBLIC WAYS AND PROPERTY/SIDEWALKS”; TITLE VIII, CHAPTER 8-2 “PUBLIC WAYS AND PROPERTY/CITY RIGHT OF WAY”; TITLE X “LAND DEVELOPMENT CODE”, ARTICLES 6, 7, 8, 9 AND 11; TITLE XVI, CHAPTER 16-1 “STREET AND UTILITY AND DRAINAGE REGULATIONS\STANDARD SPECIFICATIONS AND DETAIL DRAWINGS AND UNIFORM STANDARD SPECIFICATIONS FOR PUBLIC WORKS CONSTRUCTION”; TITLE XVI, CHAPTER 16-2 “STREET AND UTILITY AND DRAINAGE REGULATIONS\DRAINAGE REGULATIONS”; TITLE XVI, CHAPTER 16-3 “STREET AND UTILITY AND DRAINAGE REGULATIONS\DRAINAGE CRITERIA MANUAL”; ESTABLISHING PENALTIES; PROVIDING FOR SEVERABILITY.

WHEREAS, the City of Prescott, a municipal corporation of the State of Arizona, desires to create a new set of General Engineering Standards (“GES”) to provide uniform and functional facilities that ensure health and safety and enhance the quality of life for the residents of Prescott; and

WHEREAS, the GES provide owners, developers and contractors with direction, construction requirements and the City’s expectations for the development of infrastructure improvements; and

WHEREAS, the goal of the GES is to assist in the orderly development and improvement of property with the goal of protecting the public’s health, safety and welfare; improving the long term value of the City’s infrastructure assets; and improving quality of life for the residents and visitors of Prescott; and

WHEREAS, to best achieve this, the City wishes to adopt a comprehensive document that contains the proposed engineering standards as a stand-alone section of the City Code; and

WHEREAS, the adoption of the GES as a new section of the City Code will necessarily require multiple changes to various sections of the City Code; and

WHEREAS, the changes to the City Code in implementation of the GES have been necessitated by a common event and the amendments to these Ordinances shall be deemed to contain one specific legislative act for purposes of this Resolution.

NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, ARIZONA;

SECTION 1. THAT certain documents entitled "AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT CITY, YAVAPAI COUNTY, ARIZONA, CREATING A NEW TITLE AND CHAPTER 17, ENTITLED "GENERAL ENGINEERING STANDARDS"; AND REVISING AND AMENDING CERTAIN SECTIONS OF TITLE II, CHAPTER 2-1 "DEPARTMENTS/PUBLIC WORKS"; TITLE VIII, CHAPTER 8-1 "PUBLIC WAYS AND PROPERTY/SIDEWALKS"; TITLE VIII, CHAPTER 8-2 "PUBLIC WAYS AND PROPERTY/CITY RIGHT OF WAY"; TITLE X "LAND DEVELOPMENT CODE"; DELETING TITLE XVI, CHAPTER 16-1 "STREET AND UTILITY AND DRAINAGE REGULATIONS\STANDARD SPECIFICATIONS AND DETAIL DRAWINGS AND UNIFORM STANDARD SPECIFICATIONS FOR PUBLIC WORKS CONSTRUCTION"; DELETING TITLE XVI, CHAPTER 16-2 "STREET AND UTILITY AND DRAINAGE REGULATIONS\DRAINAGE REGULATIONS"; AND DELETING TITLE XVI, CHAPTER 16-3 "STREET AND UTILITY AND DRAINAGE REGULATIONS\DRAINAGE CRITERIA MANUAL".

SECTION 2. PENALTIES.

- (A) TITLE II. THAT the penalty provisions contained in Title II, Chapter 2-1, Sections 2-1-1, *et seq.*, of the Prescott City Code shall remain in full force and effect for any violation of these Amendments to Title II, Chapter 2-1, Section 2-1-9.
- (B) TITLE VIII. THAT the penalty provisions contained in Title VIII, Chapter 8-1, Sections 8-1-5 and 8-1-6 of the Prescott City Code shall remain in full force and effect for any violation of these Amendments to Title VIII, Chapter 8-1; and, THAT the penalty provisions contained in Title VIII, Chapter 8-2, Section 8-2-12 of the Prescott City Code shall remain in full force and effect for any violation of these Amendments to Title VIII, Chapter 8-2.
- (C) TITLE X. THAT any person who violates any provision of this Ordinance or the Code and Code Amendments adopted pursuant to this Ordinance shall be guilty of a civil violation and shall be subject to the provisions of Section 1-3-2 of the Prescott City Code; and TITLE X, Chapter 10-1, Section 10-1-2 shall remain in full force and effect.
- (D) TITLE XVI. THAT all of the existing penalty provisions contained in Title XVI, of the Prescott City Code shall remain in full force and effect for any

violation of these Amendments to Title XVI.

- (E) TITLE XVII. THAT the penalty for violating any provisions of newly created Title XVII shall be as follows:

PENALTY- CRIMINAL: Any person who violates any provision of this chapter shall be guilty of a misdemeanor, and, upon conviction thereof shall be punished as provided in Section 1-3-1 of the Prescott City Code, by a fine not exceeding two thousand five hundred dollars (\$2500.00) or by imprisonment for not more than six months, or by such fine and imprisonment, in the discretion of the city court. Each and every day any such violation continues shall be deemed and considered a separate offense.

PENALTY- CIVIL: Any person who violates any provision of this chapter shall be guilty of a civil violation and shall be subject to the provisions of Section 1-3-2 of the Prescott City Code for each day that the violation continues.

SECTION 3. SEVERANCE CLAUSE: THAT the provisions this Resolution, or any Ordinances and the Codes and Code Amendments it incorporates are hereby declared to be severable; and, if any section, sentence, clause or phrase of this Resolution, or the Ordinances, Codes and Code Amendments that it incorporates shall, for any reason, be held to be invalid or unconstitutional, such decisions shall not affect the validity of the remaining sections, sentences, clauses and phrases of this Resolution, the Ordinances and the Codes and Code Amendments it incorporates, but they shall remain in effect, it being the legislative intent that this Resolution and the Ordinances, Codes and Code Amendments it incorporates shall stand, notwithstanding the invalidity of any part thereof.

PASSED AND ADOPTED by the City of Prescott, Arizona, this _____ day of June, 2016.

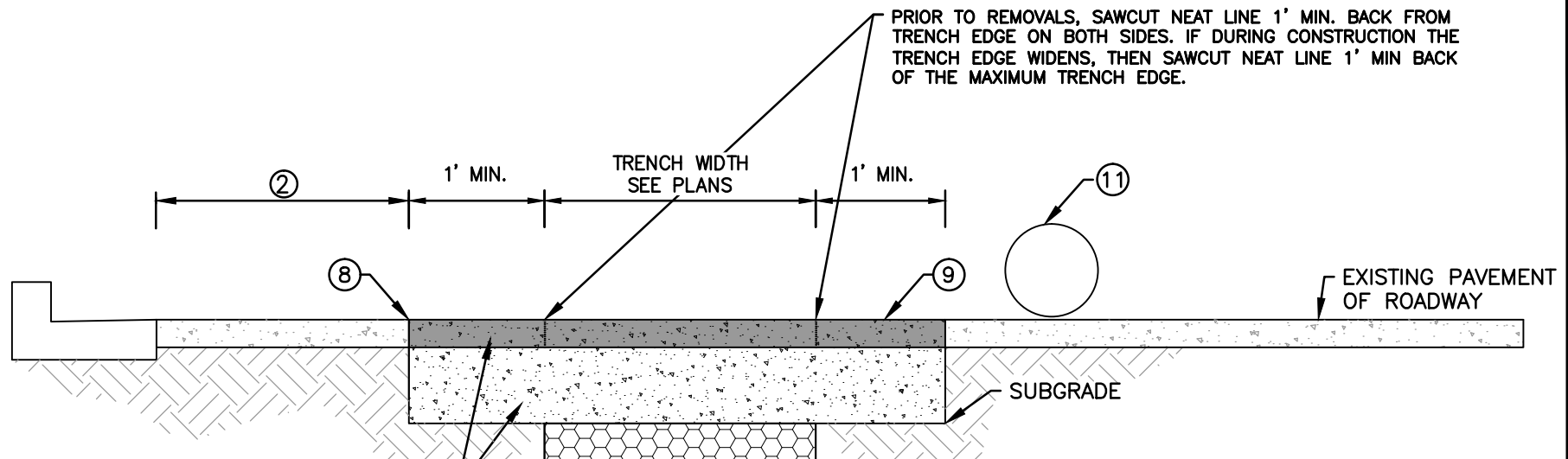
HARRY B. OBERG, Mayor

Attest:

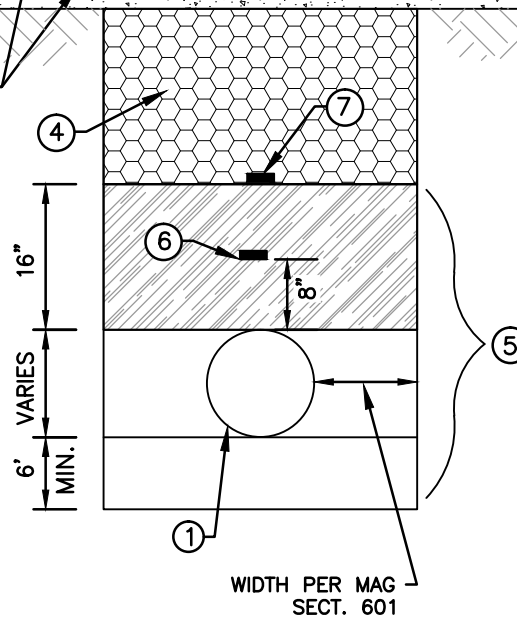
Approved As To Form:

DANA R. DeLONG, City Clerk

JON M. PALADINI, City Attorney



1. ALL WATER MAIN INSTALLATION OF PVC SHALL BE DR14.
2. EXCAVATIONS 3' OR LESS FROM LIP OF GUTTER OR EDGE OF PAVEMENT SHALL REQUIRE FULL REMOVAL OF PAVEMENT AND REPLACEMENT TO MATCH EXISTING SECTION, 4" MIN.
3. MATCH EXISTING PAVEMENT STRUCTURAL SECTION OR 4" MIN AC TO BE INSTALLED IN TWO LIFTS OVER 8" MIN ABC COMPACTED TO 95% OF STANDARD PROCTOR DENSITY, WHICHEVER IS GREATER. IN UNPAVED AREAS, MATCH EXISTING SURFACE MATERIAL AND DEPTH.
4. FOR TRENCHES IN PAVEMENT AND PERPENDICULAR TO TRAFFIC FLOW, BACKFILL WITH 1/2 SACK CLSM (CONSOLIDATED METHOD) PER MAG SECT. 728; AND PARALLEL TO TRAFFIC, BACKFILL WITH ABC PER MAG SECT. 702. FOR TRENCHES IN UNPAVED AREAS OR NEW STREET CONSTRUCTION, BACKFILL TRENCH TO SURFACE WITH 3" MINUS SCREENED NATIVE MATERIAL.
5. GRANULAR BEDDING/SHADING MATERIAL SHALL BE PER MAG SECT. 601 WITH 100% PASSING 1" SIEVE, MAXIMUM 10 P.I.. THE COMBINATION OF PERCENT MATERIAL PASSING THROUGH #200 PLUS P.I. SHALL NOT EXCEED 22.
6. INSTALL 8 GAUGE TRACER WIRE, 8" DISTANCE ABOVE PVC PIPE.
7. PLACE CAUTION TAPE AT 16" ABOVE PIPE.
8. TACK EDGE OF SAWCUT WITH SS1H WHEN PAVING. (TYP.)
9. ASPHALT PAVEMENT PER MAG SPECIFICATION 710. 4" MIN. OR MATCH EXISTING, WHICHEVER IS GREATER.



10. BEDDING, SHADING, AND BACKFILL SHALL BE COMPACTED TO 95% PROCTOR DENSITY PER ASTM D-698. MIN. 1 TEST PER LIFT PER 100'. EXPOSED SUBGRADE TO BE COMPACTED TO 95% PROCTOR DENSITY PER ASTM D-698. PAVED SURFACE TO BE COMPACTED TO 95% MARSHALL DENSITY PER ASTM D-6927-15.
11. ALL PVC PIPE WILL BE INSPECTED BY THE CITY JUST BEFORE INSTALLATION INTO THE TRENCH TO ENSURE THE PIPE IS NOT DAMAGED.
12. ALL VERTICAL REALIGNMENT OF PVC PIPE SHALL BE PER QUAD CITY STANDARD DETAIL 370Q AND LENGTH OF RESTRAINT SHALL BE PER QUAD CITY STANDARD DETAIL 303Q.
13. ALL HORIZONTAL DEFLECTION OF PVC PIPE MUST BE DIP FITTINGS (UNLESS JOINT DEFLECTION ALLOWED BY CITY ENGINEER) AND LENGTH OF RESTRAINT SHALL BE PER QUAD CITY STANDARD DETAIL 303Q.
14. INSTALLATION OF ALL PVC SHALL ADHERE TO ASTM D2774 AND F1668 (LATEST EDITIONS TO ENSURE THE SOIL/PIPE SYSTEM WILL SUPPORT DESIGN LOADS WITHOUT EXCESSIVE STRAINS FROM DEFLECTIONS OR FROM LOCALIZED PIPE WALL DISTORTIONS).
15. FREQUENCY AND DURATION OF INSPECTIONS WILL BE DETERMINED BY THE CITY. INSPECTIONS SHALL INCLUDE AT A MINIMUM:
 - A. ALL TRENCH BEDDING PRIOR TO PIPE INSTALLATION.
 - B. ALL PIPE INSTALLATION DURING SHADING PLACEMENT.
 - C. ALL UTILITY CROSSINGS OF PVC AFTER INSTALL.

ORDINANCE NO. 4980-1518

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, AMENDING TITLE II, CHAPTER 2- 1 ("PUBLIC WORKS DEPARTMENT"), SECTION 2-1-9 ("UTILITIES DIVISION; ABBREVIATIONS AND DEFINITIONS") OF THE PRESCOTT CITY CODE; ADDING A SEVERANCE CLAUSE; AND PROVIDING FOR PENALTIES.

RECITALS:

WHEREAS, the City of Prescott wishes to update Title II, Chapter 2-1, Section 2-1-9 of the Prescott City Code to be consistent with the concurrently adopted General Engineering Standards; and

WHEREAS, amending Title II, Chapter 2-1, Section 2-1-9, of the Prescott City Code is in the best interests of the health, safety and welfare of the City of Prescott.

ENACTMENTS:

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

SECTION 1. THAT certain document entitled "AMENDMENTS TO TITLE II, CHAPTER 2-1, SECTION 2-1-9, which document was made a public record by City of Prescott Resolution Number 4333-1542, is hereby adopted by reference.

SECTION 2. SEVERANCE CLAUSE: THAT the provisions of this Ordinance and the Code and Code Amendments it incorporates are hereby declared to be severable; and, if any section, sentence, clause or phrase of this Ordinance, or any Code and Code Amendments that it incorporates shall, for any reason, be held to be invalid or unconstitutional, such decisions shall not affect the validity of the remaining sections, sentences, clauses and phrases of this Ordinance and the Code and Code Amendments it incorporates, but they shall remain in effect, it being the legislative intent that this Ordinance and the Code and Code Amendments it incorporates shall stand, notwithstanding the invalidity of any part thereof.

SECTION 3. PENTALTIES: THAT the penalty provisions contained in Title II, Chapter 2-1, Sections 2-1-1, *et seq.*, of the Prescott City Code shall remain in full force and effect for any violation of these Amendments to Title II, Chapter 2-1, Section 2-1-9.

PASSED AND ADOPTED by the Council of the City of Prescott, Arizona, on this _____ day of June, 2016.

HARRY B. OBERG, Mayor

ATTEST:

APPROVED AS TO FORM:

DANA R. DeLONG, City Clerk

JON M. PALADINI, City Attorney

ORDINANCE NO. 4981-1519

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, AMENDING TITLE VIII, CHAPTER 8-1, SECTIONS 8-1-1 AND 8-1-4; AND AMENDING CHAPTER 8-2, SECTIONS 8-2-1, 8-2-4, 8-2-5, 8-2-6, 8-2-7, 8-2-8, 8-2-10, AND 8-2-17; ADDING A SEVERANCE CLAUSE; AND PROVIDING FOR PENALTIES.

RECITALS:

WHEREAS, the City of Prescott wishes to update Title VIII of the Prescott City Code to be consistent with the concurrently adopted General Engineering Standards; and

WHEREAS, amending Title VIII, Chapter 8-1, Sections 8-1-1 and 8-1-4; and amending Chapter 8-2, Sections 8-2-1, 8-2-4, 8-2-5, 8-2-6, 8-2-7, 8-2-8, 8-2-10, and 8-2-17 of the Prescott City Code is in the best interests of the health, safety and welfare of the City of Prescott.

ENACTMENTS:

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

SECTION 1. THAT certain document entitled "AMENDMENTS TO TITLE VIII, CHAPTERS 8-1 AND 8-2" which document was made a public record by City of Prescott Resolution Number 4333-1542, is hereby adopted by reference.

SECTION 2. SEVERANCE CLAUSE: THAT the provisions of this Ordinance and the Code and Code Amendments it incorporates are hereby declared to be severable; and, if any section, sentence, clause or phrase of this Ordinance, or any Code and Code Amendments that it incorporates shall, for any reason, be held to be invalid or unconstitutional, such decisions shall not affect the validity of the remaining sections, sentences, clauses and phrases of this Ordinance and the Code and Code Amendments it incorporates, but they shall remain in effect, it being the legislative intent that this Ordinance and the Code and Code Amendments it incorporates shall stand, notwithstanding the invalidity of any part thereof.

SECTION 3. PENTALTIES: THAT the penalty provisions contained in Title VIII, Chapter 8-1, Sections 8-1-5 and 8-1-6 of the Prescott City Code shall remain in full force and effect for any violation of these Amendments to Title VIII, Chapter 8-1.

SECTION 4. PENALTIES: THAT the penalty provisions contained in Title VIII, Chapter 8-2, Section 8-2-12 of the Prescott City Code shall remain in full force and effect for any violation of these Amendments to Title VIII, Chapter 8-2.

PASSED AND ADOPTED by the Council of the City of Prescott, Arizona, on this _____ day of June, 2016.

HARRY B. OBERG, Mayor

ATTEST:

APPROVED AS TO FORM:

DANA R. DeLONG, City Clerk

JON M. PALADINI, City Attorney

ORDINANCE NO. 4982-1520

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, AMENDING TITLE X ("DEVELOPMENT REGULATIONS"), CHAPTER 10-1 ("LAND DEVELOPMENT CODE"), AMENDING ARTICLE 6 ("GENERAL DEVELOPMENT STANDARD") OF THE LAND DEVELOPMENT CODE; AMENDING ARTICLE 7 ("SUBDIVISION AND LAND SPLIT STANDARDS") OF THE LAND DEVELOPMENT CODE; AMENDING ARTICLE 8 ("REVIEW BODIES") OF THE LAND DEVELOPMENT CODE; AMENDING ARTICLE 9 ("ADMINISTRATION AND PROCEDURES") OF THE LAND DEVELOPMENT CODE; AND AMENDING ARTICLE 11 ("DEFINITIONS") OF THE LAND DEVELOPMENT CODE.

RECITALS:

WHEREAS, the City of Prescott wishes to update its Land Development Code to be consistent with the concurrently adopted General Engineering Standards; and

WHEREAS, amending Title X, Chapter 10-1, Section 10-1-1, Articles 6, 7, 8, 9 & 11 of the City of Prescott Land Development Code, which Land Development Code was adopted as a Public Record, and having been amended over the years, is in the best interests of the health, safety and welfare of the City of Prescott.

ENACTMENTS:

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

SECTION 1. THAT those certain documents entitled "AMENDMENTS TO ARTICLE 6 OF THE CITY OF PRESCOTT LAND DEVELOPMENT CODE", "AMENDMENTS TO ARTICLE 7 OF THE LAND DEVELOPMENT CODE", "AMENDMENTS TO ARTICLE 8 OF THE LAND DEVELOPMENT CODE", "AMENDMENTS TO ARTICLE 9 OF THE LAND DEVELOPMENT CODE", and "AMENDMENTS TO ARTICLE 11 OF THE LAND DEVELOPMENT CODE", which documents were made a public record by City of Prescott Resolution Number 4333-1542, are hereby adopted by reference.

SECTION 2. SEVERANCE CLAUSE: THAT the provisions of this Ordinance and the Code and Code Amendments it incorporates are hereby declared to be severable; and, if any section, sentence, clause or phrase of this Ordinance, or any Code and Code Amendments that it incorporates shall, for any reason, be held to be invalid or unconstitutional, such decisions shall not affect

the validity of the remaining sections, sentences, clauses and phrases of this Ordinance and the Code and Code Amendments it incorporates, but they shall remain in effect, it being the legislative intent that this Ordinance and the Code and Code Amendments it incorporates shall stand, notwithstanding the invalidity of any part thereof.

SECTION 3. PENTALLY- CIVIL: THAT Any person who violates any provision of this Ordinance or the Code and Code Amendments adopted pursuant to this Ordinance shall be guilty of a civil violation and shall be subject to the provisions of Section 1-3-2 of the Prescott City Code; and TITLE X, Chapter 10-1, Section 10-1-2 shall remain in full force and effect.

PASSED AND ADOPTED by the Council of the City of Prescott, Arizona, on this _____ day of June, 2016.

HARRY B. OBERG, Mayor

ATTEST:

APPROVED AS TO FORM:

DANA R. DeLONG, City Clerk

JON M. PALADINI, City Attorney

ORDINANCE NO. 4983-1521

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, AMENDING TITLE XVI, DELETING CHAPTER 16-1 (“STANDARD SPECIFICATIONS AND DETAIL DRAWINGS AND UNIFORM STANDARD SPECIFICATIONS FOR PUBLIC WORKS CONSTRUCTION”); DELETING CHAPTER 16-2 (“DRAINAGE REGULATIONS”), DELETING CHAPTER 16-3 (“DRAINAGE CRITERIA MANUAL”); AMENDING CHAPTER 16-4 (“2007 CITY OF PRESCOTT CONSTRUCTION SITE EROSION AND SEDIMENT”); AMENDING CHAPTER 16-5 (“2007 CITY OF PRESCOTT ILLEGAL DISCHARGE AND ILLEGAL CONNECTION STORMWATER CODE”); AMENDING CHAPTER 16-6 (“2007 CITY OF PRESCOTT POST CONSTRUCTION STORMWATER RUNOFF CODE”); ADDING A SEVERANCE CLAUSE; AND PROVIDING FOR PENALTIES.

RECITALS:

WHEREAS, the City of Prescott wishes to update Title XVI, Chapters 16-1, 16-2, 16-3, 16-4, 16-5, and 16-6 of the Prescott City Code to be consistent with the concurrently adopted General Engineering Standards; and

WHEREAS, deleting Title XVI, Chapters 16-1, 16-2, 16-3 and amending Title XVI, Chapters 16-4, 16-5, and 16-6 of the Prescott City Code is in the best interests of the health, safety and welfare of the City of Prescott.

ENACTMENTS:

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

SECTION 1. THAT certain document entitled “AMENDMENTS TO TITLE XVI, CHAPTERS 16-1, 16-2, 16-3, 16-4, 16-5 and 16-6”, which document was made a public record by City of Prescott Resolution Number 4333-1542, is hereby adopted by reference.

SECTION 2. SEVERANCE CLAUSE: THAT the provisions of this Ordinance and the Code and Code Amendments it incorporates are hereby declared to be severable; and, if any section, sentence, clause or phrase of this Ordinance, or any Code and Code Amendments that it incorporates shall, for any reason, be held to be invalid or unconstitutional, such decisions shall not affect the validity of the remaining sections, sentences, clauses and phrases of this Ordinance and the Code and Code Amendments it incorporates, but they shall remain in effect, it being the legislative intent that this Ordinance and the Code and Code Amendments it incorporates shall stand, notwithstanding the invalidity of any part thereof.

SECTION 3. PENTALTIES: THAT all of the existing penalty provisions contained in Title XVI, of the Prescott City Code shall remain in full force and effect for any violation of these Amendments to Title XVI.

PASSED AND ADOPTED by the Council of the City of Prescott, Arizona, on this _____ day of June, 2016.

HARRY B. OBERG, Mayor

ATTEST:

APPROVED AS TO FORM:

DANA R. DeLONG, City Clerk

JON M. PALADINI, City Attorney

ORDINANCE NO. 4984-1522

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT YAVAPAI COUNTY, ARIZONA, CREATING A NEW TITLE XVII, CHAPTER 17-1, SECTIONS 17-1-1 AND 17-1-2 OF THE PRESCOTT CITY CODE ADOPTING GENERAL ENGINEERING STANDARDS FOR THE CITY OF PRESCOTT; ADOPTING PENALTIES FOR VIOLATION OF TITLE XVII, CHAPTER 17-1; AND ADOPTING A SEVERANCE CLAUSE.

RECITALS:

WHEREAS, the City of Prescott desires to adopt General Engineering Standards;
and

WHEREAS, the next available Title in the City of Prescott Code is Title XVII; and

WHEREAS, it is in the best interests of the City to create a new Title XVII to the Prescott City Code adopting general engineering standards and penalties for violating provisions of this new Title.

ENACTMENTS:

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

SECTION 1. THAT there is adopted a new TITLE XVII entitled "GENERAL ENGINEERING STANDARDS" and a new CHAPTER 17-1: GENERAL ENGINEERING STANDARDS.

SECTION 2. THAT there is hereby adopted and enacted new SECTIONS 17-1 AND 17-2 as follows:

"CHAPTER 17-1: GENERAL ENGINEERING STANDARDS

SECTIONS:

17-1-1 ADOPTION:

17-1-2 PENALTY:

17-1-1: ADOPTION:

That certain code entitled "City of Prescott General Engineering Standards", as made a public record by City of Prescott Resolution No. 4333-1542, as may be amended from time to time, is hereby adopted and made part of this chapter, the same as though said code was specifically set forth in full herein.

10-1-2 PENALTIES:

- A. PENALTY- CRIMINAL: Any person who violates any provision of this chapter shall be guilty of a misdemeanor, and, upon conviction thereof shall be punished as provided in Section 1-3-1 of the Prescott City Code, by a fine not exceeding two thousand five hundred dollars (\$2500.00) or by imprisonment for not more than six months, or by such fine and imprisonment, in the discretion of the city court. Each and every day any such violation continues shall be deemed and considered a separate offense.
- B. PENALTY- CIVIL: Any person who violates any provision of this chapter shall be guilty of a civil violation and shall be subject to the provisions of Section 1-3-2 of the Prescott City Code for each day that the violation continues.”

SECTION 3. SEVERANCE CLAUSE: THAT the provisions of this Ordinance and the Code and Code Amendments it incorporates are hereby declared to be severable; and, if any section, sentence, clause or phrase of this Ordinance, or any Code and Code Amendments that it incorporates shall, for any reason, be held to be invalid or unconstitutional, such decisions shall not affect the validity of the remaining sections, sentences, clauses and phrases of this Ordinance and the Code and Code Amendments it incorporates, but they shall remain in effect, it being the legislative intent that this Ordinance and the Code and Code Amendments it incorporates shall stand, notwithstanding the invalidity of any part thereof.

PASSED, APPROVED AND ADOPTED by the Mayor and Council of the City of Prescott, Arizona on this _____ day of June, 2016.

HARRY B. OBERG
Mayor, City of Prescott

ATTEST:

APPROVED AS TO FORM:

DANA R. DeLONG
City Clerk

JON M. PALADINI
City Attorney

MEETING DATE/TYPES: VOTING SESSION 6-7-16

DEPARTMENT: Public Works

AGENDA ITEM: Award of City Contract No. 2016-297 to Earth Resources Corporation, for construction of the Autumn Breeze Street Improvement Project, in the amount of \$44,982.00

FUNDING SOURCE(S): Streets Fund

Approved By:		Date:
Director:	Hash, Henry	05/20/2016
City Attorney:	Paladini, Jon	05/20/2016
City Manager:	McConnell, Craig	05/25/2016

Item Summary

This item is to award City Contract No. 2016-297 to Earth Resources Corporation, for construction of the Autumn Breeze Street Improvement Project. The project includes installation of a valley gutter, curb cut, grading and drainage ditch and addition of inlet wings to an existing catch basin to improve drainage.

Background

Within the past 5 years, Public Works has received several calls during monsoon storm events regarding flooding at the intersection of Spring Trail and Autumn Breeze. In 2014 during a summer monsoon storm, water in the intersection backed up, overtopped the street eroding a steep slope in the area, and left significant debris in the street.

On July 14, 2015, City Contract No. 2016-005 was awarded to Woodson Engineering and Surveying Inc., for design of the Autumn Breeze Street Improvement Project, with the goal of improving street drainage. The engineering contract includes construction administration and as-built survey for the completed project.

Bid Results

The Invitation for Bids was publicly noticed on April 24, 2016, and May 1, 2016. Due to the relatively small size of the project, a mandatory pre-bid meeting was not held for the bid. On May 12, 2016, four bids were received:

Agenda Item: Award of City Contract No. 2016-297 to Earth Resources Corporation, for construction of the Autumn Breeze Street Improvement Project, in the amount of \$44,982.00

<u>Company</u>	<u>Location</u>	<u>Bid Amount</u>
Earth Resources Corporation	Dewey, AZ	\$ 44,982.00
Capital Improvements	Prescott, AZ	\$ 48,967.00
Fann Contracting	Prescott, AZ	\$ 65,625.00
Asphalt Paving & Supply	Prescott Valley, AZ	\$ 69,999.99

Engineer's Estimate \$46,770.00

The City has received written confirmation of their bid from Earth Resources Corporation. The company's license, bonding, references, and performance of past municipal projects have been verified and determined satisfactory. The bid has been deemed responsive and balanced.

Project Schedule

The contract allows thirty (30) calendar days for completion of the work, with project milestones listed below:

Award of Contract	June 7, 2016
Pre-Construction Meeting	June 9, 2016
Notice to Proceed (NTP)	June 13, 2016
Substantial Project Completion	July 13, 2016

Financial Impact

Project funding is being provided by the Streets Fund.

Attachments

1. Project Vicinity Map
2. Planned Improvements Map

Recommended Action: **MOVE** to award City Contract No. 2016-297.

Autumn Breeze Street Improvement Project Vicinity Map



Project Area



AUTUMN BREEZE SCHEMATIC PLAN

MEETING DATE/TYPES: VOTING SESSION 6-7-16

DEPARTMENT: City Manager

AGENDA ITEM: Approval of Water Service Agreement No. 14-009 (City Contract No. 2016-292) with Embry-Riddle Aeronautical University for campus development

Approved By:		Date:
Water Resources Manager:	Leslie Graser	05/17/2016
City Attorney:	Jon Paladini	05/20/2016
City Manager:	Craig McConnell	05/23/2016

Item Summary

Alternative water supplies are identified for this project in Resolution No. 4328-1537 adopted May 3, 2016, "Alternative Water Allocation Policy for Calendar Year 2016." Embry-Riddle Aeronautical University (ERAU) has been a City water customer since November 18, 1976, and was annexed into the City in 1997.

Background

A WSA application (WSA 14-009) was filed for a residence hall containing sixty-six (66) student housing suites for a total occupancy of 264. Additional discussion between ERAU and the City identified a seven (7)-year campus development plan. In accordance with the referenced policy above, the attached contract identifies supplies for three (3) student residence halls each consisting of sixty-six (66) units each, a Library Learning Center in 2019, Student Union in 2021, and an academic building. The total water to be placed into contract is 55 AF (49.5 AF, 0.6 AF, 3.7 AF, and 1.2 AF, respectively). No alternative water supplies are being allocated for new turf shown in the seven (7)-year plan.

At their May 10, 2016, meeting, the Council Water Issues Committee recommended forwarding this contract to City Council for action.

Attachments

1. City Contract No. 2016-292
2. ERAU 7-year development map

Recommended Action: **MOVE** to approve Water Service Agreement No. 14-009 (City Contract No. 2016-292).

AGREEMENT FOR POTABLE WATER (WSA No. 14-009)
EMBRY-RIDDLE AERONAUTICAL UNIVERSITY
City Contract No. 2016-292

WHEREAS, Embry-Riddle Aeronautical University (hereinafter referred to as “Applicant”), is the owner of certain real property within the City of Prescott; and

WHEREAS, the Applicant has been a City water customer since November 18, 1976; and

WHEREAS, the Applicant was annexed into the City in 1997; and

WHEREAS, the Applicant desires to obtain an increased provision of potable water to said property from the City of Prescott (hereinafter referred to as “City”) to support the 7 Year Master Plan (Master Plan); and

WHEREAS, the Applicant contemplates constructing as part of the Master Plan a residence hall containing sixty-six (66) suite dwelling units for a total occupancy of 264, an additional Library Learning Center in 2019, an additional residence hall containing sixty-six (66) suite dwelling units for a total occupancy of 264 in 2019, a Student Union building in 2021, an additional residence hall containing sixty-six (66) suite dwelling units for a total occupancy of 264 in 2021; and

WHEREAS, Prescott City Code Section 2-1-12(H) requires that an agreement be reached between the City and the Applicant in order to provide potable water; and

WHEREAS the City Council finds that compliance with this Agreement by the Applicant shall result in:

1. The project or development being consistent with and conforming to, furthering the implementation of, and not being contrary to, the adopted Water Management Policy of the City; and
2. The project or development being consistent with and conforming to, furthering the implementation of, and not being contrary to the adopted General Plan of the City; and
3. The project or development being consistent with and conforming to, furthering the implementation of, and not being contrary to any other applicable adopted plans, including but not limited to Specific Area Plans, Circulation Plans, Capital Improvement Plans, Open Space and Trail Plans, Neighborhood Plans, Local Historic District Plans, growth planning or growth management plans, and redevelopment plans; and
4. The project being in accord with the duly adopted City of Prescott Water Budget.

NOW, THEREFORE, in consideration of the covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party to the other, it is hereby agreed as follows:

1. That this Agreement shall relate to that property described as Yavapai County Assessor Parcel Numbers 106-03-004, 106-02-009B, 106-02-001J, 106-02-003A, and 106-08-006, more particularly described in the attached Exhibit "A" (hereinafter referred to as the "Property") and Exhibit B.

2. The City will designate an 16.5 acre feet to accommodate the proposed construction of sixty-six (66) suites for the Property, 1.2 acre feet to accommodate the proposed additional academic building, 0.6 acre feet to accommodate the proposed construction of an additional Library Learning Center in 2019, 16.5 acre feet to accommodate the proposed construction of a second sixty-six (66) suites in 2019, 3.7 acre feet to accommodate the proposed construction of an additional Student Union in 2021, and 16.5 acre feet to accommodate the proposed construction of sixty-six (66) suites for the Property for a total designation of fifty-five (53.8) acre feet annually, subject to the following:

A. Applicant shall be solely responsible for the costs of any water and sewer main extensions or upgrades required by the City to serve the Property.

B. Applicant shall connect the Property to the City's Sanitary Sewer System, and shall be responsible for any and all costs associated therewith, before water service to the property is initiated.

C. Any change in use of the Property from an educational institution will terminate this Agreement.

D. The quantity of 17.7 acre-feet annually of potable water shall be reserved for the Property for a period of five (5) years from the date of this Agreement, which quantity shall be made available upon issuance by the City of a certificate of occupancy for sixty six (66) suite dwelling units and additional academic building. In the event the Applicant has not satisfied all requirements for issuance of said certificate of occupancy within said five (5) year period, this Agreement shall automatically terminate, and in such case neither the Applicant shall have any entitlement to, nor shall the City have any obligation to provide, potable water for this project.

E. The remaining quantity of 37.3 acre feet annual of potable water shall be reserved for a period of five (5) years with effective date as December 31, 2016.

F. In the event that the contemplated construction identified on the Master Plan is reduced at final build out, then and in that event, the amount of potable water set aside for the Property pursuant to this Agreement shall be reduced according to water allocation policies.

G. The installation of any well on the Property, or the use of water on the Property from any other exempt well (less than 35 gpm), shall result in the termination of this Agreement.

H. Any lot splits of the Property shall result in termination of this Agreement and require a new water service agreement.

I. The City does not guarantee fire flows in relation to the private water system.

3. Development beyond the existing structures and new residence hall and classrooms may require the amendment of the Agreement in accordance with City Water Management Policies in force at such time.

4. This Agreement shall run with the land, and shall be binding upon the Applicant's successors in interest and assigns.

5. Pursuant to A.R.S. Section 38-511, the City of Prescott may cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the City is, at any time while the Agreement or any extension of the Agreement is in effect, an employee or agent of any other party to the Agreement in any capacity or a consultant to any other party of the Agreement with respect to the subject matter of the Agreement. In the event of the foregoing, the City of Prescott further elects to recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the City of Prescott from any other party to the Agreement arising as a result of this Agreement.

6. That the Applicant hereby agrees to indemnify and hold harmless the City, its departments and divisions, its employees and agents, from any and all claims, liabilities, expenses or lawsuits as a result of this Agreement, whether said claims, liabilities, expenses or lawsuits arise by the acts or omissions of the Applicant or its agents or employees.

7. Although this Agreement has been drafted by the Prescott City Attorney, it is the result of negotiations by and between the parties. Therefore, any ambiguity in this Agreement is not to be construed against either party.

8. Time is of the essence in this Agreement. The failure of either party to require strict performance of any provision of this Agreement shall not be deemed a waiver of the right of said party thereafter to require strict performance of that or any other provision of this Agreement in accordance with the terms hereof, and without notice.

9. The parties hereto expressly covenant and agree that in the event of a dispute arising from this Agreement, each of the parties hereto waives any right to a trial by jury. In the event of litigation, the parties hereby agree to submit to a trial before the Court.

10. The parties hereto expressly covenant and agree that in the event of litigation arising from this Agreement, neither party shall be entitled to an award of attorneys' fees, either pursuant to the Contract, pursuant to ARS Section 12-341.01(A) and (B), or pursuant to any other state or federal statute.

APPLICANT:

DATED this _____ day of _____, 2016.

By: _____
 _____ of Embry-Riddle Aeronautical University

[illegible]

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by _____, personally known to me or proven to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged that he/she executed it.

[Seal]

Notary Public

CITY OF PRESCOTT:

DATED this _____ day of _____, 2016.

HARRY B. OBERG
Mayor

ATTEST:

APPROVED AS TO FORM:

DANA R. DeLONG
City Clerk

JON PALADINI
City Attorney

STATE OF ARIZONA)
) ss.
COUNTY OF YAVAPAI)

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by Harry B. Oberg, Mayor, personally known to me or proven to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged that he executed it.

[Seal]

Notary Public

7 Year Plan

ID	Use		Footprint
A	Residence Hall	2-Story	264 beds
B	Academic Building	2-Story	50,000 sf
C	Learning Center	2-Story	40,000 sf
D	Reconfigured Wash Channel		
E	Relocated Multi-Purpose Field		
F	Intercollegiate Baseball Field		(Maintains Ramada and Restroom Buildings)
G	New Parking North of Soccer		
H	Residence Hall	2-Story	264 beds
I	Student Center North	1-Story	6,000 sf
J	Student Services	2-Story	28,000 sf
(Requires demolition of Buildings 51 and 61)			

Existing	Residence Halls	Athletics
Academic	Potential Demolition	Utility
Administrative	Student Life	



MEETING DATE/TYPES: VOTING SESSION 6-7-16

DEPARTMENT: City Manager

AGENDA ITEM: Adoption of Resolution No. 4324-1533 approving the Amended and Restated Effluent Sale Agreement with The Club at Prescott Lakes, LLC, City Contract No. 2002-208A1

Approved By:		Date:
Water Resources Manager:	Leslie Graser	05/23/2016
City Attorney:	Jon Paladini	05/23/2016
City Manager:	Craig McConnell	05/25/2016

Item Summary

City Contract No. 2002-208, Consolidated, Amended and Restated Effluent Sale Agreement, was entered into on October 8, 2002. The term of the original Agreement was twenty (20) years, effective February 27, 1996. The Club at Prescott Lakes representatives are seeking to have it renewed with one change related to Item 3, Supply of Effluent. Specifically, the request is to adjust monthly allocations to shift some quantities from the winter months to the summer months, without a net increase in the annual maximum of 500 AF.

The Agreement provides for extensions of two additional twenty-year terms, subject to adjustments to the payment terms. This will be the first renewal. The Agreement may not be enlarged, modified or altered, except in writing by both parties.

The term of the Agreement, as extended, is for a period of ten (10) years beginning February 27, 2016. The Club may extend it for three (3) additional ten year terms, thereafter, again subject to adjustments to the payment terms. The pricing for the base allocation and supplemental quantities is \$354.35/AF and \$454.35/AF, respectively, subject to annual change on the basis of the Consumer Price Index.

At their meeting of May 10, 2016, the Council Water Issues Committee referred the agreement to the Council for action.

Financial Impact

Annual revenue to the Wastewater Fund from this contract is approximately \$120,000, reflecting an actual use of approximately 365 AF versus the 500AF maximum.

Prescott City Code 2-1-57 prescribes effluent rates unless otherwise provided by a separate agreement approved by the City Council. Further, the effluent rate charge to any municipal golf course shall be no more than the effluent rate charge to any other golf course receiving City effluent supplies.

Attachments

1. Resolution No. 4324-1533
2. City Contract No. 2002-208A1

Recommended Action: MOVE to adopt Resolution No. 4324-1533.

RESOLUTION NO. 4324-1533

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, APPROVING AN AMENDED AND RESTATED EFFLUENT SALE AGREEMENT WITH THE CLUB AT PRESCOTT LAKES, LLC.

RECITALS:

WHEREAS, the City of Prescott ("City") and The Club at Prescott Lakes, LLC., ("Club") are parties to that certain Agreement City Contract No. 2002-208; and

WHEREAS, said Agreement expires in 2016, and provides for two 20-year extensions; and

WHEREAS, the City and the Club wish to update said Agreement to reflect current conditions, as well as all federal and state rules and regulations.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

Section 1 THAT, the City of Prescott hereby approves and adopts the Amended and Restated Effluent Sale Agreement with the Club, City Contract No. 2002-208A1, as set forth in Exhibit "A" which is attached and made a part hereof.

Section 2 THAT, the Mayor and Staff are hereby authorized to execute the attached contract and to take any and all steps deemed necessary to accomplish the above.

PASSED, APPROVED AND ADOPTED by the Mayor and Council of the City of Prescott, Arizona, on this _____ day of _____, 2016.

HARRY B. OBERG, Mayor

ATTEST:

APPROVED AS TO FORM:

DANA R. DeLONG
City Clerk

JON M. PALADINI
City Attorney

AMENDED AND RESTATED EFFLUENT SALE AGREEMENT
City Contract No. 2002-208A1

This Amended and Restated Effluent Sale Agreement (the "Agreement") is entered into as of _____, 2016, by and between the City of Prescott, a municipal corporation of the State of Arizona (the "City"), and The Club at Prescott Lakes, L.L.C. (the "Club").

A. The City and PL Custom Investors, L.L.C., an Arizona limited liability company ("PLC") entered into that certain Consolidated, Amended and Restated Effluent Sale Agreement dated October 8, 2002, while Agreement superseded and restated earlier effluent sales agreements pertaining to the same parcels of land. The interest of PL Custom Investors, L.L.C., prior in said agreement was transferred to the Club.

B. The City and the Club now desire to amend and restate the 2002 Effluent Agreement pursuant to the terms set forth in this Agreement. The City and the Club are entering into this Agreement with the understanding and intent that this Agreement amends, restates, and supersedes the 2002 effluent agreement.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions herein contained and other valuable consideration, the adequacy of which is hereby acknowledged, the parties agree as follows:

1. Term. The term of this Agreement shall be for a period of ten (10) years beginning February 27, 2016. The Club may extend this Agreement for three (3) additional ten year terms, subject to adjustments to the payment terms set forth in Paragraph 5 below and compliance with all relevant city, state and federal regulations at the time of each extension. Upon expiration of this Agreement pursuant to this Paragraph, the parties agree to negotiate in good faith toward a new effluent agreement.

2. Definitions.

2.1. "Commencement Date" shall be May 17, 2016.

2.2. "Wastewater" means sanitary wastes of human origin, sewage, gray water, and industrial wastes that contain sanitary wastes or are used in the production or processing of any crop or substance which may be used as human or animal food.

2.3. "Reuse Site" means Prescott Lakes, a subdivision of the City of Prescott.

2.4. "Effluent" means wastewater that has completed its passage through the City of Prescott Wastewater Treatment System.

2.5. "Open Access" means that access to the Reuse Site by the General public

is uncontrolled.

2.6. "Restricted Access" means that the access to the Reuse Site by the General public is controlled.

3. Supply of Effluent.

3.1 Basic Effluent Purchases. The City agrees to sell to the Club, and the Club agrees to purchase from the City up to 500 acre feet ("a.f.") of effluent per year, subject to the terms of this Agreement and upon the monthly schedule set forth below ("Basic Effluent Purchases");

For 2016:

MONTH	DAILY MAXIMUM (AF/day)	TOTAL MONTHLY ALLOCATION (AF/month)
January	0.66	20.6
February	0.84	23.4
March	1.12	34.8
April	1.57	47.1
May	1.77	54.8
June	2.32	69.7
July	2.00	62.1
August	1.80	55.9
September	1.46	43.9
October	1.31	40.5
November	0.90	27.1
December	0.64	20
Maximum Total Allocation		500 AF.

For 2017 through 2026:

MONTH	DAILY MAXIMUM (AF/day)	TOTAL MONTHLY ALLOCATION (AF/month)
January	0.34	10.6
February	0.66	18.4
March	1.12	34.8
April	1.81	54.4
May	2.12	65.8
June	2.65	79.6
July	2.07	64.1
August	1.80	55.9
September	1.46	43.9
October	1.31	40.5
November	0.73	22
December	0.32	10
Maximum Total Allocation		500 AF

Basic Effluent Purchases in a particular month must be taken on a continuous basis during the course of that month. Any effluent not utilized by the Club in a particular month may not be carried over into a succeeding month.

3.2 Supplemental Effluent Purchases. If due to weather conditions, special maintenance needs or other considerations, the Club requires effluent during any day in excess of the maximum daily Basic Effluent Purchases contemplated above, it shall have the right to purchase from the City (subject to availability as determined by the City's Director of Public Works) additional effluent during such day at a rate as calculated in paragraph 5.2 below ("Supplemental Effluent Purchases"). Notwithstanding the foregoing, if City is unable to deliver effluent or alternate water for any period of time due to no fault of THE CLUB ("Stoppage Period"), then the aggregate Daily Maximums that would have otherwise been available during such Stoppage Period will be banked and drawn against following such Stoppage Period as additional Basic Effluent Purchases rather than as Supplemental Effluent Purchases; provided that any delivery rights so banked shall be drawn against no later than sixty (60) days following the end of the subject Stoppage Period.

3.3 Active Management Area. The parties acknowledge that all services to be

provided and all property served is located within the Prescott Active Management Area. As such, the Arizona Department of Water Resources may set the maximum amount of water that the Club may use. In the event that ADWR sets an amount of water for the Club's use that is less than the maximum to which the Club is entitled by section 3.1, the parties agree that the maximum allowed by section 3.1 will be reduced to that amount set by ADWR. The Club shall have the authority to reduce, but not increase, any of its monthly distributions as it sees appropriate. The parties further agree that nothing in this contract requires either party to violate any rule, regulation, or management plan from ADWR, ADEQ, EPA, or any other entity.

3.4 Permitted Uses and Allocation. All effluent purchased by the Club under this agreement shall be used exclusively for the following: (i) golf course irrigation, (ii) filling and maintenance of the lakes (including the lake at the main entry to Prescott Lakes on Highway 89), and (iii) irrigation of common area landscaping (the "Permitted Uses"). The Club shall have the sole right to determine the appropriate allocation of the purchased effluent among the Permitted Uses.

3.5 Payment by the Club. The Club shall pay on a monthly basis for the amount of effluent received each day of such month (A) for amounts received each day up to the daily maximum of Basic Effluent Purchases set forth in paragraph 3.1 above ("Daily Maximum") the rate stipulated in paragraph 5.1 below, and (B) for any Supplemental Effluent Purchases at the rate then in effect pursuant to paragraph 5.2 below. The Club's failure to make any such payment within thirty (30) days of the Club's receipt of a monthly invoice from the City shall result in the Club forfeiting its rights to any effluent under this Agreement; provided, however, that such forfeiture shall occur only after the Club has been given written notice of its breach of the foregoing obligations and has failed to cure such breach within 10 business days following its receipt of such notice. Any payment not received within thirty (30) days of the Club's receipt of a monthly invoice shall be subject to a late charge equal to 1.5% per month commencing on the 31st day following the Club's receipt of such invoice.

3.6 The Club's Right To Reimbursement by Association. The Club shall have the right to obtain reimbursement from the Prescott Lakes Community Association for the actual cost of any effluent used for irrigation of common area landscaping the entry lake.

3.7 Limitations on City's Effluent Delivery Capacity. In the event of any shortage of effluent, by any cause beyond the reasonable control of the City, it is specifically understood and agreed that the following priorities shall apply with respect to the Basic Effluent Purchases available to the Club under paragraph 3.1 of this Agreement.

a. First, the City has the unconditional right to utilize up to 1,000 acre feet per year as required for use on its municipal golf course.

b. Second, pursuant to that certain Tribal Water Settlement Agreement and Water Service Agreement entered into between City and the Yavapai-Prescott Indian Tribe (the "Tribe") in 1994, the City will honor its commitment to the Tribe to provide the Tribe an amount of effluent equal to the amount of effluent produced by the Tribe.

c. Third, prior to making any effluent available to any person or entity other than as set forth in (a) and (b) above, the City shall honor its commitment to provide the first 274 acre feet (on an annualized basis) of effluent to the Club pursuant to paragraph 3.1 of this Agreement.

d. Fourth, subject to the foregoing priorities, the City will attempt to honor its commitment to provide effluent to the development known as Capital Canyon Club pursuant to that certain Effluent Sales Agreement between the City and Hassayampa Village Community, L.L.C.

e. Fifth, prior to making any effluent available to any person or entity other than as set forth in the previous five instances, subject to the foregoing priorities, the City shall honor its commitment to provide the remaining effluent to the Club pursuant to paragraph 3.1 of this Agreement.

3.8 Substitution/ Supplementation. At any time that the City is unable for any reason to satisfy the maximum daily delivery volumes set forth in paragraph 3.1 above from its effluent resources, it shall provide substitute water meeting all relevant quality and quantity requirements of this agreement. The City's obligation in this section to provide substitution water is secondary to the City's obligation to provide drinking water to residential users.

4. Quality of Effluent City shall deliver to the Club effluent that is either certified or otherwise meets Class B+ reuse standards and/ or such future standards as may from time to time be imposed by the Environmental Protection Agency ("E.P.A."), Arizona Department of Environmental Quality ("ADEQ"), Arizona Department of Water Resources ("ADWR"), or any other regulatory body with jurisdiction over the City's Wastewater Treatment System, its effluent or related activities of the City. The Club agrees to follow all relevant rules issued by the Arizona Department of Environmental Quality regarding the effluent quality.

5. Price of Effluent.

5.1 Pricing For Basic Effluent Purchases. For Basic Effluent Purchases as described in paragraph 3.1 above, the Club shall pay to the City the rate of \$341.26 per acre foot for calendar year 2016 and \$354.35 per acre foot beginning January 1 , 2016. The rate shall be increased by reference with the percentage rise, if any, of the Consumer Price Index, as hereinafter defined, within the limits set forth in this paragraph. The Consumer Price Index for each annual period shall be computed by reference to the statistic published in the Monthly Labor Review by the United States Department of Labor, Bureau of Labor Statistics, designated "Consumer Price Index for All Items; 1982 - 1984 = 100"; provided, however, that the increase in the rate shall not be less than two percent (2%) per year nor more than six percent (6%) per year. the Club shall make monthly payments to the City for effluent purchased during the prior month in accordance with standard invoices to be prepared by the City Public Works Department. Notwithstanding the foregoing, the Club will also reimburse the City for any increased cost of treatment required to meet the existing Class B+ or any future standard imposed pursuant to any applicable federal, state or local law, regulation, rule, ordinance, permit or permit condition. The City may include any

additional required expenses pursuant to this provision as an adjustment to the purchase price as set forth herein. Any additional costs to be borne by the Club pursuant to this Paragraph shall be determined by computing the additional cost of treatment per acre foot, with the Club's additional payment being determined on a pro rata basis by the total amount of acre feet to which the Club is entitled pursuant to Paragraph 3 above. The City shall provide the Club with any and all documentation and computations made to arrive at any such additional increase in effluent cost.

5.2 Pricing For Supplemental Effluent Purchases. For Supplemental Effluent Purchases as described in paragraph 3.2 above, the Club shall pay to the City a surcharge of \$50 per acre foot in excess of the basic rate then in effect, with such surcharge being increased annually in accordance with the escalator calculation set forth in paragraph 5.1 above, using the calendar year 2016 as the base year.

6. Point of Delivery. The City shall deliver all effluent to Prescott Lakes at the point designated on the map attached hereto as **Exhibit "A"**.

7. Delivery System. The Club's predecessors have constructed the delivery system required to utilize the effluent supplied under this Agreement from the point of delivery to the Reuse Site and have dedicated the same to the City. The Club shall modify or reconstruct the air release valves located in the effluent delivery system in accordance with the plans and specifications and the punch list attached as Exhibit "B" before December 31, 2016. Upon completion by the Club and approval by the City's Public works Department, the City shall accept the effluent delivery system. Until such time, the Club shall remain liable for and maintain the effluent delivery system from the south edge of the entrance road to Watson Lake Park to the point of delivery in the Club. Thereafter, the City shall assume liability and responsibility for maintenance of the system to the point of delivery, which maintenance shall comply with all requirements of law.

8. Infrastructure.

8.1 The Club's predecessors have provided, at their own expense, and dedicated to the City, the meters, pump stations, mains, valves and related devices, all in accordance with the Delivery System Plans, for measuring the supply of effluent furnished by the City under this Agreement. Subject to paragraph 7, the City shall be fully responsible for maintaining the meters, pump stations, mains, valves and related devices.

8.2 The Club's predecessors have equipped the main transmission line with an effluent control valve which shall be subject to City control and ownership. The City shall regulate the effluent control valve to provide the amounts of effluent set forth in Paragraph 3 hereof in the normal course of operation.

8.3 The City shall calibrate, check, read and/or audit the effluent flow measuring devices as necessary to comply with any and all laws. All reports generated as a result of such calibration or auditing activities shall be open for inspection and review by the Club during normal business hours.

8.4 The City shall use its best efforts to properly maintain effluent lines, meters,

pump stations, mains, valves and related devices comprising the delivery system and infrastructure constructed by the Club and delivered to the City in accordance with Paragraphs 7 and 8 of this Agreement and the Superseded Effluent Agreements. In the event the City fails to properly maintain or repair effluent lines, meters, pump stations, mains, valves and related devices comprising the delivery system and infrastructure within a reasonable period of time (given the nature of repairs required) after receiving actual notice of the need for repair, then in addition to other remedies which may be available hereunder, the Club shall have the right to effectuate a cure and receive a credit from the City equal to the actual and reasonable costs associated with such cure. In the event the Club exercises the right to cure, such cure shall be in accordance with applicable City standards and shall be specifically limited to repair or replacement of affected facilities, and shall not extend to replacement of water resources that would have been available to the Club but for the needed repairs or replacements.

9. Licenses, Permits and Approvals. The Club shall be responsible for obtaining any and all licenses, permits and/or approvals of any kind necessary for the reuse of effluent at the Reuse Site and the City shall agree to cooperate as reasonably required with the Club in obtaining all licenses, permits and/or approvals. The Club agrees to provide the City with copies of all permits, licenses, and approvals received.

10. Storage Requirements. The Club shall be responsible for any and all storage requirements which may be imposed, including but without limitation, those stated in Arizona Administrative Rules and Regulations (RI 8-9-702) or any other applicable rule, regulation, or law of any regulatory entity having jurisdiction over the Reuse Site or activities of the Club.

11. Method of Disposal. The Club shall have the sole responsibility to dispose of any effluent for which it accepted delivery and did not use in a manner approved by the applicable regulatory bodies, provided that the effluent may not be resold to any third party.

12. Reuse Requirements. The Club shall be responsible for compliance with any and all requirements for specific uses as contained in Arizona Administrative Rules and Regulations, now or hereinafter promulgated and such regulations of any regulatory entities having jurisdiction over the use of effluent or the activities of the Club. The lakes shall be maintained so as not to cause a violation of health laws or regulations nor cause any noxious or offensive odors or conditions. The lakes shall be adequately maintained by the Club and its successor(s) in interest to the golf course or a subsequent homeowners association. The failure to properly maintain said lakes in accordance with ADEQ standards and/or the standards of any other governmental entity having jurisdiction over same shall constitute a material breach of this Agreement, and shall entitle the City to terminate this Agreement, in addition to any other remedies which may be available to the City. Notwithstanding the foregoing, the City shall not find the Club to be in breach of this Agreement without (a) first having providing the Club with written notice describing the potential default, and (b) the failure of the Club to cure said defaults in accordance with this Paragraph and Paragraph 20. In addition to other remedies pursuant to this agreement, following termination of the Agreement for failure to maintain the lakes, the Club shall be liable for all costs of remediation, reconstruction and rebuilding of the lakes to a condition in accordance with all federal, state and local laws and regulations and this Agreement or the costs incurred by the City in changing the use of the lakes, if the City elects to do so. Prior to transfer of ownership and control of common areas within Prescott Lakes to a duly formed homeowners association, the Club shall provide to the City appropriate evidence of acceptance by said homeowners

association of liability for maintenance and remediation of the lakes pursuant to this Paragraph. In the event of a default by the Club or its successors and assigns to this Agreement, then and in that event the City shall be entitled to obtain the right to use and possession of the lakes, to maintain the lakes or change the use thereof at the City's sole discretion. In the foregoing event, the City shall be entitled to pursue any and all civil remedies which may be available to it in order to recoup from the owners of the Club, its successors and assigns, any and all costs associated with the maintenance of the lakes or change in use.

13. Restricted Access. In the event that the effluent delivered under this Agreement does not meet allowable permit levels for open access to the lakes, then the Club shall take all steps necessary to restrict access to those lake areas within the Reuse Site on which the effluent has been applied, at City's expense.

14. Monitoring. The Club shall be responsible for meeting the minimum permit monitoring requirements as set forth or hereinafter promulgated, under Title 18, Chapter 9, Article 7 of the Arizona Code of Rules and Regulations at no cost to the City.

15. Compliance. In coordination with its obligation to monitor in section 14, the Club shall be responsible for ensuring that any discharge into the City's Municipal Storm Sewer System, creeks, or lakes owned by the City comply with any environmental regulations or standards including those listed in the Watson Lake TMDL, Granite Creek TMDL, and others as may be adopted by ADEQ, EPA, or other such agencies.

16. Permitted Uses of Effluent. The Club may only use the effluent received under this Agreement for the Permitted Uses and in the specific amounts as more particularly set forth in Paragraphs 3.1 and 3.2 hereof.

17. Cancellation. This Agreement will be subject to cancellation in the event a court of competent jurisdiction or any legislative, administrative, or regulatory body (other than the City) with jurisdiction over this Agreement, prohibits the City's rights to obtain, transfer, treat, sell, or contract for, the distribution of the effluent that is the subject of this Agreement.

18. Assignability. The Club, or its successor, shall have the right to assign freely its right to receive effluent under this Agreement to any successor-in-interest to the Golf Course, or any portion thereof, provided such assignee shall agree in writing to comply with all of the terms and conditions of this Agreement and has sufficient financial capability to perform under this Agreement, and subject to the approval of any state and federal agencies, if applicable.

19. Partnership Not Intended. Nothing contained in this Agreement shall be construed as creating a partnership, agency, association or joint venture relationship between the parties. No term or provision of this Agreement is intended to be for the benefit of any person, firm, organization or corporation not a party hereto, and no other person, firm, organization or corporation shall have any right or cause of action hereunder.

20. Termination. Either party may terminate this Agreement upon written notice to the other party of any violation of any of the terms or conditions of this Agreement unless said violation is cured to the satisfaction of the notifying party as follows: in the event that the breach is for the maintenance, repair or replacement of infrastructure, action taken to cure said breach must commence within thirty (30) days

of notice of said breach, and diligently pursued until the cure is completed, provided, however, that said breach must be cured within ninety (90) days of notice thereof (unless said time is extended by mutual agreement of the parties); in the event that the breach is for the payment of money, initial infrastructure construction, or some other obligation not specifically identified in this Paragraph, said breach must be cured within thirty (30) days following the notice of said breach.

21. Notices. Notices required under this Agreement shall be addressed as set forth below or as may be changed from time to time, and shall be sent via U.S. Postal Service, certified mail, return receipt requested, postage pre-paid to:

City: City of Prescott c/o City Clerk
201 S Cortez St
Prescott, Arizona 86303

With a copy to: City Public Works Director
433 N Virginia St
Prescott, Arizona 86301

The Club: The Club at Prescott Lakes, LLC
Three Lincoln Centre
430 LBJ Freeway, Suite 1400
Dallas, TX 75240
Attention: Douglas T. Howe

With a copy to: The Club at Prescott Lakes, LLC
Three Lincoln Centre
5430 LBJ Freeway, Suite 1400
Dallas, TX 75240
Attention: General Counsel

With a copy to: Prescott Lakes Asset Management, LLC
HOAMCO
P. O. Box 10000
Prescott, AZ 86304

22. Insurance. The City agrees that the Club will establish covenants running with the land providing that the owner of the golf course (the "Owner") shall provide for the ongoing management and operation of the Reuse Site, excluding such obligations of maintenance as are expressly reserved as the obligation of the City in accordance with Paragraphs 7 and 8 hereof. The Club or the Owner, as the case may be, shall obtain and maintain in force and effect during the term of this Agreement a policy of Public Liability Insurance, covering personal injury and property damage which may arise under this Agreement with a minimum coverage of One Million Dollars (\$1,000,000.00) per person and Two Million Dollars (\$2,000,000.00) per incident with the City as an additional named insured. The Club and/ or Owner shall provide proof of such policy to the City and shall provide the City with copies of any and all notices of cancellation, renewal, limitations or exclusions within thirty (30) days of their receipt by the Club or Owner. All insurance required by this Agreement must be written by an insurance company authorized to do business in the State of Arizona, to be evidenced by a certificate of authority as defined in A.R.S. Section 20-217, a copy of which certificate is to be attached to the

applicable insurance policy or certificate of insurance.

23. Non-waiver of Water Rights. Nothing herein shall be construed to constitute a waiver, relinquishment, abandonment or forfeiture of any appropriative or non-appropriative water rights of the City.

24. Taxes. The Club shall pay any and all truces, levies, imposts or fees that are now or may be imposed hereafter by any entity having jurisdiction over the sale, transfer or any other activity embraced by this Agreement, without offset against payments required under this Agreement.

25. Defense of Validity of Agreement: Indemnification. In the event that any proceeding at law or equity is instituted involving the authority and power of the City to make, execute and deliver this Agreement and/or perform its terms, covenants and conditions, or related to the rights, title and interest of the City in and to the effluent, then the City and the Club shall jointly and cooperatively defend the validity of this Agreement and the use of the effluent. The Club hereby agrees to indemnify and hold harmless the City, its departments and divisions, its employees and agents, from any and all claims, liabilities, expenses or lawsuits as a result of this Agreement, if and to the extent that said claims, liabilities, expenses, or lawsuits arise by the negligent or intentional acts or omissions of the Club or its agents or employees, or by the negligent or intentional acts or omissions of the Club subcontractors, agents, employees, assigns, or successors in interest. The City hereby agrees to indemnify and hold harmless the Club, its members, employees and agents, from any and all claims, liabilities, expenses or lawsuits as a result of this Agreement, if and to the extent said claims, liabilities, expenses or lawsuits arise by the negligent or intentional acts or omissions of the City, or of its agents or employees, or by the negligent or intentional acts or omissions of the City's subcontractors, agents, assigns, or successor in interest.

26. Successors and Assigns. The terms of this Agreement shall be binding on the successors and assigns of the parties.

27. Non-waiver. The nonenforcement or waiver of any breach of any term, covenant or condition of this Agreement shall not be deemed a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition.

28. Conflicts of Interest. Pursuant to A.R.S. Section 38-511, the City may cancel this Agreement, without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting, or creating the Agreement on behalf of the City is, at any time while the Agreement or any extension of the Agreement is in effect, an employee or agent of any other party to the Agreement in any capacity or consultant to any other party of the Agreement with respect to the subject matter of the Agreement. In the event of the foregoing, the City further elects to recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting, or creating this Agreement on behalf of the City from any other party to the Agreement arising as a result of this Agreement.

29. Reuse of Lake Areas.

29.1 In the event the Club, its successors and assigns, elect to utilize the area of the lakes as constructed within the applicable Prescott Lakes master plan for an alternate land use other than lakes, the Club shall first obtain the approval of such alternate land use and reconstruction of the lakes from the Prescott City Council. In connection with such approval, the City may require such bonding or other security for performance of necessary reconstruction of lake areas as is appropriate and reasonable to ensure performance of appropriate reconstruction for utilization of the area of the lakes for the approved alternate land use. Notwithstanding the election of the Club to utilize the area of the lakes for an alternate land use approved by the City, the Club's right to receive effluent under this Agreement which have been timely exercised hereunder shall continue in full force and effect.

29.2 The irrigation uses of the effluent shall be limited to irrigation for the golf course, common area landscaping within the Reuse Area and within City rights of way within the Reuse Area.

30. Entire Agreement. This Agreement may not be enlarged, modified or altered, except in writing by both parties. The provisions contained in this Agreement represent the entire agreement between the parties and any promises, assertions or representations not expressly contained in this Agreement are null, void and of no effect, including, without limitation the terms of the Superseded Effluent Agreements.

IN WITNESS WHEREOF, the parties execute this Agreement on the day and year first above written.

CITY OF PRESCOTT

HARRY B. OBERG
Mayor

DATE

ATTEST:

APPROVED AS TO FORM:

DANA R. DeLONG
City Clerk

JON M. PALADINI
City Attorney

THE CLUB AT PRESCOTT LAKES, LLC

DOUGLAS T. HOWE

DATE

Exhibit A
Map Identifying Point of Delivery

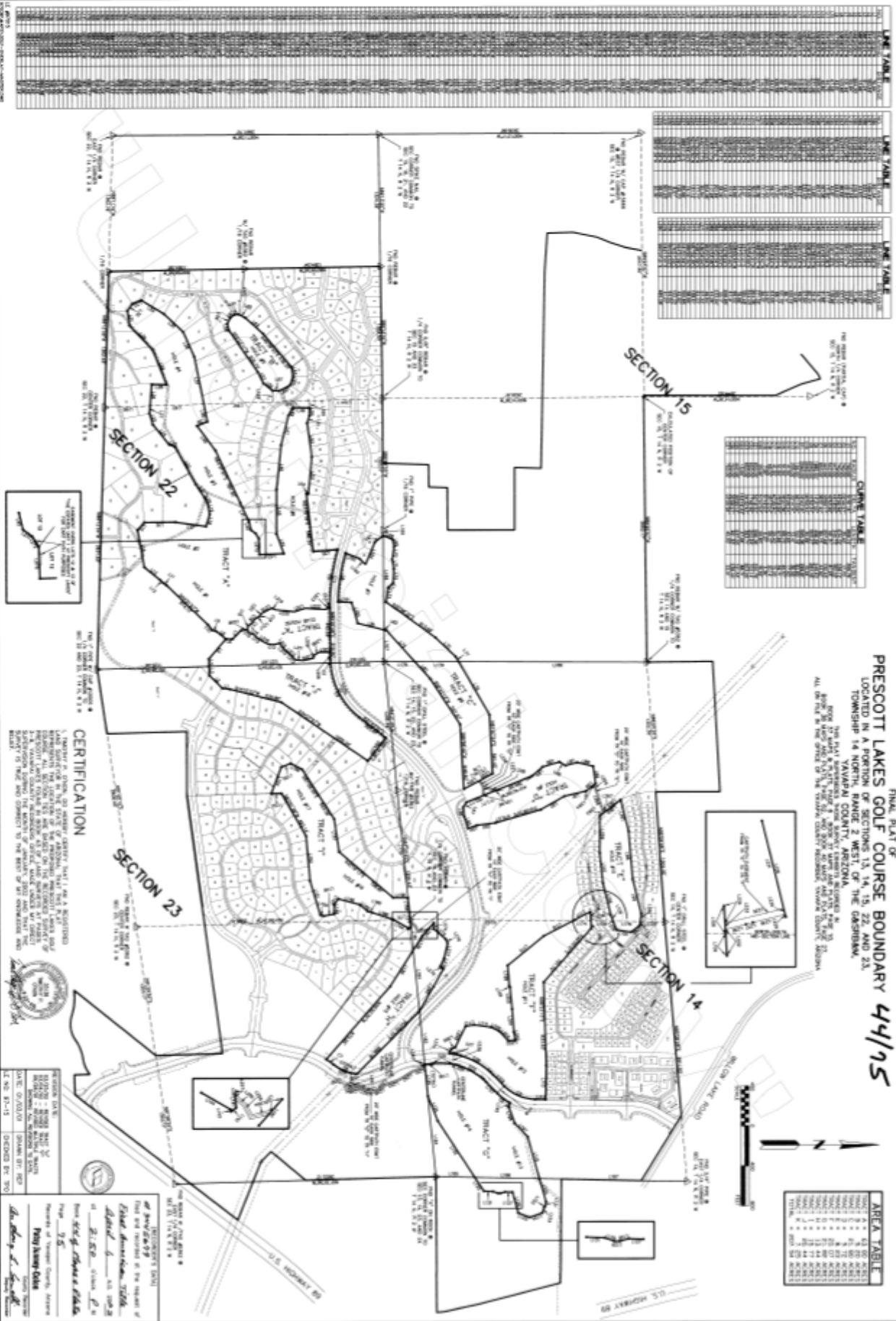
Exhibit B
Delivery System Punch List (reference paragraph 7)

FINAL PLAN OF PRESCOTT LAKES GOLF COURSE BOUNDARY 44/95

LOCATED IN A PORTION OF SECTIONS 13, 14, 15, 22, AND 23,
 TOWNSHIP 14 NORTH, RANGE 2 WEST, OF THE GORDONLAND,
 YAVAPAI COUNTY, ARIZONA.

AREA TABLE

TRACT	ACRES
TRACT 1	4.35
TRACT 2	4.35
TRACT 3	4.35
TRACT 4	4.35
TRACT 5	4.35
TRACT 6	4.35
TRACT 7	4.35
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TRACT 95	4.35
TRACT 96	4.35
TRACT 97	4.35
TRACT 98	4.35
TRACT 99	4.35
TRACT 100	4.35



CERTIFICATION

I, **THOMAS R. GILSON**, SO ASSISTANT COUNTY CLERK, HAVE THIS DAY
 RECORDED THE FOREGOING MAP, AND HAVE THEREON
 SUBSCRIBED MY NAME AND SEAL, AND HAVE CAUSED
 THE SAME TO BE RECORDED IN THE PUBLIC RECORDS OF
 YAVAPAI COUNTY, ARIZONA, IN ACCORDANCE WITH
 THE PROVISIONS OF THE ACTS OF THE LEGISLATURE OF
 THE STATE OF ARIZONA, AND HAVE CAUSED THE SAME
 TO BE RECORDED IN THE PUBLIC RECORDS OF
 YAVAPAI COUNTY, ARIZONA, IN ACCORDANCE WITH
 THE PROVISIONS OF THE ACTS OF THE LEGISLATURE OF
 THE STATE OF ARIZONA.

THOMAS R. GILSON
 SO ASSISTANT COUNTY CLERK

RECORD DATE: 08/03/09
 TIME: 10:00 AM
 BY: [Signature]
 COUNTY: YAVAPAI
 BOOK: 100
 PAGE: 100

at **Prescott Lakes Golf Course**
 located in the Township of
 14 North, Range 2 West,
 of the Gordonland,
 Yavapai County, Arizona.

Map 44/95
 Prepared by: [Signature]
 Date: 07/03/09

Exhibit B
Delivery System Punch List (reference paragraph 7)

Three (3) effluent air release valves, located along golf hole #13 need to be raised so the corp stops are above concrete. As they sit now, the corp stops are in the concrete base and are inaccessible.

MEETING DATE/TYPES: VOTING SESSION 6-7-16

DEPARTMENT: City Manager

AGENDA ITEM: Approval of City Contract No. 2016-296 with Southwest Groundwater Consultants, Inc., in the amount of \$104,588.00 to assess or design long-term monitoring wells for the Big Chino Sub-Basin Data Collection and Monitoring Plan

FUNDING SOURCE(S): Alternative Water Fund

Approved By:		Date:
Water Resources Manager:	Leslie Graser	05/12/2016
City Attorney:	Jon Paladini	05/20/2016
City Manager:	Craig McConnell	05/23/2016

Item Summary

This item is to award City Contract No. 2016-296 to Southwest Ground-water Consultants, Inc., for “Phase 1 Proposed Work Scope for Comprehensive Agreement #1 of the Big Chino Sub-Basin Data Collection and Monitoring Plan.” This work plan is a component of the overall monitoring network requirements for the Big Chino Sub-Basin.

Background

In February 2010, the City entered into an Agreement in Principle (AIP) with the Town of Prescott Valley (PV), Salt River Project Agricultural Improvement & Power District, and Salt River Valley Water Users’ Association (SRP). Later in October 2012, the first of several comprehensive agreements outlined in the AIP was executed by the Parties, Comprehensive Agreement #1 (CA#1), addressing monitoring and modeling in the Big Chino Sub-Basin.

The subject contract, “Phase 1 Proposed Work Scope for Comprehensive Agreement #1 of the Big Chino Sub-Basin Data Collection and Monitoring Plan”, is for assessment of existing wells and design of new wells for long-term data collection in accordance with the AIP and CA#1. Existing wells will be investigated to determine their suitability as long-term monitoring locations. Using and rehabilitating the existing wells will be a cost savings to the project. Where existing wells do not meet the criteria for use, design specifications for new wells will be prepared.

Agenda Item: Approval of City Contract No. 2016-296 with Southwest Groundwater Consultants, Inc., in the amount of \$104,588.00 to assess or design long-term monitoring wells for the Big Chino Sub-Basin Data Collection and Monitoring Plan

Financial Impact

Funding for this contract in the amount of \$104,588.00 is available from the Comprehensive Agreement No. 1 Monitoring Fund, supported financially by the Parties. The City's contribution is from the Alternative Water Fund.

Attachments

1. Project Scope and Fee
2. Location Map

Recommended Action: MOVE to approve City Contract No. 2016-296.



May 10, 2016

Leslie Graser - Water Resource Manager
City of Prescott
City Manager Office
201 S Cortez Street
Prescott, Arizona 86301

**SUBJECT: PROPOSAL
PHASE 1 PROPOSED WORK SCOPE FOR COMPREHENSIVE
AGREEMENT #1 OF THE BIG CHINO SUB-BASIN DATA
COLLECTION AND MONITORING PLAN**

Dear Ms. Graser:

Based on review and comments from the City of Prescott, Town of Prescott Valley and SRP (the Parties) of an outlined scope of work, Southwest Ground-water Consultants (SGC) has prepared this proposal to implement Phase 1 of the Scope of Work to assess or design long-term monitoring wells pursuant to Comprehensive Agreement No. 1 of the Big Chino Sub-basin Data Collection and Monitoring Plan (SOW). As described in the January 25, 2011 Big Chino Sub-basin Data collection and Monitoring Plan (DCMP), additional monitoring in the sub-basin is proposed to include use of both Alternative Existing Wells (AEWs) and newly constructed wells. A map showing the Sections of the DCMP, and AEWs identified in the SOW is provided on Figure 1.

PROPOSED WORK ACTIVITIES

SGC proposes a sequential scope of work that includes compilation and analysis of available well information including hydrogeologic data, land ownership and logistical (physical and legal access) information in the areas of proposed monitor wells described in the DCMP. If this work results in the identification of potential AEWs, SGC will request authorization from the Parties for field investigation of individual wells. If no suitable AEWs are found, preliminary new well locations will be proposed. Both AEWs and new monitor wells must meet specific criteria of construction, hydrogeology, site access and cost as determined by the Parties.

Work to be performed in each of the Phase 1 Tasks is similar; a brief description of the proposed SGC work activities is given below.

Well Inventory

Data on the existing wells in the study area will be collected from available sources including, but not limited to Arizona Department of Water Resources (ADWR), Arizona Department of Environmental Quality (ADEQ), the U.S. Geological Survey (USGS), and SGC files. Information collected for individual wells will be tabulated and summarized to identify specific data pertinent to the objectives of each Task described in the Phase 1 SOW. This includes accurate assessment of each well location, construction, primary use and ownership.

Geology/Stratigraphy

SGC will tabulate and review lithologies reported in ADWR Well Driller Logs. Interpretation of the lithologic information found in each Log of Well will be compared with maps of the surficial geology and structure in the area available from the USGS. Results of geophysical surveys in the sub-basin and consultation with the USGS will further refine the nature of the water bearing materials. Better understanding of the local hydrogeologic setting in each DCMP Section will ensure proper selection of AEWs and/or design and cost estimates for proposed new monitoring wells.

Land Ownership and Access

Current land ownership in each Task area will be identified from the Yavapai County GIS parcel database, the Arizona Land Resource Information System (ALRIS), and the US Department of Agriculture (USDA) Forest Service. Once current land use and ownership is determined within a particular DCMP Section, existing roads will be identified on aerial imagery (Google Earth; NAIP, 2015) that may be used to potentially transport vehicles and equipment to an existing or future monitoring well site. Long term, reliable access to the monitoring wells is critical to protect the investment made in the DCMP.

Permitting

Preliminary review of the study area shows that wells proposed for monitoring within any of the DCMP Sections will require a permit (or access agreement) by either private individuals and organizations, the Arizona State Land Department, the U.S. Forest Service, or the State Game and Fish Commission. SGC will provide a summary of the access agreement, permitting, licensure, or other requirements for a specific private party or public agency that may be necessary within a particular Section.

Field Verification

Based on the results of the above tasks, selected AEWs may be identified that could serve as long-term monitoring wells. Following approval by the Parties, SGC will visit these wells to confirm physical access and ascertain the condition and construction of the well. Potential work could include: water level measurements, well video, pump testing and possible removal of debris/obstructions. *For this proposal, a scope and cost is included to measure water levels and conduct downhole well videos at up to six (6) wells. If the well has equipment or some other obstruction that must be removed, and/or the well is to be pump tested, a separate scope of work and cost will be prepared and submitted for approval by the Parties.*

New Well Design Specifications

If no AEW is identified, SGC will develop a design for a new monitor well based on the available geologic, stratigraphic, geophysical and location data compiled in the above tasks. Technical specifications for drilling, testing and construction of the well will be provided. The technical specifications will include a bid tab and be suitable for obtaining competitive bids from



licensed well drilling contractors. SGC will provide support to the parties to review and make recommendations regarding contractor selection.

Meetings and Coordination

SGC will participate in monthly status meetings between the Parties, via telephone and electronic media, and in the annual meeting with cooperating agencies. SGC will provide status reports on work accomplished and present results as they become available. SGC will also coordinate with the cooperating agencies throughout the work to ensure that data and results of field work are shared in a timely manner between agencies and SGC.

The work described above will be performed for the proposed monitor well locations described in the SOW Phase 1 Tasks. Task location, objectives and goals are described below.

DCMP TASKS

Task 1 (DCMP Section 4b)

The DCMP describes the installation of 3-5 monitoring wells in the area north of the Verde River and east of Paulden that is underlain by Paleozoic carbonates. If AEWs are not available, new wells would be installed. The purpose of these wells is to better understand hydrogeologic conditions controlling groundwater movement and to monitor changes over time. SGC will identify any existing wells, compile geologic data, assess access issues and, if appropriate, recommend potential new well locations and designs.

Two AEWs have been identified by the Parties near the Verde River headwaters that are to be evaluated as part of this scope of work; they are:

- Fletcher Well [B-18-01 30AAD]
- Gipe Well [B-18-01 17BBB]

SGC understands that the Gipe Well will be evaluated for return to service of previous monitoring equipment installed by SRP; this equipment may need to first be removed in order to facilitate a well video. Recent communication with the owners of the Fletcher Well indicated that it may have been vandalized with rocks and other debris dropped into the well. Access to both these wells for downhole well videos will be assessed in this task. If necessary, SGC will develop a scope of work (technical specification) for rehabilitation of the selected existing well(s).

Task 2 (DCMP Section 4c)

This location was selected to provide hydrogeologic information and water levels in the Paleozoic carbonate aquifer between the area in Task 1 (north) and the Verde River Springs (see Figure 1 and Task 4). SGC will identify any existing wells, compile geologic data, assess access issues and recommend potential new well locations and designs.



Task 3 (DCMP Section 4d)

The DCMP describes the installation of a Paleozoic carbonate monitoring well in B(17N-2W)11 between the Big Chino Valley and the Verde River east of Paulden. The purpose of this well is to better understand hydrogeologic conditions controlling groundwater movement between the Big Chino Valley and the Upper Verde River Springs, and to monitor changes in water level over time. This well is needed, even if one or more of the Headwaters Ranch wells (see below) can be used as an AEW. SGC will identify any existing wells, compile geologic data, assess access issues and, recommend a potential new well location and provide a design and technical specification.

Two AEWs have been identified by the Parties in the section just north of Section 11 (section 02). Near the Verde River headwaters that are to be evaluated as part of this scope of work; they are:

- Headwaters Ranch Well #1 [B-17-02W02DCC1]
- Headwaters Ranch Well #2 [B-17-02W02DCC2]

Recent communication with the owners of the Headwaters Ranch wells indicated that they may have been vandalized with rocks and other debris dropped into one or more of the wells. Access to both these wells for downhole well videos will be assessed in this task. If necessary, SGC will develop a scope of work (technical specification) for rehabilitation of the selected existing well(s).

If the foregoing work and indicates that one or more wells are appropriate for inclusion in the Big Chino monitoring network, a design for long term monitoring and/or pumping equipment will be developed in cooperation with the Parties.

Task 4 (DCMP Section 4e)

The area covered by this task includes the Upper Verde River Springs; a well as close to the springs as possible is important to monitor aquifer water level changes overtime and estimate aquifer parameters. SGC will identify any existing wells, compile geologic data, assess access issues, and recommend a potential well location and provide design specifications (including aquifer testing).

Task 5 (DCMP Section 4f)

The DCMP Section 4f describes the need to better define water levels in the area of the playa, including the possible presence of a perched aquifer. The DCMP proposed a dual completion well in the NW1/4 of Section 26, T18N, R4W to approximately 400 ft bls. Since the issuance of the DCMP the location of this well and its ability to monitor a shallow aquifer has been questioned. At the same time data from the USGS gravity monitoring stations in B(18-04) 11 and 25 have suggested a shallow well would be of potential benefit. This area is located where measured water levels show a significant change between the Upper and Middle Big Chino sub-basins and additional data points would be useful in defining groundwater movement.



Following a review of existing well data in the area, SGC will consult with the USGS to determine if one or more new wells in the area are needed, and will provide a recommendation to the Parties.

Task 6 (DCMP Section 4g)

A new deep Paleozoic carbonate aquifer monitor well located near Wineglass Ranch (NW1/4 of Section 24, or SW1/4 of Section 25, T18N, R3W) was proposed in the DCMP. The purpose of this well is to investigate both the aquifer properties of the Paleozoic carbonate aquifer and monitor water level change over time. This well, in conjunction with BMW-2 (Task 7) north of the playa deposits, would provide aquifer and head data on the nature and continuity of the Paleozoic carbonate aquifer between the upper and lower portions of the Big Chino sub-basin. This well is proposed for aquifer testing in the DCMP.

SGC will compile well and geologic data, assess access issues and, if appropriate, recommend a potential well location and design for a deep Paleozoic carbonate aquifer well.

Since development of the DCMP it has been proposed that this area might be suitable for assessing the possible presence of a perched aquifer in the playa deposits. SGC will conduct a well inventory, review well logs, access issues and make a recommendation of the suitability of AEWs and/or the installation of one or more wells in this area.

Task 7 (DCMP BMW-2)

Not part of Phase 1, to be completed in Phase 2.

Task 8 (Juniper Mountains)

This task was not included in the original DCMP but was added following a Multi-Agency Meeting on August 26, 2015. The purpose of this task is to assess the Juniper Mountains as source of recharge to the principal Big Chino aquifer. The Parties have been in touch with private well owners in this area and are considering proposals for access to AEWs.

SGC will identify existing wells and compile well and geologic data. We will await a determination by the Parties if access issues can be resolved. If appropriate, SGC will assist in completing access agreements with well owners.

Task 9 (Dugan Well)

Similar to Task 8, this task was not included in the original DCMP but was added following a Multi-Agency Meeting on August 26, 2015. The Dugan well [B(17-02)S4DBC1] was tested in 1991 by Water Resource Associates (WRA) on behalf of the City of Prescott. The Parties decided to review the results of this test and determine if an additional long-term aquifer test is appropriate. SGC will provide the available data on the Dugan test to the Parties (and USGS) for their review. If appropriate, SGC will design a new long-term aquifer test.

The objective of work proposed above will be to identify potential AEWs and new monitor well sites that may be suitable for inclusion in the DCMP. The work involves research, data compilation and analysis. It is unknown at this time how many AEWs may be identified for



further investigation in the field. SGC has provided a range of unit costs for field verification, water level measurement and videoing of individual AEWs.

Reporting

Following completion of each Phase 1 Task areas, SGC will prepare a draft memorandum describing the results of the research and evaluation. The memorandum will include maps, well logs, well owner information, permit requirements, and a description of any access issues. Also included will be SGC recommendations regarding use of AEWs in the DCMP, and/or preliminary well locations and designs. Following review and comment by the Parties, agreed upon changes will be made and a final Phase 1 summary report containing the area memoranda and maps prepared and submitted.

Field Verification and Access Agreement

During the course of completing Phase 1 Tasks, AEWs may be identified that are appropriate for field verification. As noted previously, field verification would include contact with the well owner to obtain permission to access the property and well, followed by a site visit to survey the well location and document its condition. Since it is unknown at this time how many AEWs may be of potential interest, it is not possible to estimate the time and cost of field verification for the entire project. Alternatively, SGC has prepared an estimate of the time and expense on a unit (per well) basis, with an assumed verification of six (6) AEWs for budgeting purposes. If field verification of an AEW is performed, summary results from this work will be reported and include the estimated costs for well rehabilitation (if needed) and monitoring equipment.

For both selected AEWs and new wells, it is anticipated that an access agreement will be required with current well owners. SGC will draft a ‘standard’ agreement to be presented to the Parties for approval. Using this ‘standard’ agreement as a template, SGC will negotiate an access agreement for each well site and submit it to the Parties for approval and signature.

FEES & EXPENSES

Estimated fees and expenses are based on the work outlined in the above tasks and assume that non-field work on all Task areas will be conducted concurrently. This will ensure the greatest efficiency in data collection and compilation. Individual well tasks such as field verification, access agreements and new well specifications are estimated on a per well basis. The numbers of wells for which this work will apply are uncertain; for budgeting purposes we have included a preliminary estimate of the number of wells and the resulting total cost. SGC will invoice the project on the Firm’s current hourly fee schedule, plus direct costs associated with sub-contractors, equipment rental, and vehicles for the actual hours and costs incurred. This may result in actual costs that are less or greater than estimated. In no case will actual costs exceed the estimated costs without prior client approval.



The estimated cost to conduct the above scope of work is presented in the following chart (next page).

Work Activity	Hours	SGC Fees	Subcontractor Costs & Expenses	Total Costs
Well Inventory	20	\$2,500	\$0	\$2,500
Geology/Stratigraphy	22	\$2,750	\$0	\$2,750
Land Ownership/Access	26	\$3,250	\$220	\$3,470
Permitting	22	\$2,750	\$0	\$2,750
Reporting (Up to 10 area reports and a final Phase 1 summary report)	140	\$17,500	\$0	\$17,500
New Well Design Specifications (Up to 6) Unit cost \$4,000 per well specification and support	208	\$24,000	\$0	\$24,000
Meetings and Coordination ¹	44	\$6,600	\$0	\$6,600
Work Activity Subtotal	482	\$52,750	\$220	\$52,970
AEW Field Verification (per well) ² Includes two (2) site visits, well video survey, and summary letter report with costs and recommendations	32	\$3,920	\$910	\$4,830
Access Agreement (Per Agreement) ²	8	\$1,000	\$0	\$1,000
Field Verification and Access Agreements for six (6) wells - Subtotal	240	\$29,520	\$5,460	\$34,980
Contingency (10%) ³		\$9,379	\$659	\$10,038
Total Estimated Cost for Budgeting Purposes	722	\$98,249	\$6,339	\$104,588

1. Includes 12 monthly electronic meetings, 1 annual meeting and electronic communication with agencies.
2. Estimates for budgeting purposes. Actual costs will be billed on an hourly basis plus sub-contractor costs (with 10% mark-up), mileage, and equipment rental. Does not include cost to rehabilitate or equip the monitor well.
3. The work is exploratory and cannot be precisely defined; a contingency is standard practice on such projects to minimize the potential for contract exceedance.

SCHEDULE

SGC estimates it will take eight (8) to 10 weeks to conduct the research and data analysis work activities. Time to complete access agreements, conduct field verification and prepare draft reports is difficult to estimate due to the uncertainty in the number and sequencing of task areas and wells. However, SGC will coordinate closely with the Parties to ensure that access



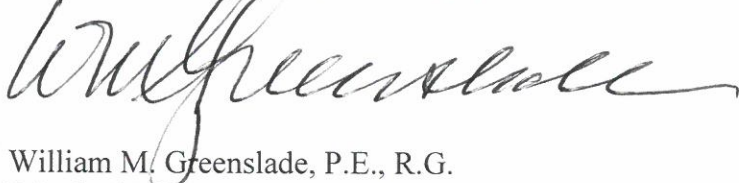
Leslie Graser, City Water Resources Manager
Proposal – Phase 1 Scope of Work
May 10, 2016
Page 8 of 8

agreements and field work will follow a decision to evaluate an AEW or locate a new well as quickly as possible.

SGC looks forward to being of service. Please call if you have any questions or require additional information.

Respectfully,

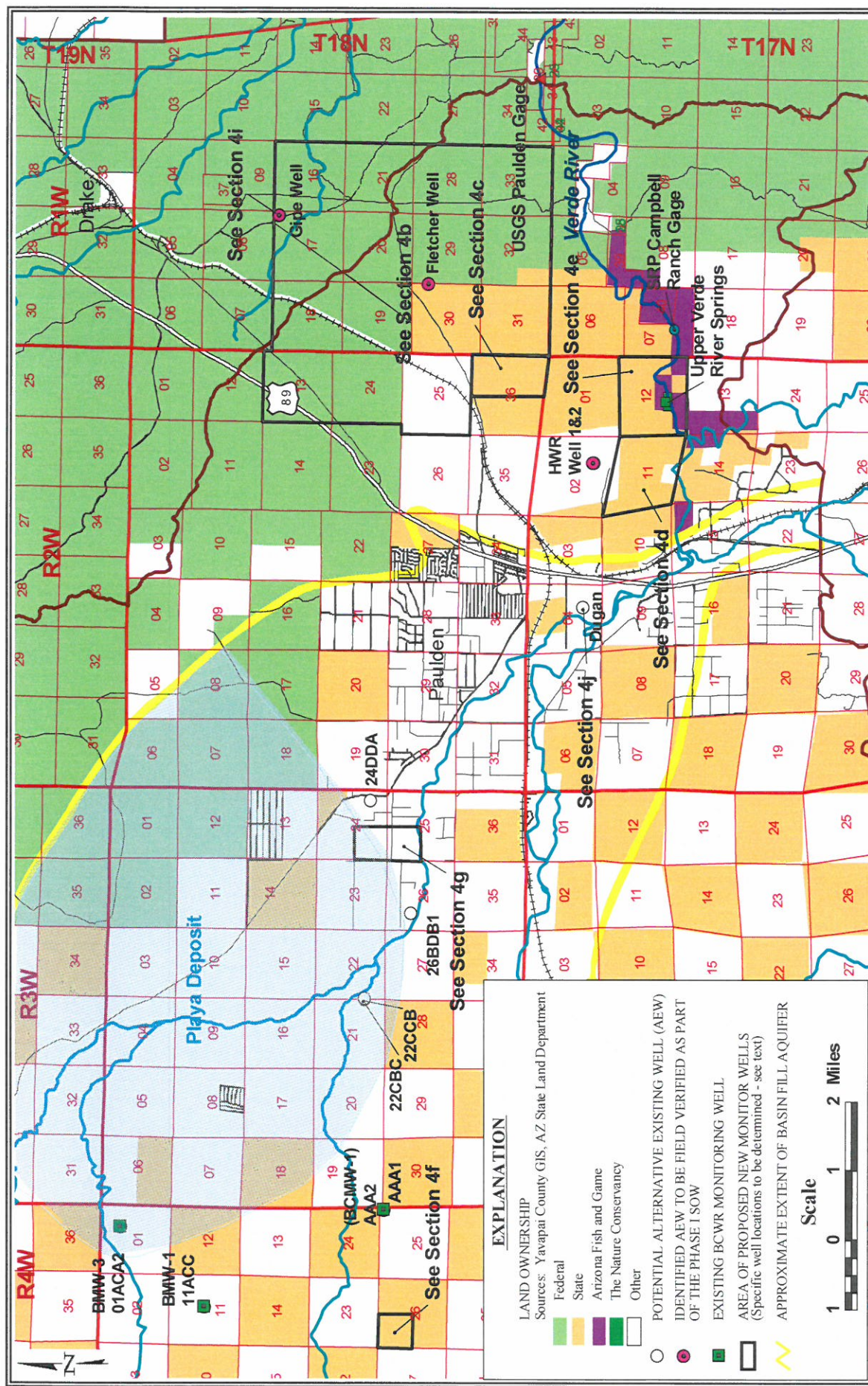
Southwest Ground-water Consultants

A handwritten signature in black ink, appearing to read 'W. Greenslade', written over the printed name.

William M. Greenslade, P.E., R.G.
Principal Hydrogeologist

c: Dylan J. Easthouse, R.G.; James H. Holt





Southwest Ground-water

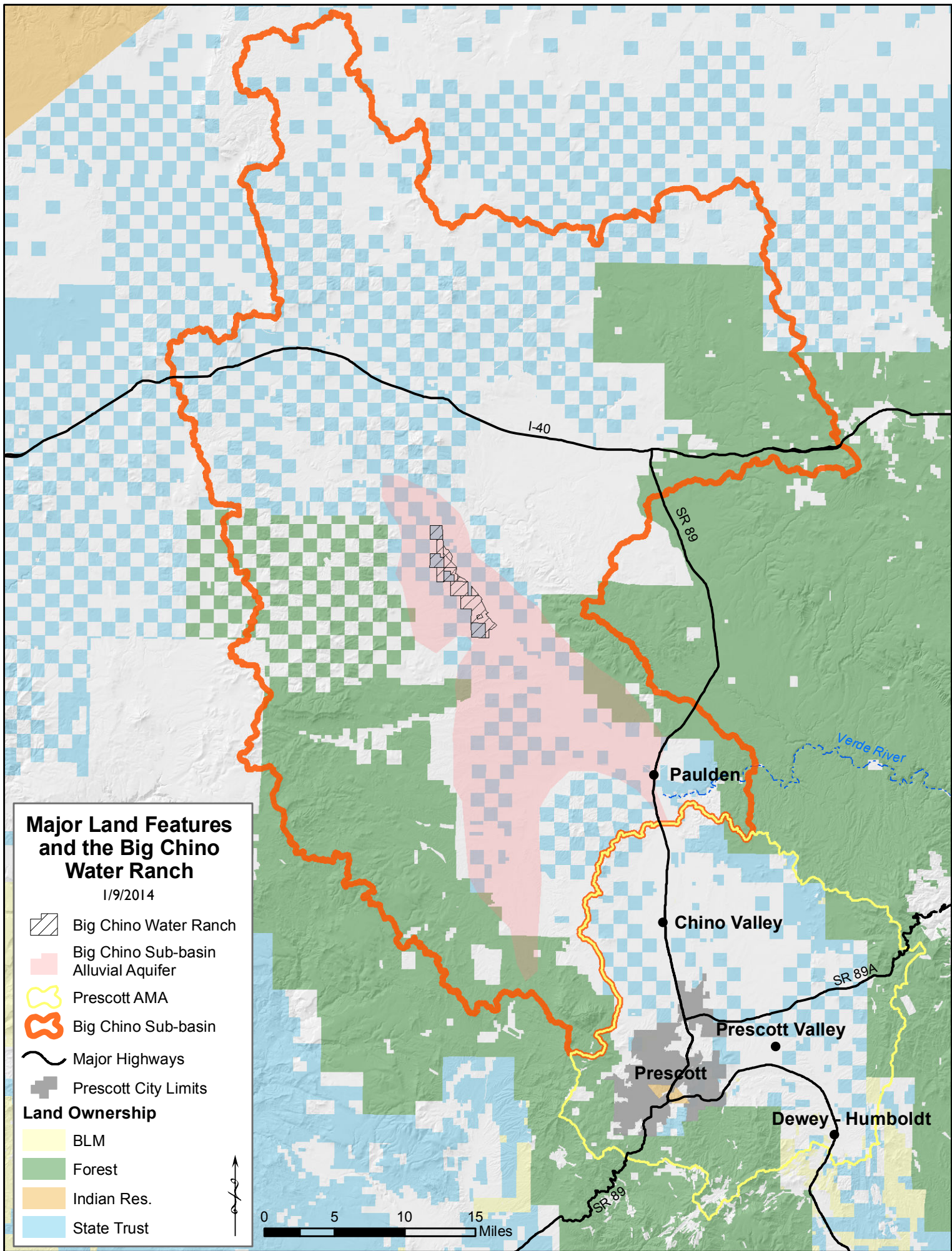
Consultants

May 2016

BIG CHINO SUB-BASIN DCMP SECTIONS AND ALTERNATIVE EXISTING WELLS

Yavapai County, Arizona

Figure 1



MEETING DATE/TYPES: VOTING SESSION 6-7-16

DEPARTMENT: Finance

AGENDA ITEM: Adoption of Resolution No. 4334-1543 authorizing application for a Clean Water State Revolving Fund Loan from the Water Infrastructure Financing Authority of Arizona (WIFA)

Approved By:		Date:
Director:	Mark Woodfill	05/16/2016
City Attorney:	Jon Paladini	05/20/2016
City Manager:	Craig McConnell	05/23/2016

Item Summary

This resolution will authorize an application to WIFA for financing of the projects outlined below in the total amount of \$21,600,000. If the WIFA Board approves the financing, there will be additional action items presented to Council for completion of the transaction.

The three projects identified for this financing are the following:

1. Sundog Force Main and Lift Station – This project is to construct a lift station and force main at the Sundog Wastewater Treatment Plant to move flows and process solids to the Airport WWTP.
2. Sundog Trunk Main – This project includes the replacement or realignment of approximately 28,000 lineal feet of existing deteriorated and undersized sewer trunk main up to 24" in diameter with new mains up to 36" in diameter to eliminate deficient surcharge conditions and provide for build out capacity.
3. Airport Trunk Main Sewer Improvement – This project is for the Airport trunk main sewer line upsize improvement project to achieve (single) wastewater treatment plant centralization. This project will complete pipeline improvements from SR89 and old SR89A to the Airport WWTP.

The next step, upon Council authorization, would be for WIFA to consider the financing at their August 17, 2016, meeting. The debt would be backed and repaid with customer revenue from the Wastewater Fund during the twenty-year term.

Agenda Item: Adoption of Resolution No. 4334-1543 authorizing application for a Clean Water State Revolving Fund Loan from the Water Infrastructure Financing Authority of Arizona (WIFA)

Financial Impact

These three projects are included in the Wastewater Enterprise Fund's capital improvement plan. Funding is not available in the Wastewater Enterprise Fund to complete these projects without financing. WIFA's Clean Water Loan Program offers a subsidized borrowing option for the City which is less expensive than other financing alternatives. The projects will be financed over a 20-year term with debt service payment made from wastewater impact fees and user revenues.

Attachment

1. Resolution No. 4334-1543

Recommended Action: MOVE to adopt Resolution No. 4334-1543.

RESOLUTION NO. 4334-1543

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, TO AUTHORIZE THE APPLICATION FOR A CLEAN WATER STATE REVOLVING FUND LOAN FROM THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA (WIFA)

RECITALS:

WHEREAS, the City of Prescott of Yavapai County has identified a need for a wastewater capital improvement project; and

WHEREAS, pursuant to Arizona Revised Statutes 9-521 through 540, and specifically A.R.S. 9-571, the City of Prescott may obligate the revenues generated by its wastewater system to repay a loan from WIFA; and

WHEREAS, the City of Prescott of Yavapai County certifies that the population of the community is under 50,000 in population as the most recent U.S. Census Date; and

WHEREAS, it is in the City of Prescott's best interest to pursue and apply for, financial assistance from WIFA of an amount not to exceed \$21,600,000 for the Wastewater System Centralization Projects; and

WHEREAS, the City of Prescott population at the time of this request is 40,958, which meets the requirement under A.R.S. 9-571.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

SECTION 1. THAT, the Finance Director of the City of Prescott is hereby authorized to apply for Clean Water State Revolving Fund financial assistance from the Water Infrastructure Finance Authority of Arizona.

SECTION 2. THAT, the Finance Director is authorized to take such actions as are necessary to apply for financial assistance in an amount not to exceed \$21,600,000 payable from revenues for the wastewater system.

SECTION 3. THAT, all actions of the officers and agents of the City of Prescott which conform to the purposes and intent of this resolution and which further the completion of the application as contemplated by this resolution, whether heretofore or hereafter taken are hereby ratified, confirmed and approved. The proper officers and agents of the City of Prescott are hereby authorized and directed to do all such acts and things and to execute and deliver all such application documents on behalf of the City of Prescott as may be necessary to carry out the terms and intent of this resolution.

PASSED and ADOPTED by the Mayor and Council of the City of Prescott, Arizona, this 7th day of June, 2016.

HARRY B. OBERG, Mayor

ATTEST:

APPROVED AS TO FORM:

DANA R. DeLONG, City Clerk

JON M. PALADINI, City Attorney

MEETING DATE/TYPES: VOTING SESSION 6-7-16

DEPARTMENT: Finance

AGENDA ITEM: Adoption of Resolution No. 4336-1545, revising the City budget policy

Approved By:

Date:

Director:	Mark Woodfill	05/20/2016
City Attorney:	Jon Paladini	05/20/2016
City Manager:	Craig McConnell	05/23/2016

Item Summary

The current budget policy adopted on June 25, 2002, does not fully reflect current practices. The budget objectives have been revised to provide general direction with specific priorities to be established annually by the Council. The internal cost recovery methodology was changed to better represent the cost of service provided by the divisions that are being recovered. Capital budget categories are clarified to provide a better understanding of the capital plans. Details of the budget preparation, adoption, and amendment process have been removed from the policy since they are governed by City Charter and State Law.

Attachments

1. Resolution No. 4336-1545
2. Exhibit A – Budget Policy

Recommended Action: MOVE to adopt Resolution No. 4336-1545.

RESOLUTION NO. 4336-1545

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, ACCEPTING AND ADOPTING A NEW BUDGET POLICY; AND REPEALING FORMER BUDGET POLICY RESOLUTION NO. 3458.

RECITALS:

WHEREAS, the City Council of the City of Prescott desires to update its Budget Policy; and

WHEREAS, the City Council of the City of Prescott desires to repeal its currently existing budget policy contained in City Resolution No. 3458; and

WHEREAS, it is in the best interest of the City of Prescott to adopt a new budget policy incorporated in this Resolution No. 4336-1545.

ENACTMENTS:

NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

1. THAT, the City Council hereby receives, accepts, and adopts the Budget Policy contained in Exhibit "A", which Exhibit "A" is attached hereto and incorporated herein by reference.

2. THAT, existing City Resolution No. 3458 it is hereby repealed in its entirety and replaced by this new City Resolution No. 4336-1545.

PASSED, APPROVED, AND ADOPTED by the Mayor and Council of the City of Prescott this 7th day of June, 2016.

HARRY B. OBERG, MAYOR

ATTEST:

APPROVED AS TO FORM:

DANA R. DeLONG
City Clerk

JON M. PALADINI
City Attorney

**EXHIBIT “A”
TO RESOLUTION NO. 4336-1545**

City of Prescott Budget Policy

Background

The focus of the City's budget policy is the process by which a budget is formulated from departmental requests to adoption by the Mayor and Council.

A budget policy addresses authorization levels for approval of the annual budget and adjustments thereto, applicable to the revenues and expenditures of all funds.

Laws and Standards

The following laws and standards apply to budget formation and reporting:

- Generally accepted accounting principles (GAAP)
- Government Finance Officers Association's (GFOA) Criteria for Distinguished Budget Award
- Government Finance Officers Association's (GFOA) Best Practices
- Constitution of the State of Arizona
- Arizona Revised Statutes (ARS)
- Prescott City Code
- City of Prescott Charter

Budget Objectives

The Mayor and Council annually set City priorities, and the budget objectives shall be consistent with such priorities.

The budget objectives provide policy direction for drafting of the City budget, within the overall budget schedule extending from initial preparation through adoption.

The following considerations shall be applied to development of the budget:

- Funding available for operations and capital needs.
- Employee compensation, including merit-based pay and maintaining market-competitiveness, to ensure that the City retains and attracts outstanding personnel.
- Compliance with financial policies and maintenance of bond ratings.

The following items will be considered in conjunction with the budget preparation and adoption process unless it has been determined that they must be addressed more expeditiously:

- Ordinance changes for fees or rates
- Personnel and/or other resources required to implement and administer fees and rates
- Requests for long-term financing

Balanced Budget, Revenue and Expenditure Policies

The operating budget is to be balanced, with expenditures less than or equal to revenues. Fund balances should be used only for one-time expenditures, such as capital equipment and improvements. Development fees will be used for development-related one-time capital expenditures.

The City will strive to maintain a diversified and stable revenue system, to ensure the fiscal health of the community. User fees for all operations will be examined on a regular basis to ensure that the fees cover direct and indirect costs of service as much as practicable.

Fund Balance

Sound financial policy requires the establishment of appropriate fund balance levels to maintain adequate cash flow, and a reserve to cover unanticipated expenditures and revenue shortfalls.

The following General Fund balances will be maintained through the budgeting process:

- Reserve of amounts for inventories, advances to other funds, or other uses for which an appropriation could not be made or foreseen.
- Designation of amounts re-appropriated from unencumbered balances for the completion of projects in subsequent periods.
- An unreserved and undesignated balance for each fund equal to 20% of the operating revenues: 10% to be used for the cash flow need due to timing differences between receipts and disbursements during the fiscal year, and 10% to only be used upon approval of the City Council to cover unanticipated expenditures or revenue shortfalls.

All other fund balances will be maintained to meet the objectives of the fund.

Internal Cost Allocation

In order to present the full cost of providing facilities, services, and other necessary support (collectively referred to as the “services”), it is necessary that all indirect costs be allocated corresponding to the services provided, and at the associated levels of such services. General fund internal support and administrative costs will be allocated to the Enterprise Funds, Internal Service Funds, and Special Revenue Funds that benefit from the services provided. The internal support and administrative departments below will be allocated based upon the following factors:

- A method that allocates costs in proportion to the support or benefit received
- A method that is clearly understandable and straightforward to explain
- A measure that is readily available and can be easily applied

The net impact (proposed budget less projected program revenues) of each of the following administrative departments will be allocated to other City operating units outside the General Fund on the basis identified:

<u>Administrative Department</u>	<u>Allocation Basis</u>
City Council	Proportion of Budget
City Clerk	Proportion of Budget
City Manager	Proportion of Budget
Legal	Proportion of Budget
Budget and Finance	Proportion of Budget

The following administrative departments will be allocated to all City operating units on the basis identified:

<u>Administrative Department</u>	<u>Allocation Basis</u>
Information Technology	Proportion of Budget
Human Resources	Proportion of Positions

Allocation Basis

- Proportion of Budget – prior year adopted budget of the operating unit as a percentage of the total budget, less grants and outsourced operations.
- Proportion of Positions – positions identified in the prior year adopted City roster for the operating unit as a percentage of total positions.

The internal costs will be allocated on a monthly recurring charge based on adopted departmental budgets. At the close of each fiscal year, the total amount allocated will be adjusted based on actual expenditures as of June 30 of that fiscal year.

Internal Service Funds will set internal charges based upon rates necessary for full operating cost recovery and necessary capital improvements.

Capital Budget and Five-Year Capital Improvement Plan (CIP)

The capital budget is separated into the three categories defined below:

Capital Budget Category	Definition
Capital Improvement Plan (CIP)	A project that is more than \$100,000 for a <i>new</i> infrastructure asset or to increase the capacity, efficiency, or expected life span of an <i>existing</i> infrastructure asset. This consists of infrastructure projects such as streets, utilities, and airport projects as well as major renovations to or additional City buildings or facilities.
Vehicle Replacements and Additions	Requests regarding fleet additions or replacements.
Operating Capital	All other capital requests not in the above categories, such as information technology infrastructure, major tools, and equipment purchases of any cost over \$5,000. Projects otherwise matching the CIP definition but for which the cost is between \$5,000 and \$100,000 will be categorized as operating capital.

Each department shall, when planning capital projects, estimate the impact on the City's operating budget over the subsequent five years. The operating impact includes personnel, operating expenditures, capital outlay, and debt service, as applicable.

Financing of capital expenditures from available funds, known as pay-as-you-go-funding, is the least costly and most beneficial method to cover capital expenditures. Every effort will be made in the CIP to accumulate funds to allow this method of funding to be used.

Necessary capital expenditures which are unable to be funded from available resources, will follow financing options and methods outlined in the Debt Management Policy.

Utility projects will be primarily funded by user fees, as resources are available.

Compliance with debt and fund balance policies shall be maintained for each year of the Plan.

Budget Preparation

The Finance Department and City Manager will establish a budget schedule specifying key milestones within the budget preparation period. All departments will submit their budget requests to the Finance Department in accordance with the budget preparation schedule. Budget requests will include, but not be limited to, operational plans, budget requests for personnel, operating and capital requests, including a Five-year Capital Improvement Plan.

The Planning and Zoning Commission will review the City Manager's Proposed Five-year Capital Improvement Plan (CIP).

Budget Adoption

The budget is prepared and adopted in accordance with requirements of the City Charter and Arizona Revised Statutes. The budget is legally enacted through adoption of an appropriations resolution for all governmental and proprietary fund types, which places legal restrictions on expenditures at the department level.

For all funds, the level of control is at the department level as established by the City of Prescott Charter. Although legal limits on expenditures are established at the department level, effective administrative control over expenditures is enabled by establishment of a detailed line-item budget.

All appropriations and encumbrances unexpended at year-end lapse, and are not available in the following year. Included with the budget resolutions is approval for the re-appropriation of all encumbered balances.

All new positions and reclassifications approved in the budget will be effective July 1 of the new fiscal year, unless presented differently to the Mayor and Council.

Budget Amendments

The City Manager may transfer any unencumbered appropriation between divisions within a department. Only the Council may transfer an unencumbered appropriation balance or portion thereof from one department to another.

During a fiscal year, if a fund deficit is anticipated, recommended spending reductions will be proposed by the City Manager to the Mayor and Council in a timely manner, in order to sufficiently offset the deficit.

MEETING DATE/TYPES: VOTING SESSION 6-7-16

DEPARTMENT: Finance

AGENDA ITEM: Adoption of Resolution No. 4337-1546 committing \$3,800,000.00 of fund balance in the Streets Special Revenue Fund for acquisition of open space

Approved By:		Date:
Director:	Mark Woodfill	05/24/2016
City Attorney:	Jon Paladini	05/24/2016
City Manager:	Craig McConnell	05/25/2016

Item Summary

This resolution establishes a \$3.8 million commitment of funds from the remaining proceeds of the 1% privilege tax dedicated to Streets and Open Space, which ended December 31, 2015. The Council discussed setting aside a portion of the remaining proceeds from the dedicated privilege tax at the May 12th and 26th FY17 budget workshops. The remaining balance of this commitment will be included in the budget each year until the funds are depleted.

Attachments

1. Resolution No. 4337-1546

Recommended Action: MOVE to adopt Resolution No. 4337-1546.

RESOLUTION NO. 4337-1546

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, COMMITTING A PORTION OF THE FUND BALANCE IN THE STREETS SPECIAL REVENUE FUND TO THE ACQUISITION OF OPEN SPACE

WHEREAS, The voters of Prescott approved a 1% privilege tax for streets and open space at an election May 16, 2000; and

WHEREAS, the 1% privilege tax for streets and open space ended December 31, 2015; and

WHEREAS, the voters approved the extension of the 1% privilege tax for street construction and maintenance to December 31, 2035, at an election August 25, 2015; and

WHEREAS, it is the desire of City Council to commit \$3,800,000 of remaining fund balance from the 1% privilege tax for streets and open space for future acquisitions of open space, fulfilling the City's open space acquisition efforts from this special tax.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

SECTION 1. That \$3,800,000 of remaining fund balance in the Streets Special Revenue Fund, from the 1% privilege tax dedicated to streets and open space, be committed to future acquisitions of open space.

PASSED and ADOPTED by the Mayor and Council of the City of Prescott, Arizona, on this 7th day of June, 2016.

HARRY B. OBERG, Mayor

ATTEST:

APPROVED AS TO FORM:

DANA R. DeLONG, City Clerk

JON M. PALADINI, City Attorney

MEETING DATE/TYPES: VOTING SESSION 6-7-16

DEPARTMENT: City Clerk

AGENDA ITEM: Discussion and possible approval of changes to the Council meeting schedule

Approved By:		Date:
City Clerk:	Dana DeLong	05/20/2016
City Manager:	Craig McConnell	05/23/2016

Item Summary

This item is presented for discussion and possible changes to the Council meeting schedule.

Background

The Prescott City Charter, Article II, Section 13, requires the City Council to meet at least two times each month. Currently the City Council holds two regularly scheduled study session meetings and two voting meetings each month. The meetings are held on the 1st and 3rd Tuesday of each month, with the study session at 1:00 p.m., and the voting session at 5:30 p.m.

Other Special Meetings are scheduled on an as-needed basis.

Attachment

1. Alternative meeting schedule scenarios submitted for discussion purposes

Recommended Action: Presented for Council discussion and possible approval of changes to the Council meeting schedule.

City Council Monthly Meeting Schedule

For Discussion/Action at June 7, 2016, Meeting

<u>Current</u>	1st Tuesday	1:00 pm Study Session and Executive Session(s) 5:30 pm Voting Meeting
	2nd Tuesday	9:00 am Council Water Issues Committee
	3rd Tuesday	1:00 pm Study Session and Executive Session(s) 5:30 pm Voting Meeting
<u>Alternative #1</u>	1st Tuesday	9:00 am Council Water Issues Committee 3:00 pm Study Session, Executive Session(s)
	2nd Tuesday	1:00 pm Executive Session (s) 3:00 pm Voting Meeting
	4th Tuesday	1:00 pm Executive Sessions(s) 3:00 pm Voting Meeting
<u>Alternative #2</u>	1st Tuesday	9:00 am Council Water Issues Committee
	2nd Tuesday	1:00 pm Study Session, Executive Session(s) 3:00 pm Voting Meeting
	4th Tuesday	1:00 pm Study Session, Executive Session(s) 3:00 pm Voting Meeting

MEETING DATE/TYPES: VOTING SESSION 6-7-16

DEPARTMENT: City Council

AGENDA ITEM: Acceptance of City Manager resignation and direction on filling the position permanently, as well as management leadership course in the interim

Approved By:		Date:
City Attorney:	Jon Paladini	05/23/2016
Mayor:	Harry Oberg	05/23/2016

Item Summary

This item is presented to formally accept the resignation of the City Manager, provide staff with direction on a national recruitment, and determine the organizational leadership course until a new City Manager is in the position.

Background

On May 13, 2016, Craig McConnell, City Manager, submitted his resignation from the City Manager position. The Council discussed the City Manager's resignation at an Executive Session meeting held on May 17, 2016, and gave direction to schedule an item on a Council voting session in order to formally accept the resignation and to provide direction on filling the vacancy in the interim.

Recommended Action: To be determined by Council.

MEETING DATE/TYPES: VOTING SESSION 6-7-16

DEPARTMENT: Finance

AGENDA ITEM: Adoption of Resolution No. 4335-1544, adopting the Tentative Budget for Fiscal Year 2017, and setting the Public Hearing for the Final Budget, Expenditure Limitation and Tax Levies for the City of Prescott

Approved By:

Date:

Director:	Mark Woodfill	05/20/2016
City Attorney:	Jon Paladini	05/27/2016
City Manager:	Craig McConnell	05/31/2016

Item Summary

The annual Council workshops were held on May 12 and May 26, 2016, for presentation and discussion of the proposed budget.

The remaining steps in the Fiscal Year 2017 Budget process are as follows:

June 7	Adopt Tentative Budget	Set the public hearing date for: • Final Budget • Expenditure Limitation • Tax Levies Set the date for adoption of the Tax Levies, and authorize the publishing of the Tentative Budget forms in the newspaper for two consecutive weeks
June 21	Public Hearing	Public hearing on the Final Budget, Expenditure Limitation and Property Tax Levies
June 21	Final adoption at special meeting	Sets the Final Budget for FY17 Establishes the Expenditure Limitation for FY17 Approves the City job roster
July 5	Adoption of Tax Levies	

Agenda Item: Adoption of Resolution No. 4335-1544, adopting the Tentative Budget for Fiscal Year 2017, and setting the Public Hearing for the Final Budget, Expenditure Limitation and Tax Levies for the City of Prescott

Attachments

1. Resolution No. 4335-1544
2. State Budget Forms

Recommended Action: MOVE to adopt Resolution No. 4335-1544.

RESOLUTION NO. 4335-1544

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, ADOPTING A TENTATIVE BUDGET, ADOPTING THE ESTIMATED AMOUNTS REQUIRED TO MEET THE PUBLIC EXPENSES FOR THE CITY OF PRESCOTT FOR THE FISCAL YEAR 2017, AUTHORIZING AND DIRECTING PUBLICATION OF STATEMENTS AND SCHEDULES OF THE TENTATIVE BUDGET, TOGETHER WITH NOTICE OF HEARING ON SAID BUDGET AND NOTICE OF DATE OF FINAL ADOPTION OF SAID BUDGET, AND NOTICE OF DATE OF ESTABLISHMENT OF THE EXPENDITURE LIMITATION, AND NOTICE OF THE DATE FOR FIXING A TAX LEVY

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

SECTION 1. THAT the statements and schedules attached are hereby adopted as the estimated amounts required to meet the public expenses for the City of Prescott and as the tentative budget for the fiscal year 2017. Copies of said statements and schedules have been distributed to the Council and are on file in the office of the City Manager. Said copies are attached hereto for the purpose of publication only, except that they are hereby ordered to be entered into the minutes of the City Council of the City of Prescott.

SECTION 2. THAT the Clerk is hereby authorized and directed to publish in the manner prescribed by law, the attached statements and schedules as said tentative budget, together with a copy of this Resolution as notice of the meetings of the City Council, to wit:

- A. That the City Council will meet on the 21st day of June, 2016, at 5:30 P.M., in the Council Chambers of the Municipal Offices Building, 201 South Cortez Street, Prescott, Arizona, at a Regular Meeting to hold a public hearing when and where any citizen may appear and be heard or submit written comments in favor of or against any proposed use within the budget, expenditure limitation, or the tax levy; at said time and place or after said hearing for the purpose of finally adopting the budget and establishment of the expenditure limitation for the fiscal year 2017 for the City of Prescott. The proposed budget may be examined on weekdays at 201 South Cortez Street, Prescott, Arizona, between 8:00 A.M. and 5:00 P.M.
- B. That the City Council will further meet at a Regular Meeting on the 5th day of July, 2016, at 5:30 P.M. in the Council Chambers of the Municipal Building, 201 South Cortez Street, Prescott, Arizona, for the purpose of adopting the property tax levy for fiscal year 2017 for the City of Prescott.

SECTION 3. THAT upon the recommendation by the City Manager and with the approval of the Council, expenditures may be made from the appropriation for contingencies. The transfers of any sums within or without any specific appropriations shall conform to Article VI, Section 11, Prescott City Charter.

SECTION 4. THAT money from any fund may be used for any of these appropriations except money specifically restricted by State Law, City Charter, codes, ordinance, or resolution.

PASSED and ADOPTED by the Mayor and Council of the City of Prescott, Arizona, on this 7th day of June, 2016.

HARRY B. OBERG, Mayor

ATTEST:

APPROVED AS TO FORM:

DANA R. DeLONG, City Clerk

JON M. PALADINI, City Attorney

OFFICIAL BUDGET FORMS

CITY OF PRESCOTT

Fiscal Year 2017

CITY OF PRESCOTT
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Fiscal Year 2017

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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 PRESCOTT
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2017

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
2016	Adopted/Adjusted Budgeted Expenditures/Expenses*	E	33,942,465	38,178,301	196,125		67,331,990	8,774,981	148,423,862
2016	Actual Expenditures/Expenses**	E	31,513,102	20,803,675	195,625		45,810,753	7,863,226	106,186,381
2017	Fund Balance/Net Position at July 1***		29,579,623	26,323,256	147,107		58,296,001	5,087,238	119,433,225
2017	Primary Property Tax Levy	B	1,684,903						1,684,903
2017	Secondary Property Tax Levy	B		41,000					41,000
2017	Estimated Revenues Other than Property Taxes	C	33,782,703	27,670,081	6,288		47,006,106	6,705,901	115,171,079
2017	Other Financing Sources	D					6,156,286		6,156,286
2017	Other Financing (Uses)	D							
2017	Interfund Transfers In	D	61,080	465,066			938,374		1,464,520
2017	Interfund Transfers (Out)	D	1,375,818	76,782			11,920		1,464,520
2017	Reduction for Amounts Not Available:								
LESS:	Internal Loans		4,342,335						4,342,335
2017	Total Financial Resources Available		59,390,156	54,381,621	194,395		112,384,847	11,793,139	238,144,158
2017	Budgeted Expenditures/Expenses	E	35,609,002	52,989,923	193,488		70,258,489	8,237,859	167,288,761

EXPENDITURE LIMITATION COMPARISON

1. Budgeted expenditures/expenses
2. Add/subtract: estimated net reconciling items
3. Budgeted expenditures/expenses adjusted for reconciling items
4. Less: estimated exclusions
5. Amount subject to the expenditure limitation
6. EEC expenditure limitation

2016	2017
\$ 148,423,862	\$ 167,288,761
148,423,862	167,288,761
\$ 148,423,862	\$ 167,288,761
\$	\$

* 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 PRESCOTT
Tax Levy and Tax Rate Information
Fiscal Year 2017

	<u>2016</u>	<u>2017</u>
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ <u>1,628,887</u>	\$ <u>1,684,903</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>1,596,518</u>	\$ <u>1,684,903</u>
B. Secondary property taxes	<u>75,000</u>	<u>41,000</u>
C. Total property tax levy amounts	\$ <u>1,671,518</u>	\$ <u>1,725,903</u>
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ <u>1,556,605</u>	
(2) Prior years' levies	<u>39,273</u>	
(3) Total primary property taxes	\$ <u>1,595,878</u>	
B. Secondary property taxes		
(1) Current year's levy	\$ <u>73,125</u>	
(2) Prior years' levies	<u>1,875</u>	
(3) Total secondary property taxes	\$ <u>75,000</u>	
C. Total property taxes collected	\$ <u>1,670,878</u>	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	<u>0.2910</u>	<u>0.2953</u>
(2) Secondary property tax rate	<u>0.0137</u>	<u>0.0072</u>
(3) Total city/town tax rate	<u>0.3047</u>	<u>0.3025</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 <u>0</u> 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 PRESCOTT
Revenues Other Than Property Taxes
Fiscal Year 2017

SOURCE OF REVENUES	ESTIMATED REVENUES 2016	ACTUAL REVENUES* 2016	ESTIMATED REVENUES 2017
GENERAL FUND			
Local taxes			
Privilege and Use Tax	\$ 13,840,000	\$ 14,900,000	14,900,000
Franchise Taxes	1,610,000	1,610,000	1,630,000
Intergovernmental			
State	8,603,417	8,603,417	9,074,554
County	2,930,215	2,932,425	3,066,662
Local Jurisdictions	1,635,487	1,650,514	1,770,287
Other Revenues			
Licenses and permits	495,600	531,190	1,063,600
Charges for services	1,464,300	1,543,063	1,630,400
Fines and forfeits	492,400	435,400	415,900
Interest on investments	193,300	193,300	190,300
Miscellaneous	36,000	36,000	41,000
Total General Fund	\$ 31,300,719	\$ 32,435,309	\$ 33,782,703
SPECIAL REVENUE FUNDS			
Streets and Open Space Fund			
Streets Privilege Tax	\$ 11,567,500	\$ 14,300,000	\$ 14,300,000
Intergovernmental - State (Highway Users Rev)	2,994,582	2,994,582	3,349,275
Intergovernmental - County	2,400,000	2,120,000	1,050,000
Charges for services	358,000	255,000	375,000
Interest Earned	150,000	150,000	150,000
Miscellaneous	293,792	274,888	276,098
Total Streets and Open Space Fund	\$ 17,763,874	\$ 20,094,470	\$ 19,500,373
Transient Occupancy Tax			
Transient Occupancy Tax	\$ 680,000	\$ 800,000	\$ 820,000
Miscellaneous	72,000	72,000	72,000
Total Transient Occupancy Tax	\$ 752,000	\$ 872,000	\$ 892,000
Impact Fee Funds			
Charges for Services	\$ 24,359	\$ 24,359	\$ 24,359
Interest	20,500	20,500	18,400
Total Impact Fee Funds	\$ 44,859	\$ 44,859	\$ 42,759
Grant Funds			
Miscellaneous Grants	\$ 4,536,538	\$ 1,466,847	\$ 7,089,949
Total Grant Funds	\$ 4,536,538	\$ 1,466,847	\$ 7,089,949
Trust Funds			
Gifts and Donations	\$	\$ 92,600	\$ 140,000
Interest Earned	7,000	7,000	5,000
Total Gift Trust Fund	\$ 7,000	\$ 99,600	\$ 145,000
Total Special Revenue Funds	\$ 23,104,271	\$ 22,577,776	\$ 27,670,081

* 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 PRESCOTT
Revenues Other Than Property Taxes
Fiscal Year 2017

SOURCE OF REVENUES	ESTIMATED REVENUES 2016	ACTUAL REVENUES* 2016	ESTIMATED REVENUES 2017
DEBT SERVICE FUNDS			
Special Assessments	\$ 5,045	\$ 5,045	\$ 5,045
Interest Earned	1,880	1,880	1,243
Total Debt Service Funds	\$ 6,925	\$ 6,925	\$ 6,288
ENTERPRISE FUNDS			
Water			
Intergovernmental	\$ 995,779	\$ 1,017,275	\$ 376,734
Charges for services	17,780,686	17,604,983	17,915,284
Impact fees	1,490,851	1,064,099	1,085,381
Interest	146,297	189,851	165,000
Miscellaneous	22,500	39,500	39,500
Total Water Funds	\$ 20,436,113	\$ 19,915,708	\$ 19,581,899
Wastewater			
Charges for services	\$ 12,424,190	\$ 12,443,690	\$ 12,681,000
Impact fees	1,343,549	919,086	937,467
Interest	91,056	90,804	102,306
Miscellaneous	1,200	1,200	
Total Wastewater Funds	\$ 13,859,995	\$ 13,454,780	\$ 13,720,773
Solid Waste			
Charges for services	\$ 6,390,000	\$ 6,336,600	\$ 6,860,000
Interest	75,000	26,800	30,000
Miscellaneous	7,500	65,220	34,620
Total Solid Waste Fund	\$ 6,472,500	\$ 6,428,620	\$ 6,924,620
Golf Course			
Charges for services	\$ 3,098,032	\$ 3,058,595	\$ 3,103,531
Miscellaneous	300,000	33,797	300,000
Total Golf Course Fund	\$ 3,398,032	\$ 3,092,392	\$ 3,403,531
Airport			
Intergovernmental - grants	\$ 6,538,789	\$ 5,222,749	\$ 1,884,703
Charges for services	1,506,780	1,485,120	1,486,980
Miscellaneous	3,700	20,800	3,600
Total Airport Fund	\$ 8,049,269	\$ 6,728,669	\$ 3,375,283
Total Enterprise Funds	\$ 52,215,909	\$ 49,620,169	\$ 47,006,106
INTERNAL SERVICE FUNDS			
Fleet Maintenance	\$ 1,910,000	\$ 1,917,000	\$ 1,900,000
Self-Insurance	990,001	990,001	960,000
Engineering	2,526,143	2,122,930	2,304,658
Facilities Maintenance	1,543,816	1,543,816	1,541,243
Total Internal Service Funds	\$ 6,969,960	\$ 6,573,747	\$ 6,705,901
TOTAL ALL FUNDS	\$ 113,597,784	\$ 111,213,926	\$ 115,171,079

* 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 PRESCOTT
Other Financing Sources/<Uses> and Interfund Transfers
Fiscal Year 2017

FUND	OTHER FINANCING 2017		INTERFUND TRANSFERS 2017	
	SOURCES	<USES>	IN	<OUT>
GENERAL FUND				
Parking Garage	\$	\$	\$ 20,000	\$
General Fund			25,000	
Streets and Open Space			4,160	
Water			4,860	
Wastewater			4,050	
Solid Waste			3,010	
Airport				938,374
Grants				437,444
Total General Fund	\$	\$	\$ 61,080	\$ 1,375,818
SPECIAL REVENUE FUNDS				
Streets and Open Space	\$	\$	\$ 400	\$ 31,382
Streets Impact Fees				400
Transient lodging tax				45,000
Grants			464,666	
Total Special Revenue Funds	\$	\$	\$ 465,066	\$ 76,782
ENTERPRISE FUNDS				
Water	\$	\$	\$	\$ 4,860
Wastewater	6,156,286			4,050
Airport			938,374	
Solid Waste				3,010
Total Enterprise Funds	\$ 6,156,286	\$	\$ 938,374	\$ 11,920
TOTAL ALL FUNDS	\$ 6,156,286	\$	\$ 1,464,520	\$ 1,464,520

CITY OF PRESCOTT
Expenditures/Expenses by Fund
Fiscal Year 2017

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2016	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2016	ACTUAL EXPENDITURES/ EXPENSES* 2016	BUDGETED EXPENDITURES/ EXPENSES 2017
GENERAL FUND				
City Council	\$ 40,761	\$	\$ 39,372	\$ 47,343
City Clerk	140,968		110,519	111,261
City Court	600,161		528,020	609,675
City Manager	259,015		202,400	253,568
Legal	329,225		309,848	299,589
Budget & Finance	393,421		384,165	733,301
Economic Initiatives	473,107		422,621	355,882
Community Development	1,118,073		1,108,093	1,357,038
Recreation Services	3,174,676		3,127,146	3,186,408
Library	2,360,794		2,312,640	2,231,555
Police Department	12,166,621		11,887,113	12,848,765
Fire Department	10,133,340		9,496,258	9,628,268
Regional Communications	2,289,864		1,294,891	2,417,182
Field and Facilities	105,386		104,766	1,146,739
Non-departmental	357,053		185,250	382,428
Total General Fund	\$ 33,942,465	\$	\$ 31,513,102	\$ 35,609,002
SPECIAL REVENUE FUNDS				
Streets				
Field and Facilities	\$ 4,155,702	\$	\$ 3,701,611	\$ 4,954,128
Public Works	27,128,172		14,411,449	35,084,701
Recreation Services	893,772		163,681	3,972,493
Total Streets	\$ 32,177,646	\$	\$ 18,276,741	\$ 44,011,322
Transient Occupancy Tax				
Economic Initiatives	\$ 815,493	\$	\$ 815,493	\$ 1,090,222
Recreation Services	82,000		82,000	70,000
Total Transient Occupancy Tax	\$ 897,493	\$	\$ 897,493	\$ 1,160,222
Impact Fees				
Recreation Services	\$ 10,000	\$	\$ 10,000	\$
Total Impact Fees	\$ 10,000	\$	\$ 10,000	\$
Grants				
City Court	\$ 31,000	\$	\$ 27,000	\$ 29,000
Economic Initiatives	250,000		103,000	350,000
Community Development	748,795		155,131	464,693
Recreation Services	500,000			
Library	55,000		5,000	100,000
Police Department	1,680,750		494,366	1,792,425
Fire Department	1,404,520		595,473	3,517,177
Field and Facilities	144,000		144,000	
Public Works	33,710		33,710	1,300,000
Total Grants	\$ 4,847,775	\$	\$ 1,557,680	\$ 7,553,295
Trust Funds				
City Council	\$ 8,952	\$	\$	\$ 8,253
Community Development	250			5,284
Recreation Services	79,683		18,660	90,405
Library	55,889		8,824	89,167
Police Department	60,723		31,752	53,877
Fire Department	39,890		2,525	18,098
Total Trust Funds	\$ 245,387	\$	\$ 61,761	\$ 265,084
Total Special Revenue Funds	\$ 38,178,301	\$	\$ 20,803,675	\$ 52,989,923
DEBT SERVICE FUNDS				
Non-departmental	\$ 196,125	\$	\$ 195,625	\$ 193,488

CITY OF PRESCOTT
Expenditures/Expenses by Fund
Fiscal Year 2017

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2016	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2016	ACTUAL EXPENDITURES/ EXPENSES* 2016	BUDGETED EXPENDITURES/ EXPENSES 2017
ENTERPRISE FUNDS				
Water				
City Manager	\$ 2,591,268	\$	\$ 1,555,006	\$ 2,165,024
Budget & Finance	224,152		210,722	198,703
Public Works	24,940,072		14,821,870	28,266,388
Total Water	\$ 27,755,492	\$	\$ 16,587,598	\$ 30,630,115
Wastewater				
Public Works	\$ 19,372,112	\$	\$ 11,618,278	\$ 23,682,254
Total Wastewater	\$ 19,372,112	\$	\$ 11,618,278	\$ 23,682,254
Solid Waste				
Field and Facilities	\$ 7,788,813	\$	\$ 7,030,597	\$ 8,142,008
Total Solid Waste	\$ 7,788,813	\$	\$ 7,030,597	\$ 8,142,008
Golf Course				
Recreation Services	\$ 1,410,775	\$	\$ 1,353,012	\$ 1,458,968
Non-Departmental	1,984,743		1,674,821	2,030,252
Total Golf Course	\$ 3,395,518	\$	\$ 3,027,833	\$ 3,489,220
Airport				
Fire Department	\$ 460,748	\$	\$ 419,748	\$ 504,993
Economic Initiatives	8,559,307		7,126,699	3,809,899
Total Airport	\$ 9,020,055	\$	\$ 7,546,447	\$ 4,314,892
Total Enterprise Funds	\$ 67,331,990	\$	\$ 45,810,753	\$ 70,258,489
INTERNAL SERVICE FUNDS				
Fleet Maintenance				
Field and Facilities	\$ 3,057,789	\$	\$ 2,938,472	\$ 3,034,208
Risk Management				
Legal	1,675,963		1,426,887	1,265,100
Engineering				
Public Works	2,516,143		2,122,930	2,304,658
Facilities Maintenance				
Field and Facilities	1,525,086		1,374,937	1,633,893
Total Internal Service Funds	\$ 8,774,981	\$	\$ 7,863,226	\$ 8,237,859
TOTAL ALL FUNDS	\$ 148,423,862	\$	\$ 106,186,381	\$ 167,288,761

* 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 PRESCOTT
Expenditures/Expenses by Department
Fiscal Year 2017

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2016	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2016	ACTUAL EXPENDITURES/ EXPENSES* 2016	BUDGETED EXPENDITURES/ EXPENSES 2017
Budget & Finance				
General Fund	\$ 393,421	\$	\$ 384,165	\$ 733,301
Water	224,152		210,722	198,703
Budget & Finance Total	\$ 617,573	\$	\$ 594,887	\$ 932,004
City Clerk				
General Fund	\$ 140,968	\$	\$ 110,519	\$ 111,261
City Clerk Total	\$ 140,968	\$	\$ 110,519	\$ 111,261
City Council				
General Fund	\$ 40,761	\$	\$ 39,372	\$ 47,343
Trust Funds	8,952			8,253
City Council Total	\$ 49,713	\$	\$ 39,372	\$ 55,596
City Court				
General Fund	\$ 600,161	\$	\$ 528,020	\$ 609,675
Grant Funds	31,000		27,000	29,000
City Court Total	\$ 631,161	\$	\$ 555,020	\$ 638,675
City Manager				
General Fund	\$ 259,015	\$	\$ 202,400	\$ 253,568
Water	2,591,268		1,555,006	2,165,024
City Manager Total	\$ 2,850,283	\$	\$ 1,757,406	\$ 2,418,592
Community Development				
General Fund	\$ 1,118,073	\$	\$ 1,108,093	\$ 1,357,038
Grant Funds	748,795		155,131	464,693
Trust Funds	250			5,284
Community Development Total	\$ 1,867,118	\$	\$ 1,263,224	\$ 1,827,015
Economic Initiatives				
General Fund	\$ 473,107	\$	\$ 422,621	\$ 355,882
Transient Occupancy Tax	815,493		815,493	1,090,222
Grants	250,000		103,000	350,000
Airport	8,559,307		7,126,699	3,809,899
Economic Initiatives Total	\$ 10,097,907	\$	\$ 8,467,813	\$ 5,606,003
Field and Facilities				
General Fund	\$ 105,386	\$	\$ 104,766	\$ 1,146,739
Streets and Open Space	4,155,702		3,701,611	4,954,128
Grants	144,000		144,000	
Solid Waste	7,788,813		7,030,597	8,142,008
Fleet Maintenance	3,057,789		2,938,472	3,034,208
Facilities Maintenance	1,525,086		1,374,937	1,633,893
Field and Facilities Total	\$ 16,776,776	\$	\$ 15,294,383	\$ 18,910,976
Fire Department				
General Fund	\$ 10,133,340	\$	\$ 9,496,258	\$ 9,628,268
Grants	1,404,520		595,473	3,517,177
Trust Funds	39,890		2,525	18,098
Airport	460,748		419,748	504,993
Fire Department Total	\$ 12,038,498	\$	\$ 10,514,004	\$ 13,668,536
Legal				
General Fund	\$ 329,225	\$	\$ 309,848	\$ 299,589
Risk Management	1,675,963		1,426,887	1,265,100
Legal Total	\$ 2,005,188	\$	\$ 1,736,735	\$ 1,564,689

CITY OF PRESCOTT
Expenditures/Expenses by Department
Fiscal Year 2017

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2016	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2016	ACTUAL EXPENDITURES/ EXPENSES* 2016	BUDGETED EXPENDITURES/ EXPENSES 2017
Library				
General Fund	\$ 2,360,794	\$	\$ 2,312,640	\$ 2,231,555
Grants	55,000		5,000	100,000
Trust Funds	55,889		8,824	89,167
Library Total	\$ 2,471,683	\$	\$ 2,326,464	\$ 2,420,722
Police Department				
General Fund	\$ 12,166,621	\$	\$ 11,887,113	\$ 12,848,765
Grants	1,680,750		494,366	1,792,425
Trust Funds	60,723		31,752	53,877
Police Department Total	\$ 13,908,094	\$	\$ 12,413,231	\$ 14,695,067
Public Works				
Streets and Open Space	\$ 27,128,172	\$	\$ 14,411,449	\$ 35,084,701
Grants	33,710		33,710	1,300,000
Water	24,940,072		14,821,870	28,266,388
Wastewater	19,372,112		11,618,278	23,682,254
Engineering	2,516,143		2,122,930	2,304,658
Public Works Total	\$ 73,990,209	\$	\$ 43,008,237	\$ 90,638,001
Recreation Services				
General Fund	\$ 3,174,676	\$	\$ 3,127,146	\$ 3,186,408
Streets and Open Space	893,772		163,681	3,972,493
Transient Occupancy Tax	82,000		82,000	70,000
Impact Fees	10,000		10,000	
Grants	500,000			
Trust Funds	79,683		18,660	90,405
Golf Course	1,410,775		1,353,012	1,458,968
Recreation Services Total	\$ 6,150,906	\$	\$ 4,754,499	\$ 8,778,274
Regional Communications				
General Fund	\$ 2,289,864	\$	\$ 1,294,891	\$ 2,417,182
Regional Communications Total	\$ 2,289,864	\$	\$ 1,294,891	\$ 2,417,182
Non-departmental				
General Fund	\$ 357,053	\$	\$ 185,250	\$ 382,428
Debt Service	196,125		195,625	193,488
Golf (Outsourced Operations)	1,984,743		1,674,821	2,030,252
Non-department Total	\$ 2,537,921	\$	\$ 2,055,696	\$ 2,606,168
Total All Departments	\$ 148,423,862	\$	\$ 106,186,381	\$ 167,288,761

* 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 PRESCOTT
Full-Time Employees and Personnel Compensation
Fiscal Year 2017

FUND	Full-Time Equivalent (FTE) 2017	Employee Salaries and Hourly Costs 2017	Retirement Costs 2017	Healthcare Costs 2017	Other Benefit Costs 2017	Total Estimated Personnel Compensation 2017
GENERAL FUND	324.10	\$ 18,881,584	\$ 6,845,030	\$ 2,570,981	\$ 1,785,943	\$ 30,083,538
SPECIAL REVENUE FUNDS						
Streets and Open Space	39.40	\$ 2,236,773	\$ 256,447	\$ 373,658	\$ 356,443	\$ 3,223,321
Transient Occupancy Tax	2.00	160,199	18,391	21,117	13,437	213,144
Grants	10.00	1,573,939	382,475	100,459	60,961	2,117,834
Trust	0.25	7,800	739		616	9,155
Total Special Revenue Funds	51.65	\$ 3,978,711	\$ 658,052.00	\$ 495,234.00	\$ 431,457.00	\$ 5,563,454.00
ENTERPRISE FUNDS						
Water	38.55	\$ 2,202,186	\$ 248,899	\$ 345,995	\$ 241,591	\$ 3,038,671
Wastewater	38.95	2,123,857	241,598	355,387	245,603	2,966,445
Solid Waste/Transfer Station	28.90	1,301,996	149,166	252,512	195,273	1,898,947
Golf Course	14.00	553,830	63,580	79,067	57,830	754,307
Airport	10.25	812,353	207,900	120,329	76,307	1,216,889
Total Enterprise Funds	130.65	\$ 6,994,222	\$ 911,143	\$ 1,153,290	\$ 816,604	\$ 9,875,259
INTERNAL SERVICE FUND						
Fleet Maintenance	10.35	\$ 476,296	\$ 54,281	\$ 90,016	\$ 52,693	\$ 673,286
Engineering	20.00	1,396,199	156,041	203,415	135,022	1,890,677
Facilities Maintenance	7.00	374,220	42,961	70,363	44,327	531,871
Total Internal Service Fund	37.35	\$ 2,246,715	\$ 253,283	\$ 363,794	\$ 232,042	\$ 3,095,834
TOTAL ALL FUNDS	543.75	\$ 32,101,232	\$ 8,667,508	\$ 4,583,299	\$ 3,266,046	\$ 48,618,085
	See Note					

Note:

Full-Time Equivalent (FTE) includes 497.50 FTE permanent employees and estimated 47.25 FTE temporary employees.