



City of Avondale

City Council Meeting

Monday, June 3, 2024

Mayor and Council

Kenneth Weise, Mayor

Mike Pineda, Vice Mayor

Tina Conde, Council Member | Curtis Nielson, Council Member

Veronica Malone, Council Member | Gloria Solorio, Council Member

Max White, Council Member

Administration

Ron Corbin, City Manager

Tracy Stevens, Assistant City Manager | Dale Nannenga, Deputy City Manager

Nicholle Harris, City Attorney | Marcella Sarmiento, City Clerk

City Council Chamber

11465 West Civic Center Drive

Avondale, AZ 85323

Watch a City Council Meeting Online

Visit the link below to watch a City Council meeting live online:

<https://www.avondaleaz.new.swagit.com/views/540/>

Please note, the live stream will not be monitored by staff; therefore, anyone wishing to address the City Council shall appear in person to speak.



**City Council Meeting
Notice & Agenda
Monday, June 3, 2024**

CITY COUNCIL CHAMBER | 11465 WEST CIVIC CENTER DRIVE | AVONDALE AZ, 85323

**ALAMAR COMMUNITY FACILITIES DISTRICT BOARD REGULAR MEETING
5:30 PM**

Physical Access to the Council Chambers will be available 30 minutes prior to the meeting.

CALL TO ORDER BY THE DISTRICT CHAIR

1. ROLL CALL BY THE DISTRICT CLERK

2. PUBLIC HEARING - PROPOSED FISCAL YEAR 2025 BUDGET AND TAX LEVY

The District Board will hold a public hearing to receive comments on the property tax levy and final budget for the fiscal year 2025 (FY2025). This item is for discussion only; no action is required.

3. ADJOURNMENT

**ALAMAR COMMUNITY FACILITIES DISTRICT BOARD SPECIAL MEETING
Convene immediately following the Regular Meeting**

CALL TO ORDER BY DISTRICT CHAIR

1. ROLL CALL BY THE DISTRICT CLERK

2. CONSENT AGENDA

Items on the consent agenda are of a routine nature. They are intended to be acted upon in one motion. Board members may pull items from consent if they would like them considered separately.

a. MINUTES

The District Board will consider a request to approve the May 6, 2024 Alamar Community Facilities District Board meeting minutes. The District Board will take appropriate action.

b. CFD RESOLUTION 2-2024 - SETTING FORTH THE FINAL BUDGET FOR FISCAL YEAR 2025

The District Board will consider a request to adopt CFD Resolution 2-2024 approving the final budget for fiscal year 2025 (FY2025) and authorize the District Chair or District Manager and District Clerk to execute the necessary documents. The District Board will take appropriate action.

**c. CFD RESOLUTION 3-2024 - SETTING THE PROPERTY TAX LEVY FOR THE FISCAL YEAR
ENDING JUNE 30, 2025**

The District Board will consider a request to adopt CFD Resolution 3-2024 levying upon the assessed valuation of the property within the Alamar Community Facilities District subject to ad valorem taxation a certain sum upon each one hundred (\$100.00) of valuation for the fiscal year ending June 30, 2025 and authorize the District Chair or District Manager and District Clerk to execute the necessary documents. The District Board will take appropriate action.

3. ADJOURNMENT

CITY COUNCIL REGULAR MEETING

Convene immediately following the Special Meeting of the Alamar Community Facilities District Board

CALL TO ORDER BY MAYOR PLEDGE OF ALLEGIANCE & MOMENT OF REFLECTION

1. ROLL CALL BY THE CITY CLERK

2. PRESENTATION ITEMS (DISCUSSION ONLY)

a. EMPLOYEE INTRODUCTIONS

The following new employees will be presented to City Council. This item is for discussion only.

City Attorney's Office

- Blessing Adejo, Legal Intern
- Mary Grace McNear, Attorney II

Facilities Department

- Abraham Bandin, Building Maintenance Worker
- Rosamaria Brown, Day Porter

Finance and Budget Department

- Takiya Greene, Buyer

b. 4TH OF JULY FIREWORKS UPDATE

City Council will receive information regarding the Avondale Police Department's response to firework calls for service. This item is for discussion only.

3. UNSCHEDULED PUBLIC APPEARANCES (Time is limited per person. Please state your name.)

4. CONSENT AGENDA

Items on the consent agenda are of a routine nature or have been previously studied by the City Council at a work session. They are intended to be acted upon in one motion. Council members may pull items from consent if they would like them considered separately.

a. MINUTES

City Council will consider a request to approve the May 6, 2024 City Council meeting minutes. The Council will take appropriate action.

b. ADOPTION OF THE FISCAL YEAR 2025 PENSION FUNDING POLICY

City Council will consider a request to adopt an updated Pension Funding Policy for Fiscal Year 2025 and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

c. WIRED TELECOMMUNICATIONS LICENSE AND RIGHT-OF-WAY USE AGREEMENT WITH LIGHT SOURCE COMMUNICATIONS, LLC

City Council will consider a request to approve a new Wired Telecommunications License and Right-of-Way Use Agreement with Light Source Communications, LLC, to allow the placement of fiber telecommunication infrastructure in City right-of-way, and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

d. RESOLUTION 1050-0624 - GRANT ACCEPTANCE FROM WATER INFRASTRUCTURE FINANCE AUTHORITY (WIFA) OF ARIZONA FOR ENHANCED WATER EFFICIENCY AUDITS

City Council will consider a request to: a) adopt Resolution 1050-0624, accepting grant funding from Water Infrastructure Finance Authority of Arizona (WIFA) for Enhanced Water Efficiency Audits in the amount of \$52,500; b) authorize and direct staff to take all steps necessary to cause the execution of the Agreement and to take all steps necessary to carry out the purpose and intent of this Resolution; and c) authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

e. RESOLUTION 1052-0624 - DESIGNATION OF CHIEF FISCAL OFFICER FOR THE ANNUAL EXPENDITURE LIMITATION REPORT (AELR)

City Council will consider a request to adopt Resolution 1052-0624, designating Renee Weatherless as the Chief Fiscal Officer for the submittal of the AELR and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

f. RESOLUTION 1053-0624 - COMPREHENSIVE FINANCIAL POLICIES

City Council will consider a request to adopt Resolution 1053-0624, adopting Comprehensive Financial Policies and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

g. RESOLUTION 1055-0624 - INTERGOVERNMENTAL AGREEMENT WITH THE AGUA FRIA UNION HIGH SCHOOL #216 FOR TRANSPORTATION FOR RECREATION CAMPS AND PROGRAMS

City Council will consider a request to adopt Resolution 1055-0624, authorizing an Intergovernmental Agreement with the Agua Fria Union High School #216 to provide transportation services for youth recreation camps and programs and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

h. ORDINANCE 2014-0624 – ABANDONMENT OF FINAL PLATS FOR FLEMING FARMS AND FLEMING FARMS, LOT 2

City Council will consider a request to adopt Ordinance 2014-0624 authorizing the abandonment of the final plats for Fleming Farms and Fleming Farms, Lot 2, and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

i. AMENDED FINAL PLAT FOR ALTA AVONDALE - APPLICATION PL-24-0054

City Council will consider a request to (a) approve Application PL-24-0054, a request by Derek Nichols, PE, with Wood, Patel and Associates, Inc., on behalf of Alta Avondale, LLC, for approval of the Amended Final Plat for Alta Avondale generally located north of Van Buren Street and east of Avondale Boulevard and (b) authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

j. FINAL PLAT FOR HERMOSA RANCH – APPLICATION PL-23-0372

City Council will consider a request to (a) approve Application PL-23-0372, a request from Parker Froehlich of Coe and Van Loo Consultants, Inc., on behalf of Hermosa North, LLC, for approval of the Final Plat for Hermosa Ranch located at the southwest corner of Avondale Boulevard and Lower Buckeye Road, and (b) authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

5. REGULAR AGENDA

a. PUBLIC HEARING - TRUTH IN TAXATION HEARING SETTING FORTH THE INTENT TO RAISE THE PROPERTY TAX LEVY

City Council will hold a public hearing and consider a request to set forth the City's intent to levy primary property taxes in the amount of \$0.6241 per hundred (\$100) of assessed valuation and secondary property taxes in the amount of \$0.8351 per hundred (\$100) of assessed valuation and set the property tax adoption for June 17, 2024 and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

b. RESOLUTION 1051-0624 - FISCAL YEAR 2025 PROPOSED FEE CHANGES

City Council will consider a request to adopt Resolution 1051-0624, approving the Fiscal Year 2025 proposed fee changes and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

6. SUMMARY OF CURRENT EVENTS FROM MAYOR, VICE MAYOR, AND COUNCIL MEMBERS
(5 minutes)

7. ADJOURNMENT

Council Members of the City of Avondale will attend either in person or by telephone or video conference call. Individuals with special accessibility needs, including sight or hearing impaired, large print, or interpreter, should contact the City Clerk at 623-333-1200 or TDD 623-333-0010 at least two business days prior to the Council Meeting.

Los miembros del Concejo de la Ciudad de Avondale participaran ya sea en persona o por medio de llamada telefonica o por video. Personas con necesidades especiales de accesibilidad, incluyendo personas con impedimentos de vista u oido, o con necesidad de impresion grande o interprete, deben comunicarse con la Secretaria de la Ciudad at 623-333-1200 o TDD 623-333-0010 cuando menos dos dias habiles antes de la junta del Concejo.

ITEM NUMBER: 2.

SUBJECT: Public Hearing - Proposed Fiscal Year 2025 Budget and Tax Levy**MEETING DATE:** 6/3/2024

TO: Board Members**FROM:** Renee Weatherless, District Treasurer**THROUGH:** Ron Corbin, District Manager, (623) 333-1011**REVIEWED:** Ron Corbin, District Manager, (623) 333-1011

PURPOSE:

The District Board will hold a public hearing to receive comments on the property tax levy and final budget for the fiscal year 2025 (FY2025). This item is for discussion only; no action is required.

BACKGROUND:

The tentative budget for the Alamar Community Facilities District was adopted on May 6, 2024. A public hearing must be held before final adoption of the budget and notice of the public hearing must be published at least 10 days in advance of the public hearing. The public notice was published in the May 17 edition of the Southwest Valley Republic, as required by A.R.S. 48-716. The final budget must be approved before October 1, per A.R.S. 48-716.

DISCUSSION:

The FY2025 budget will set the expenditure limit for the district. Community facility districts may levy secondary property taxes to pay general obligation debt incurred by the district and to pay for the operation and maintenance expenses of the district. Per A.R.S. 48-723 the secondary property tax attributable to the repayment of general obligation debt is \$3.85 per one-hundred dollars of assessed valuation and the property tax levy attributable to fund operation and maintenance expense of the district is limited to thirty cents (\$0.30) per one-hundred dollars of assessed valuation. Based on the net assessed valuation of the district, the combined rate of \$4.15 per \$100 of assessed value will raise \$685,511 in revenue.

The recommended expenditure limit for the district is \$3,285,511. Any expenses not covered by the property tax levy or general obligation bonds will need to be covered through developer contributions. Neither the property tax levy nor the expenditure limit has changed between the approved tentative budget and the final budget.

BUDGET IMPACT:

The public hearing is a required step in adopting the FY2025 budget for the Alamar CFD.

RECOMMENDATION:

Staff recommends the District Board hold a public hearing to receive public comment on the final budget and tax levy for FY2025.

Contact person for document distribution:

ITEM NUMBER: 2.a.

SUBJECT: Minutes

MEETING DATE: 6/3/2024

TO: Board Members

FROM: Marcella Sarmiento, District Clerk

THROUGH: Dale Nannenga, Deputy District Manager, (623) 333-1017

REVIEWED: Ron Corbin, District Manager, (623) 333-1011

PURPOSE:

The District Board will consider a request to approve the May 6, 2024 Alamar Community Facilities District Board meeting minutes. The District Board will take appropriate action.

BACKGROUND:

Pursuant to Arizona Revised Statute §§ 38-431.01(B), the District must provide written minutes of all Board meetings.

DISCUSSION:

The District Board held a meeting and the attached minutes have been prepared for approval.

BUDGET IMPACT:

This item has no budget impact.

RECOMMENDATION:

Staff recommends the District Board will consider a request to approve the May 6, 2024 Alamar Community Facilities District Board meeting minutes.

Contact person for document distribution: Chris Pierson

MINUTES OF THE ALAMAR COMMUNITY FACILITIES DISTRICT BOARD MEETING
CITY OF AVONDALE, ARIZONA
May 06, 2024

A **Regular Meeting** of the Alamar Community Facilities District Board of the City of Avondale, Arizona was convened at 11465 West Civic Center Drive in open and public session at 5:30 p.m.

Members Present: Chairperson Kenn Weise; Vice Chairperson Mike Pineda; Board Members Tina Conde, Veronica Malone, Curtis Nielson, Gloria Solorio and Max White.

Members Absent: None.

Other Municipal Officials Present: Ron Corbin, District Manager; Tracy Stevens, Assistant District Manager; Dale Nannenga, Deputy District Manager; Nicholle Harris, District Attorney; Marcella Sarmiento, District Clerk; Liz Barker Alvarez, Intergovernmental Affairs Administrator; Kirk Beaty, Public Works Director; Barbara Copping, District Auditor; Cheryl Covert, Economic Development Assistant Director; Memo Espinoza, Police Chief; Joel Evans, Facilities Director; Bryan Hughes, Parks and Recreation Director; Julie Knoll; Deputy District Clerk; Craig Jennings, Judge; Chris Lopez, Neighborhood and Family Services Director; Andy Mesquita, Human Resources Director; Kimberly Moon, Engineering Director; Jodie Novak, Development Services Director; Larry Rooney, Fire Chief; Jeffrey Scheetz, Chief Information Officer; Pier Simeri, Marketing and Public Relations Director; and Renee Weatherless, District Treasurer.

Audience: Approximately 50 members of the public were present.

1. ROLL CALL BY THE DISTRICT CLERK

2. MINUTES

Board Member White moved to approve the June 5, 2023 Alamar Community Facilities District Board Meeting minutes; Board Member Solorio seconded the motion.

Upon vote, the motion was carried unanimously 7 to 0.

Board Member Conde	Aye
Board Member Malone	Aye
Board Member Nielson	Aye
Board Member Solorio	Aye
Board Member White	Aye
Vice Chairperson Pineda	Aye
Chairperson Weise	Aye

3. CFD RESOLUTION 1-2024 – ADOPTION OF THE ALAMAR COMMUNITY FACILITIES DISTRICT FISCAL YEAR 2025 TENTATIVE BUDGET

The District Board considered a request to adopt CFD Resolution 1-2024, setting forth the fiscal year 2024-2025 tentative budget and authorized the Chairperson or District Manager, District Attorney and District Clerk to execute the necessary documents.

Renee Weatherless, District Treasurer, provided an overview of the Fiscal 2025 Tentative Budget noting it totals just under \$3.3 million. The Alamar Community Facilities District was formed in 2018 and can levy taxes and issue bonds independently from the City for the purpose of constructing public infrastructure within the Alamar District. Revenues are primarily generated from property tax that is levied from a \$4.15 combined primary and secondary tax rate per \$100 of net assess value. The budget covers minimal operating expenses and the cost of debt. It will also cover the cost of any capital expenditures from bond proceeds should any bonds be issued. A public notice must be posted with the tentative budget before the public hearing and final adoption of the budget and property tax.

Board Member Conde moved to adopt CFD Resolution 1-2024, setting forth the fiscal year 2024-2025 tentative budget and authorizing the Chairperson or District Manager, District Attorney and District Clerk to execute the necessary documents; Vice Chairperson Pineda seconded the motion.

Upon vote, the motion was carried unanimously 7 to 0.

Board Member Conde	Aye
Board Member Malone	Aye
Board Member Nielson	Aye
Board Member Solorio	Aye
Board Member White	Aye
Vice Chairperson Pineda	Aye
Chairperson Weise	Aye

4. ADJOURNMENT

There being no further business before the Board, Board Member White moved to adjourn the Regular Meeting; Board Member Neilson seconded the motion.

Upon vote, the motion was carried unanimously 7 to 0.

Board Member Conde	Aye
Board Member Malone	Aye
Board Member Nielson	Aye
Board Member Solorio	Aye
Board Member White	Aye
Vice Chairperson Pineda	Aye
Chairperson Weise	Aye

Meeting adjourned at 5:34 p.m.

Kenn Weise, Chairperson

CERTIFICATION AND ATTESTATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Alamar Communities Facilities District Board of the City of Avondale held on the 6th day of May 2024. I further certify that the meeting was duly called and held, and that the quorum was present.

Marcella Sarmiento, District Clerk

ITEM NUMBER: 2.b.

SUBJECT: CFD Resolution 2-2024 - Setting Forth the Final Budget for Fiscal Year 2025**MEETING DATE:** 6/3/2024

TO: Board Members**FROM:** Renee Weatherless, District Treasurer**THROUGH:** Ron Corbin, District Manager, (623) 333-1011**REVIEWED:** Ron Corbin, District Manager, (623) 333-1011

PURPOSE:

The District Board will consider a request to adopt CFD Resolution 2-2024 approving the final budget for fiscal year 2025 (FY2025) and authorize the District Chair or District Manager and District Clerk to execute the necessary documents. The District Board will take appropriate action.

BACKGROUND:

The tentative budget for FY2025 was adopted on May 6, 2024. A notice of public hearing must be published at least 10 days in advance of the public hearing on the final adoption of the budget and tax levy. The public notice was published on May 17, 2024 in the Southwest Valley Republic as required by A.R.S. 48-716. A public hearing was held on June 3, 2024 to receive comment on the final District budget and tax levy. The final budget must be approved before October 1st, per A.R.S. 48-716.

DISCUSSION:

The FY2025 budget will set the expenditure limit for the district. Community facility districts may levy secondary property taxes to pay general obligation debt incurred by the district and to pay for the operation and maintenance expenses of the district. Per A.R.S. 48-723 the secondary property tax attributable to the repayment of general obligation debt is \$3.85 per one-hundred dollars of assessed valuation and the property tax levy attributable to fund operation and maintenance expense of the district is limited to thirty cents (\$0.30) per one-hundred dollars of assessed valuation. Based on the appraised value, the combined rate of \$4.15 per \$100 of assessed value will raise \$685,511 in revenue.

The recommended expenditure limit for the district is \$3,285,511. Any expenses not covered by the property tax levy or general obligation bonds will need to be covered through developer contributions. Neither the property tax levy or expenditure limit have changed between the approved tentative budget and final budget.

BUDGET IMPACT:

This action will set the expenditure limitation for the district for FY2025.

RECOMMENDATION:

Staff recommends the District Board adopt the resolution setting forth the District's final budget for FY2025.

Contact person for document distribution:

RESOLUTION NO. 2-2024

A RESOLUTION OF THE DISTRICT BOARD OF THE ALAMAR COMMUNITY FACILITIES DISTRICT SETTING FORTH THE FINAL BUDGET FOR FISCAL YEAR 2024-2025.

WHEREAS, pursuant to the provisions of the laws of the State of Arizona, the Alamar Community Facilities District Board (the “District Board”) is required to adopt an annual budget for the Alamar Community Facilities District (the “ACFD”); and

WHEREAS, on May 6, 2024, the District Board adopted Resolution 1-2024, setting the expenditure limitation for ACFD for the fiscal year beginning July 1, 2024 and ending June 30, 2025; and

WHEREAS, Resolution No. 1-2024 directed the District Manager or designee to: (i) hold a public hearing prior to final budget adoption and (ii) publish a notice of the public hearing of the District Board to hear taxpayers; and

WHEREAS, on June 3, 2024, the District Board held a public hearing on the final budget and proposed tax levy as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE DISTRICT BOARD OF THE ALAMAR COMMUNITY FACILITIES DISTRICT as follows:

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

SECTION 2. The statements and schedules attached hereto as Exhibit A and incorporated herein by reference are hereby adopted as the ACFD final budget for the fiscal year beginning July 1, 2024 and ending June 30, 2024.

SECTION 3. If any section, subsection, sentence, clause, phrase or portion of this Resolution or any part of the statements and schedules incorporated herein by reference are for any reason to be held invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

SECTION 4. The District Board Chairman, the District Manager, the District Clerk and the District Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Resolution.

[SIGNATURES ON FOLLOWING PAGE]

PASSED AND ADOPTED by the District Board of the Alamar Community Facilities District on June 3, 2024.

Kenneth N. Weise, Chairman District Board
Alamar Community Facilities District

ATTEST:

Marcella Sarmiento, District Clerk
Alamar Community Facilities District

APPROVED AS TO FORM:

Nicholle Harris, District Attorney
Alamar Community Facilities District

EXHIBIT A
TO
RESOLUTION NO. 2-2024

[Statements and Schedules]

See following pages.

Alamar Community Facilities District
Summary Schedule of estimated revenues and expenditures/expenses
Fiscal year 2025

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
2024	Adopted/adjusted budgeted expenditures/expenses*	E 1	0	136,334	466,289	4,000,000	0	0	0	4,602,623
2024	Actual expenditures/expenses**	E 2	0	36,334	443,091	2,954,650	0	0	0	3,434,075
2025	Beginning fund balance/(deficit) or net position/(deficit) at July 1***		0	0	0	0	0	0	0	0
2025	Primary property tax levy	B 4	0	49,555						49,555
2025	Secondary property tax levy	B 5			635,956					635,956
2025	Estimated revenues other than property taxes	C 6	0	100,000	0	0	0	0	0	100,000
2025	Other financing sources	D 7	0		0	2,500,000	0	0	0	2,500,000
2025	Other financing (uses)	D 8	0	0	0	0	0	0	0	0
2025	Interfund transfers in	D 9	0	0	0	0	0	0	0	0
2025	Interfund Transfers (out)	D 10	0	0	0	0	0	0	0	0
2025	Line 11: Reduction for fund balance reserved for future budget year expenditures									
	Maintained for future debt retirement									0
	Maintained for future capital projects									0
	Maintained for future financial stability									0
	Maintained for future retirement contributions									0
										0
2025	Total financial resources available	12	0	149,555	635,956	2,500,000	0	0	0	3,285,511
2025	Budgeted expenditures/expenses	E 13	0	149,555	635,956	2,500,000	0	0	0	3,285,511

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 or voter-approved alternative expenditure limitation

	2024	2025
1	\$ 4,602,623	\$ 3,285,511
2	4,602,623	3,285,511
3	\$ 4,602,623	\$ 3,285,511
4	\$	\$

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

* Includes expenditure/expense adjustments approved in the current year from Schedule E.

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

*** Amounts on this line represent beginning fund balance/(deficit) or net position/(deficit) amounts except for nonspendable amounts (e.g., prepaids and inventories) or amounts legally or contractually required to be maintained intact (e.g., principal of a permanent fund). See the Instructions tab, cell C17 for more information about the amounts that should and should not be included on this line.

Alamar Community Facilities District
Tax levy and tax rate information
Fiscal year 2025

	<u>2024</u>	<u>2025</u>
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ _____	\$ _____
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	\$ 36,334	\$ 49,555
Property tax judgment	_____	_____
B. Secondary property taxes	466,289	635,956
Property tax judgment	_____	_____
C. Total property tax levy amounts	\$ 502,623	\$ 685,511
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ 36,334	
(2) Prior years' levies	_____	
(3) Total primary property taxes	\$ 36,334	
B. Secondary property taxes		
(1) Current year's levy	\$ 466,289	
(2) Prior years' levies	_____	
(3) Total secondary property taxes	\$ 466,289	
C. Total property taxes collected	\$ 502,623	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	0.3000	0.3000
Property tax judgment	_____	_____
(2) Secondary property tax rate	3.8500	3.8500
Property tax judgment	_____	_____
(3) Total city/town tax rate	4.1500	4.1500
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>one</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.

Alamar Community Facilities District
Revenues other than property taxes
Fiscal Year 2025

Source of revenues	Estimated revenues 2024	Actual revenues* 2024	Estimated revenues 2025
Special revenue funds			
Contributions - Operations	\$ _____	\$ _____	\$ _____
Contributions - Capital	_____	_____	_____
Contributions - Debt	_____	_____	_____
Contingency	100,000	_____	100,000
	\$ 100,000	\$ 0	\$ 100,000
Total all funds	\$ 100,000	\$ 0	\$ 100,000

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

Alamar Community Facilities District
Other financing sources/(uses) and interfund transfers
Fiscal year 2025

Fund	Other financing 2025		Interfund transfers 2025	
	Sources	(Uses)	In	(Out)
Special revenue funds				
Bond Issuance	\$ 2,500,000	\$	\$	\$
Total special revenue funds	\$ 2,500,000	\$ 0	\$ 0	\$ 0
Total all funds	\$ 2,500,000	\$ 0	\$ 0	\$ 0

**Alamar Community Facilities District
Expenditures/expenses by fund
Fiscal year 2025**

Fund/Department	Adopted budgeted expenditures/ expenses	Expenditure/ expense adjustments approved	Actual expenditures/ expenses*	Budgeted expenditures/ expenses
	2024	2024	2024	2025
Special revenue funds				
General Operations	\$ 36,334	\$	\$ 36,334	\$ 49,555
Capital	4,000,000		2,954,650	2,500,000
Capital - Finance				
Debt	466,289		443,091	635,956
Contingency	100,000			100,000
Total special revenue funds	\$ 4,602,623	\$ 0	\$ 3,434,075	\$ 3,285,511
Total all funds	\$ 4,602,623	\$ 0	\$ 3,434,075	\$ 3,285,511

* 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.

**Alamar Community Facilities District
Expenditures/expenses by department
Fiscal year 2025**

	Adopted budgeted expenditures/ expenses	Expenditure/ expense adjustments approved	Actual expenditures/ expenses*	Budgeted expenditures/ expenses
Department/Fund	2024	2024	2024	2025
General Operations:				
Alamar CFD Operating	\$ 36,334	\$	\$ 36,334	\$ 49,555
Capital	4,000,000		2,954,650	2,500,000
Debt	466,289		443,091	635,956
Contingency	100,000			100,000
Department total	\$ 4,602,623	\$ 0	\$ 3,434,075	\$ 3,285,511

* 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.

ITEM NUMBER: 2.c.

SUBJECT: CFD Resolution 3-2024 - Setting the Property Tax Levy for the Fiscal Year Ending June 30, 2025

MEETING DATE: 6/3/2024

TO: Board Members

FROM: Renee Weatherless, District Treasurer

THROUGH: Ron Corbin, District Manager, (623) 333-1011

REVIEWED: Ron Corbin, District Manager, (623) 333-1011

PURPOSE:

The District Board will consider a request to adopt CFD Resolution 3-2024 levying upon the assessed valuation of the property within the Alamar Community Facilities District subject to ad valorem taxation a certain sum upon each one hundred (\$100.00) of valuation for the fiscal year ending June 30, 2025 and authorize the District Chair or District Manager and District Clerk to execute the necessary documents. The District Board will take appropriate action.

BACKGROUND:

As required by ARS 48- 723, the property tax levy must be adopted by the District Board before the third Monday in August.

DISCUSSION:

Community facility districts may levy secondary property tax to pay general obligation debt incurred by the district and to pay for the operation and maintenance expenses of the district. Per ARS 48-723, the property tax attributable to the operations and maintenance expenses of the district is limited to thirty cents (\$0.30) per one hundred dollars of assessed valuation. The property tax attributable to the general obligation debt service is limited to \$3.85 per one hundred of assessed valuation.

BUDGET IMPACT:

The property tax levies will raise resources to support the operations and maintenance of the district and to pay for outstanding debt. This is the final step in the Alamar CFD budget process.

RECOMMENDATION:

Staff is requesting that the District Board adopt a resolution setting the primary property tax levy in the amount of \$49,555 at a rate of \$0.30 per \$100 of assessed valuation and the secondary property tax levy in the amount of \$635,956 at a rate of \$3.85 per \$100 of assessed valuation.

Contact person for document distribution:

RESOLUTION NO. 3-2024

A RESOLUTION OF THE DISTRICT BOARD OF THE ALAMAR COMMUNITY FACILITIES DISTRICT, ORDERING THAT AN AD VALOREM TAX BE FIXED, LEVIED AND ASSESSED ON THE ASSESSED VALUE OF ALL THE REAL AND PERSONAL PROPERTY WITHIN THE BOUNDARIES OF THE DISTRICT IN AMOUNTS SPECIFIED IN THE FILED STATEMENTS AND ESTIMATES; PROVIDING FOR CERTIFIED COPIES OF THIS RESOLUTION AND ORDER TO BE DELIVERED TO THE MARICOPA COUNTY BOARD OF SUPERVISORS AND THE ARIZONA DEPARTMENT OF REVENUE; AND PROVIDING THAT THIS RESOLUTION SHALL BE EFFECTIVE AFTER ITS PASSAGE AND APPROVAL ACCORDING TO LAW.

WHEREAS, on May 21, 2018, the Mayor and Council of the City of Avondale, Arizona (the “City”), adopted Resolution 3453-518 forming Alamar (formerly Lakin) Community Facilities District (“ACFD”), a community facilities district in accordance with ARIZ. REV. STAT. § 48-701 et seq.; and

WHEREAS, ACFD is a special purpose district for purposes of Article IX, Section 19, of the Arizona Constitution, a tax-levying public improvement district for the purposes of Article XIII, Section 7, of the Arizona Constitution, and a municipal corporation for all purposes of ARIZ. REV. STAT. Title 35, Chapter 3, Articles 3, 3.1, 3.2, 4 and 5, as amended, and (except as otherwise provided in ARIZ. REV. STAT. § 48-708(B), as amended) is considered to be a municipal corporation and political subdivision of the State of Arizona, separate and apart from the City; and

WHEREAS, a primary purpose for creating ACFD was to finance certain public infrastructure needed for the development known as “Alamar Park” through assessment of ad valorem taxes on all real and personal property within ACFD; and

WHEREAS, in accordance with ARIZ. REV. STAT. §§ 48-716 and 48-723, as amended, a special election was held and the qualified electors of ACFD voted to issue general obligation bonds to cover costs of public infrastructure purposes, and to levy and collect an annual ad valorem tax at a rate not to exceed thirty cents (\$0.30) per one hundred dollars (\$100) of assessed valuation for operation and maintenance expenses of ACFD; and

WHEREAS, on June 3, 2024, the District Board held a public hearing on the final budget and proposed tax levy as required by law; and

WHEREAS, in accordance with ARIZ. REV. STAT. § 48-716, at the conclusion of the public hearing held on June 3, 2024, the District Board adopted the final budget by Resolution No. 2-2024.

NOW, THEREFORE, BE IT RESOLVED BY THE DISTRICT BOARD OF THE ALAMAR COMMUNITY FACILITIES DISTRICT as follows:

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

SECTION 2. It is hereby ordered that, in FY2025, an ad valorem tax be fixed, levied and assessed, based on the assessed value of all the real and personal property within the boundaries of ACFD, and in the amounts set forth in the statements and estimates attached hereto and expressly made a part hereof as Exhibit A.

SECTION 3. Certified copies of this Resolution and Order be delivered by U.S. Mail to the Maricopa County Board of Supervisors and to the Arizona Department of Revenue on or after July 1, 2024 (inasmuch as the tax levy must be filed by the Maricopa County Board of Supervisors on or before the third Monday in August).

SECTION 4. If any section, subsection, sentence, clause, phrase or portion of this Resolution or any part of the statements and schedules incorporated herein by reference are for any reason to be held invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

SECTION 5. The District Board Chairman, the District Manager, the District Clerk and the District Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the District Board of the Alamar Community Facilities District on June 3, 2024.

Kenneth N. Weise, Chairman District Board
Alamar Community Facilities District

ATTEST:

Marcella Sarmiento, District Clerk
Alamar Community Facilities District

APPROVED AS TO FORM:

Nicholle Harris, District Attorney
Alamar Community Facilities District

EXHIBIT A
TO
RESOLUTION NO. 3-2024

[Statements and Schedules]

See following pages.

Alamar Community Facilities District
Summary Schedule of estimated revenues and expenditures/expenses
Fiscal year 2025

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
2024	Adopted/adjusted budgeted expenditures/expenses*	E 1	0	136,334	466,289	4,000,000	0	0	0	4,602,623
2024	Actual expenditures/expenses**	E 2	0	36,334	443,091	2,954,650	0	0	0	3,434,075
2025	Beginning fund balance/(deficit) or net position/(deficit) at July 1***		0	0	0	0	0	0	0	0
2025	Primary property tax levy	B 4	0	49,555						49,555
2025	Secondary property tax levy	B 5			635,956					635,956
2025	Estimated revenues other than property taxes	C 6	0	100,000	0	0	0	0	0	100,000
2025	Other financing sources	D 7	0		0	2,500,000	0	0	0	2,500,000
2025	Other financing (uses)	D 8	0	0	0	0	0	0	0	0
2025	Interfund transfers in	D 9	0	0	0	0	0	0	0	0
2025	Interfund Transfers (out)	D 10	0	0	0	0	0	0	0	0
2025	Line 11: Reduction for fund balance reserved for future budget year expenditures									
	Maintained for future debt retirement									0
	Maintained for future capital projects									0
	Maintained for future financial stability									0
	Maintained for future retirement contributions									0
										0
2025	Total financial resources available	12	0	149,555	635,956	2,500,000	0	0	0	3,285,511
2025	Budgeted expenditures/expenses	E 13	0	149,555	635,956	2,500,000	0	0	0	3,285,511

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 or voter-approved alternative expenditure limitation

	2024	2025
1	\$ 4,602,623	\$ 3,285,511
2		
3	4,602,623	3,285,511
4		
5	\$ 4,602,623	\$ 3,285,511
6	\$	\$

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

* Includes expenditure/expense adjustments approved in the current year from Schedule E.

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

*** Amounts on this line represent beginning fund balance/(deficit) or net position/(deficit) amounts except for nonspendable amounts (e.g., prepaids and inventories) or amounts legally or contractually required to be maintained intact (e.g., principal of a permanent fund). See the Instructions tab, cell C17 for more information about the amounts that should and should not be included on this line.

Alamar Community Facilities District
Tax levy and tax rate information
Fiscal year 2025

	<u>2024</u>	<u>2025</u>
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ _____	\$ _____
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	\$ 36,334	\$ 49,555
Property tax judgment	_____	_____
B. Secondary property taxes	466,289	635,956
Property tax judgment	_____	_____
C. Total property tax levy amounts	\$ 502,623	\$ 685,511
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ 36,334	
(2) Prior years' levies	_____	
(3) Total primary property taxes	\$ 36,334	
B. Secondary property taxes		
(1) Current year's levy	\$ 466,289	
(2) Prior years' levies	_____	
(3) Total secondary property taxes	\$ 466,289	
C. Total property taxes collected	\$ 502,623	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	0.3000	0.3000
Property tax judgment	_____	_____
(2) Secondary property tax rate	3.8500	3.8500
Property tax judgment	_____	_____
(3) Total city/town tax rate	4.1500	4.1500
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>one</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.

Alamar Community Facilities District
Revenues other than property taxes
Fiscal Year 2025

Source of revenues	Estimated revenues 2024	Actual revenues* 2024	Estimated revenues 2025
Special revenue funds			
Contributions - Operations	\$ _____	\$ _____	\$ _____
Contributions - Capital	_____	_____	_____
Contributions - Debt	_____	_____	_____
Contingency	100,000	_____	100,000
	\$ 100,000	\$ 0	\$ 100,000
Total all funds	\$ 100,000	\$ 0	\$ 100,000

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

Alamar Community Facilities District
Other financing sources/(uses) and interfund transfers
Fiscal year 2025

Fund	Other financing 2025		Interfund transfers 2025	
	Sources	(Uses)	In	(Out)
Special revenue funds				
Bond Issuance	\$ 2,500,000	\$	\$	\$
Total special revenue funds	\$ 2,500,000	\$ 0	\$ 0	\$ 0
Total all funds	\$ 2,500,000	\$ 0	\$ 0	\$ 0

**Alamar Community Facilities District
Expenditures/expenses by fund
Fiscal year 2025**

Fund/Department	Adopted budgeted expenditures/ expenses 2024	Expenditure/ expense adjustments approved 2024	Actual expenditures/ expenses* 2024	Budgeted expenditures/ expenses 2025
Special revenue funds				
General Operations	\$ 36,334	\$	\$ 36,334	\$ 49,555
Capital	4,000,000		2,954,650	2,500,000
Capital - Finance				
Debt	466,289		443,091	635,956
Contingency	100,000			100,000
Total special revenue funds	\$ 4,602,623	\$ 0	\$ 3,434,075	\$ 3,285,511
Total all funds	\$ 4,602,623	\$ 0	\$ 3,434,075	\$ 3,285,511

* 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.

**Alamar Community Facilities District
Expenditures/expenses by department
Fiscal year 2025**

	Adopted budgeted expenditures/ expenses	Expenditure/ expense adjustments approved	Actual expenditures/ expenses*	Budgeted expenditures/ expenses
Department/Fund	2024	2024	2024	2025
General Operations:				
Alamar CFD Operating	\$ 36,334	\$	\$ 36,334	\$ 49,555
Capital	4,000,000		2,954,650	2,500,000
Debt	466,289		443,091	635,956
Contingency	100,000			100,000
Department total	\$ 4,602,623	\$ 0	\$ 3,434,075	\$ 3,285,511

* 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.

ITEM NUMBER: 2.b.

SUBJECT: 4th of July Fireworks Update

MEETING DATE: 6/3/2024

TO: Mayor and Council

FROM: Memo Espinoza, Chief of Police

THROUGH: Ron Corbin, City Manager, (623) 333-1011

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

This agenda item supports the following Avondale Strategic Outcome Area:

- Public Health and Safety - Avondale is a city where all people feel safe and secure, relying on trusted public and community-based resources.

To provide police response to loud noise/fireworks calls for service.

PURPOSE:

City Council will receive information regarding the Avondale Police Department's response to firework calls for service. This item is for discussion only.

BACKGROUND:

The Avondale Police Department responds to reports of the use of illegal fireworks year-round. However, enforcement details are deployed during the July 4th and New Year's Eve Holidays. The Avondale Police Department enforces illegal fireworks calls under Arizona Revised Statute 36-1607 and/or Avondale City Ordinance 10-45. The Avondale Police Department's response to reports of loud noise is outlined in Avondale Police Department Operational Order 31.242.

DISCUSSION:

It is the policy of the Avondale Police Department to respond to illegal fireworks complaints generated by residents, businesses, and visitors to our city. With the Independence Day Holiday approaching, additional officers are set to conduct a proactive detail on July 4th to on-view, respond to, and enforce any illegal fireworks activity. Strategies being used by officers are utilizing citizen-generated calls for service, aerial drones for on-view activity, and drive-through neighborhoods to be visible and ready to address the use of illegal fireworks. Upon being dispatched for a fireworks complaint, officers assess the type of fireworks being used, observe who is in possession, and issue citations if necessary. Officers will also preemptively provide citizens with plenty of warnings using our social media platforms along with visiting firework vendors to inspect and review the types of fireworks being sold, all before and during the holiday.

From 6:00 p.m. on July 4, 2023, to 6:00 a.m. on July 5, 2023, the Avondale Police Department received 88 fireworks calls for service. Of the 88 fireworks calls for service, 10 resulted in a citation being issued. The remaining 78 calls for service resulted in the officers not being able to locate the source of the fireworks. The call was referred to another agency, or the officer contacted the party being accused of illegal fireworks. However, the officer did not identify a problem.

Each year since December 2018, the Avondale Police Department assesses the need for a fireworks detail during the 4th of July and the New Year's Eve Celebration. The Avondale Police Department is committed to improving the quality of life of our residents by addressing the illegal use of fireworks within our city limits.

BUDGET IMPACT:

None

RECOMMENDATION:

This item is for information and discussion only.

Contact person for document distribution: Memo Espinoza, Chief of Police

ITEM NUMBER: 4.a.

SUBJECT: Minutes

MEETING DATE: 6/3/2024

TO: Mayor and Council

FROM: Marcella Sarmiento, City Clerk

THROUGH: Dale Nannenga, Deputy City Manager, (623) 333-1017

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

This agenda item supports the following Avondale Strategic Outcome Area: Connected Community - Avondale will work directly and closely with our communities to develop programs and infrastructure that connect residents to the city's resources, the region, and each other. The approval of this agenda item provides residents with access to a previous meeting's minutes. The meeting minutes provide another outlet for residents to connect with the City Council.

PURPOSE:

City Council will consider a request to approve the May 6, 2024 City Council meeting minutes. The Council will take appropriate action.

BACKGROUND:

Pursuant to Arizona Revised Statute §§ 38-431.01(B), the City must provide written minutes of all City Council meetings.

DISCUSSION:

City Council held a meeting and the attached minutes have been prepared for approval.

BUDGET IMPACT:

This item has no budget impact.

RECOMMENDATION:

Staff recommends City Council approve the May 6, 2024 City Council meeting minutes.

Contact person for document distribution: Chris Pierson

MINUTES OF THE AVONDALE CITY COUNCIL
CITY OF AVONDALE, ARIZONA
CITY COUNCIL CHAMBER
May 06, 2024

A **Regular Meeting** of the City Council of the City of Avondale, Arizona was convened at 11465 West Civic Center Drive in open and public session at 5:34 p.m.

Mayor Kenn Weise led the Pledge of Allegiance, followed by a moment of silent reflection.

Members Present: Mayor Kenn Weise; Vice Mayor Mike Pineda; Council Members Tina Conde, Veronica Malone, Curtis Nielson, Gloria Solorio, and Max White.

Members Absent: None.

Other Municipal Officials Present: Ron Corbin, City Manager; Tracy Stevens, Assistant City Manager; Dale Nannenga, Deputy City Manager; Nicholle Harris, City Attorney; Marcella Sarmiento, City Clerk; Liz Barker Alvarez, Intergovernmental Affairs Administrator; Kirk Beaty, Public Works Director; Cheryl Covert, Economic Development Assistant Director; Barbara Coppage, City Auditor; Memo Espinoza, Police Chief; Joel Evans, Facilities Director; Bryan Hughes, Parks and Recreation Director; Julie Knoll, Deputy City Clerk; Craig Jennings, Judge; Chris Lopez, Neighborhood and Family Services Director; Andy Mesquita, Human Resources Director; Kimberly Moon, Engineering Director; Jodie Novak, Development Services Director; Larry Rooney, Fire Chief; Jeffrey Scheetz, Chief Information Officer; Pier Simeri, Marketing and Public Relations Director; and Renee Weatherless, Finance and Budget Director.

Audience: Approximately 50 members of the public were present.

1. ROLL CALL BY THE CITY CLERK

2. PRESENTATION ITEMS (DISCUSSION ONLY)

a. RECOGNITION OF FIRE AND MEDICAL CITIZEN'S ACADEMY GRADUATES

City Council recognized the recent graduates of the Fire and Medical Citizen's Academy. This item was for discussion only.

b. PROCLAMATION – ECONOMIC DEVELOPMENT, TOURISM, AND SMALL BUSINESS MONTH

City Council presented a proclamation recognizing the month of May 2024 as Economic Development, Tourism, and Small Business Month. This item was for discussion only.

c. MARVIN ANDREWS FELLOW RECOGNITION

City Council recognized the contributions Dillard Collier has made as a Marvin Andrews Fellow with the City of Avondale. This item was for discussion only.

d. PROCLAMATION – NATIONAL WATER SAFETY MONTH

City Council presented a proclamation recognizing May 2024 as Water Safety Month.

This item was for discussion only.

e. REPORTS FROM THE CITY MANAGER

The City Manager congratulated Mayor Kenneth Weise for graduating from Grand Canyon University with his bachelor's degree.

City Council took a recess at 6:05 PM.

City Council reconvened the meeting at 6:20 PM

3. UNSCHEDULED PUBLIC APPEARANCES

Matt O'Halloran represented Avondale Police Association to present 6 scholarships to Avondale high school seniors.

4. CONSENT AGENDA

Items on the consent agenda are of a routine nature or have been previously studied by the City Council at a work session. They are intended to be acted upon in one motion. Council members may pull items from consent if they would like them considered separately.

Mayor Weise asked if any Council Member wished to have an item removed from the Consent Agenda. Having no requests from Council, motion was made by Council Member White, seconded by Council Member Conde, to approve the Consent Agenda. Upon vote, the motion was carried unanimously 7 to 0.

Council Member Conde	Aye
Council Member Malone	Aye
Council Member Nielson	Aye
Council Member Solorio	Aye
Council Member White	Aye
Vice Mayor Pineda	Aye
Mayor Weise	Aye

a. MINUTES

City Council approved the April 8, 2024, and April 22, 2024 City Council meeting minutes.

b. VEHICLE PURCHASE BUDGET AND AWARD AUTHORITY

City Council (a) approved a budget amendment in the amount \$432,500 from the Unanticipated Revenue line item for the purpose of ordering replacement vehicles scheduled for FY2025; (b) authorized administrative award authority for the outlined vehicle purchases; and (c) authorized the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

c. RESOLUTION 1041-0524 – TERMINATION OF AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF TOLLESON FOR THE DEANNEXATION AND ANNEXATION OF VAN BUREN STREET RIGHT-OF-WAY

City Council adopted Resolution 1041-0524, authorizing the termination of an Intergovernmental Agreement with the City of Tolleson for the de-annexation and annexation of the eastbound lanes of Van Buren Street right-of-way from 99th Avenue to 107th Avenue and authorized the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

d. RESOLUTION 1042-0524 - INTERGOVERNMENTAL AGREEMENT (IGA) WITH MARICOPA COUNTY FOR GIS DATA AND IMAGERY SERVICES

City Council adopted Resolution 1042-0524, authorizing an Intergovernmental Agreement (IGA) between the partnering agencies of the City of Avondale and Maricopa County and authorized the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

e. ORDINANCE 2009-0524 - AMENDING THE CITY OF AVONDALE CITY CODE, CHAPTER 17, PARKS AND RECREATION, SECTION 17-5, PERTAINING TO OPERATION OF DRONES AT FESTIVAL FIELDS PARK

City Council adopted Ordinance 2009-0524, Amending the City of Avondale City Code, Chapter 17, Parks and Recreation, Section 17-5, pertaining to operation of drones at Festival Fields Park and authorized the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

Note from the City Clerk: Agenda items 5a and 5b were presented together and voted on separately.

5. REGULAR AGENDA

a. PUBLIC HEARING AND RESOLUTION 1043-0524 - HERMOSA RANCH TECHNOLOGY CAMPUS - NORTH - MAJOR GENERAL PLAN AMENDMENT - APPLICATION PL-23-0299

City Council held a public hearing and considered a request to adopt Resolution 1043-0524, approving a request by Carolyn Oberholtzer of Bergin, Frakes, Smalley, and Oberholtzer, PLLC for a major General Plan amendment for Hermosa Ranch Technology Campus North, an approximately 239 gross acre planned technology campus with a data center and related employment uses located at the southwest corner of Avondale Boulevard and Lower Buckeye Road and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The proposed major General Plan amendment, if approved, will amend the General Plan 2030 Land Use Map designations for the property from Medium Density Residential and Estate/Low Density Residential to Business Park. The amendment will also expand the existing Local Commercial land use area.

Josh Orton, Senior Planner, provided an overview of Application PL-23-0299 and Application PL-23-0300. The General Plan Amendment (GPA) is to request the land

use designation of estate/low density residential and medium density residential be amended to Business Park. The rezone request is to rezone the property from the Diamond P. Ranch Planned Area Development (PAD), Fleming Farms PAD, and Agricultural (AG) to Hermosa Ranch Technology Campus -North PAD.

The approximate 239-acre contains a dairy farm and is located at the southwest corner of Avondale Boulevard and Lower Buckeye Road. To the north of Lower Buckeye Road is the Del Rio Ranch single-family subdivision. To the east along Buckeye Road is Raceway Rancheros single-family subdivision and Shadow Ridge subdivision south of that. To the south is Hermosa Ranch Technology Campus South PAD; Sierra Estrella Energy Storage, a battery storage energy site and SRP Substation, and to the west is Cantada Ranch single-family subdivision PAD.

Part of the request is to increase the existing local commercial land use from 16.45 acres to 28 acres. The requested Business Park designation would allow for a large campus development, which in turn provides an abundance of employment opportunities and amenities. Amenities include attractive streetscapes, pedestrian connections, efficient circulation and spaces for activities to promote healthy lifestyles for employees. This category accommodates light manufacturing, corporate commerce offices, data centers, research and development industries, and solar and renewable energy facilities and manufacturers among others as well as warehouse and limited support services for the primary businesses. The local commercial land use category is used for providing for the daily needs, goods, and services for surrounding residents, such as grocery stores.

The employment uses are tailored to achieve the goal of developing the site as a technology campus while achieving the City's goal of a high-quality employment center that limits potential impacts on surrounding communities. The underlying zoning districts associated with this development are commerce park (CP) and community commercial (C2) and will facilitate the development of a technology campus and commercial development.

The following are requested deviations for the technology campus development:

- Increasing building height from 35 feet to 50 feet
- Increasing the screened equipment allowance on top of the buildings from 15 feet to 25 feet
- Increasing the setbacks along the north property lines from 25 feet to 100 feet
- Increasing the setbacks along the western property line from 50 feet to 230 feet
- Additional deviations are noted in the staff report

Requested deviations to the commercial portion, particularly the C2 development standards, would foster compatibility with the technology campus that will surround the property and allow for the development of an accessory gas station site to a potential grocery anchor and increase visibility from the proposed commercial PADS

from then adjacent rights-of-way.

Of the applicant's proposed improvements to the site, highlighted features included:

- The applicant is proposing a 35-foot landscape buffer on both sides of an existing 180-foot powerline corridor
- On the north and east sides, the applicant is proposing landscaping along with a 10-foot multi-use trail, incorporating it into a 50-foot landscape setback surrounding the site on the north and east sides

In response to comments received, the applicant provided view shed analysis that depicts line of sight comparisons between the single-family subdivision and the proposed technology center.

Staff analysis for the Major General Plan Amendment finds:

- Amendment will facilitate employment uses at an appropriate location and where no alternatives are available
- The current residential land use designation does not advance employment and land use goals of the 2030 General Plan
- The site is ideally located adjacent to supportive power and transportation infrastructure
- The current General Plan does not have other Business Park sites with these advantages and of suitable size
- Improves the General Plan with supportive land uses designed to attract business opportunities and employment investment
- Business Park land uses reinforce Avondale's economic stability and sustainability
- The location of the commercial portion will attract commercial development such as a grocery store and shopping center to serve southern Avondale.
- The Major General Plan Amendment will not result in larger or extensive public infrastructure improvements
- Will generate less demand for public safety services with the use of private security on site
- Will result in an estimated 15% less water and 51% less wastewater demand than residential use

Staff analysis of the rezone finds it to be in conformance with the proposed General Plan Land Use Designation of Business Park and Local Commercial. The proposed PAD conforms with requirements in the zoning ordinance, subdivision regulations, commercial and industrial design manuals, and any other applicable regulations and requirements unless modified by the proposed deviations. Adequate public infrastructure to support the proposed development exists or will be constructed by the developer. Staff's stipulation for the rezone indicates the developer will not be permitted to use more water or sewer capacity than planned for. Overall, this amendment is consistent with the intent of the General Plan 2030

A Neighborhood Meeting was held on January 30, 2024, at City Hall. There were seven attendees aside from the applicant's team, City Staff, and one member of the City Council. Topics that were discussed included security around the power line corridor, scale of the data center, blocking views, right-of-way, potential grocery store, roadway expansion, powerline corridor, and project timeline.

As part of the 60-day review process, notices were sent and two agencies, Southwest Gas Corporation and State Historic Preservation Office, both indicated they had no conflicts with the project. On Avondale Connect, 50 comments were received. Most generally were in opposition to the project with concerns about increased water usage, traffic impacts, property values, the site was better used for commercial development, and the project would be better suited at a different location.

On April 17, 2024, Planning Commission meeting members voted 4-1 to recommend approval of both items. Questions raised by commissioners related to potential economic impact and benefit of these types of buildings as well as the compatibility with surrounding areas, tax or economic significance, and overall significance to the community. There were also questions related to the landscape buffers and water and wastewater usage.

Staff recommends approval of Application PL -23-0299, a request for a Major General Plan Amendment changing land use designation of subject property from medium density residential and estate/low density residential to business park and expanding the existing local commercial General Plan Land Use

Staff recommends approval of application PL-23-0300 a request to rezone approximately 239 gross acres from Diamond P Ranch Planned Area Development (PAD), Fleming Farms PAD, and Agricultural (AG) to Hermosa Ranch Technology Campus – North PAD

Mayor Weise opened the public hearing and received a total of 13 cards. There were 11 people in favor of the amendment but who did not wish to speak. Two cards were received from people who did wish to speak in favor of the item.

Hector Hernandez, a lifetime resident of Avondale, spoke in favor of the project as it will be an opportunity for the carpenters to work in their hometown rather than traveling. He also commented on the improvements that previous development projects have brought to Avondale.

Martin Matsumoto spoke in favor of the project as it will provide him and other carpenters with an opportunity to work in their hometown.

Mayor Weise confirmed there were no other speakers and also confirmed there were no online comments to be read.

Mayor Weise closed the public hearing and opened the floor for comments from Council.

Mayor Weise spoke about moving Avondale from entry level jobs to and the Technology Center is a way to start that process. The location of the facility is ideal with the medical corridor along McDowell Road. The construction project will support the community by allowing Avondale residents to work where they live. Another exciting benefit is the 28-acre commercial site with the proposal of a much-needed grocery store.

In response to Council Member White's questions, Mr. Orton advised there will be approximately 150 jobs at the data center. Ms. Oberholtzer explained the developer, who has not been named yet, will choose the construction team but agrees the carpenters in Avondale are some of the best in the business.

Council Members expressed their gratitude for the presentation and for the carpenters coming out to speak this evening in support of the project. They hope this project will allow them to live, work, and play in Avondale.

Vice-Mayor Pineda spoke about the economic impact the project will generate for Avondale and the benefit residents will receive from the commercial project.

Mayor Weise discussed the economic impact from changes in legislation, such as the removal of the rental tax. A project such as this will benefit the community along with the construction sales tax, electricity and property taxes which benefit the schools and allow the City to move forward with Station 176 in Alamar and to increase the police force by 8-10%. Looking ahead, the Council should discuss research and development jobs, especially when SR30 opens.

Council Member Solorio moved to adopt Resolution 1043-0524, approving Application PL-23-0299, a request to amend the General Plan 2030 Land Use Map designation from Medium Density Residential and Estate/Low Density Residential to Business Park and to expand the existing Local Commercial designation and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents; Council Member White seconded the motion.

Upon vote, the motion was carried unanimously 7 to 0.

Council Member Conde	Aye
Council Member Malone	Aye
Council Member Nielson	Aye
Council Member Solorio	Aye
Council Member White	Aye
Vice Mayor Pineda	Aye
Mayor Weise	Aye

b. PUBLIC HEARING AND ORDINANCE 2010-0524 - HERMOSA RANCH TECHNOLOGY CAMPUS - NORTH - REZONING - APPLICATION PL-23-0300

City Council held a public hearing and considered a request to adopt Ordinance 2010-0524, approving a request by Carolyn Oberholtzer with Bergin, Frakes, Smalley and Oberholtzer PLLC to rezone approximately 239 gross acres located at the southwest corner of Avondale Boulevard and Lower Buckeye Road and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The proposal would change the zoning from Diamond P Ranch Planned Area Development (PAD), Fleming Farms Planned Area Development (PAD) and Agricultural (AG) to Hermosa Ranch Technology Campus - North Planned Area Development (PAD) to allow for a data center, technology campus, and local commercial development.

Mayor Weise opened the public hearing and received requests to speak as previously noted in the item above.

Michael Torrez, of Local 1912 Union Carpenters, spoke of the numerous projects the members have worked on within Arizona and noted the wages need to be made livable and prevailing to get more carpenters out there.

Mayor Weise closed the public hearing and opened the floor for comments from Council.

Council Member Malone moved to adopt Ordinance 2010-0524, approving application PL-23-0300 Hermosa Ranch Technology Campus - North, a request to rezone approximately 239 gross acres from Diamond P Ranch Planned Area Development (PAD), Fleming Farms Planned Area Development (PAD), and Agricultural (AG) to Hermosa Ranch Technology Campus - North Planned Area Development (PAD) to allow for a data center, technology campus, and local commercial development, subject to the following ten (10) conditions of approval and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents; Council Member Conde seconded the motion.

Upon vote, the motion was carried unanimously 7 to 0.

Council Member Conde	Aye
Council Member Malone	Aye
Council Member Nielson	Aye
Council Member Solorio	Aye
Council Member White	Aye
Vice Mayor Pineda	Aye
Mayor Weise	Aye

c. PUBLIC HEARING – RESULTS OF BIENNIAL AUDIT OF DEVELOPMENT IMPACT FEES

City Council held a public hearing on the development impact fee biennial certified

audit, as required by A.R.S. 9-463.05. This item was for a public hearing and discussion only.

Rob Baer, Budget Manager of Finance and Budget, presented an overview of the Biennial Audit of Development Impact Fees for FY-21 and -22. Heinfeld Meech conducts the City's Biennial Audit, which does not have a timeline for completion. However, as part of the budget, the Biennial Impact for the next cycle will be moved up, being FY-23 and -24, to allow more actionable information for any findings.

The only finding for this audit was related to growth projections, such as variances between the land use assumptions and the actual growth in the city. The population was off by 1% and no action is necessary by the City as it is difficult to project the future. Land use assumptions were updated in calendar year 2023 as part of the updated impact fees.

Mayor Weise opened the public hearing and did not receive any requests to speak. Mayor Weise closed the public hearing and opened the floor for comments from Council. No questions or comments were received from Council.

d. RESOLUTION 1044-0524 – ADOPTION OF THE FISCAL YEAR 2025 TENTATIVE BUDGET

City Council adopted Resolution 1044-0524, setting forth the fiscal year (FY) 2025 tentative budget and establishing the city's annual expenditure limitation and authorized the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

Renee Weatherless, Director of Finance and Budget, provided an update on changes to the budget since the last review prior to adoption of the FY 2025 Tentative Budget. The Council was reminded the Tentative Budget sets the maximum expenditure limit so the final budget cannot increase beyond the total Tentative Budget amount. A narrative summary inclusive of charts for revenues and expenditures and where funds are allocated to has been included in the agenda packet.

Changes made since the last review include:

- The addition of \$5 million appropriation for the Family Advocacy Center
- The 2 FTE were already included in the recommended budget but are being noted for statistical purposes
- Changes in the carryover amount are related to how much spending will be accomplished prior to June 30th and would then need to be carried over

Public notice requirements will be fulfilled for the truth in taxation, and then the next step is the adoption of the final budget and tax levy.

Vice Mayor Pineda moved to adopt Resolution 1044-0524, setting forth the fiscal year (FY) 2025 Tentative Budget and establishing the City's annual expenditure limitation and authorizing the Mayor or City Manager, City Attorney and City Clerk to execute

the necessary documents; Council Member Neilson seconded the motion.

Upon vote, the motion was carried unanimously 7 to 0.

Council Member Conde	Aye
Council Member Malone	Aye
Council Member Nielson	Aye
Council Member Solorio	Aye
Council Member White	Aye
Vice Mayor Pineda	Aye
Mayor Weise	Aye

e. AVONDALE'S PUBLIC TRANSIT PROGRAM UPDATE

City Council received an update from the Public Works Department on the current status and recent developments within Avondale's Public Transit Program, including upcoming projects and initiatives. This item was for discussion only.

Matt Dudley, Transit Manager of Public Works, provided an overview of the public transit program.

The Boulevard Transit Center was completed today utilizing federal funds, regional Proposition 400 funds and some matching local funds. The center is connected directly to the Boulevard parking garage and utilizes solar lighting. The transit center will be working with the Art Commission to add art.

The Bus Shelters are approximately 25 years old and in need of modernization. With the use of Proposition 400 funds, 13 bus shelter locations throughout the City will be modernized with advertising kiosks.

WeRIDE is Avondale's regional and international award-winning program that was originally a pilot program in the north zone. It has now expanded to 22 miles, 11 vehicles, 560 virtual stops, and it had approximately 7,300 passengers on the WeRIDE system in the past month.

Residents have embraced WeRIDE. A survey was sent out to existing customers only with a 15% response rate. The main reasons for using WeRIDE include limited access to personal vehicles and transportation cost savings. The most common reasons for using WeRIDE were shopping, work and medical appointments.

Next steps will be to:

- Expand the hours to 6:00 a.m. to 8:00 p.m. to match the sister WeRIDE sister program in Goodyear
- Pilot Saturday service in November
- Offer a summer program with ½ off on Mondays and Fridays due to decreased ridership when school is out
- Provide free trips to school lunch sites

A promotional video for WeRIDE was shared. Mayor Weise commented on the number of residents that benefit from WeRIDE's services. He suggested in the future to explore Sunday morning hours to accommodate those who want to attend church.

In response to questions, Mr. Dudley noted the future expansion will require 3 additional vehicles and 4-5 more employees. He explained their routes are flexible and can adapt quickly to residents' needs. Avondale is part of the three-city WeRIDE coalition along with Goodyear and Surprise, which during the month of March reached 100,000 riders with Avondale having 50,000 of them.

Mayor Weise thanked Mr. Dudley and his team for the phenomenal job with WeRIDE, which is an envy of the West Valley.

6. SUMMARY OF CURRENT EVENTS FROM MAYOR, VICE MAYOR, AND COUNCIL MEMBERS

Mayor Weise noted Cherlene Penilla, who has been with the City of Avondale for 30-plus years, is retiring. Bryan Hughes is also retiring from the City of Avondale in 4 weeks.

7. ADJOURNMENT

There being no further business before the Council, Council Member Nielson moved to adjourn the Regular Meeting into Executive Session pursuant to (i) Ariz. Rev. Stat. § 38-431.03(A)(1) for discussion of the employment evaluation and salary of the City Manager and (ii) Ariz. Rev. Stat. § 38-431.03(A)(3) for discussion with the City Attorney or attorneys for the City for legal advice concerning the legal requirements of the Arizona State Retirement System; Council Member Malone seconded the motion.

Upon vote, the motion was carried unanimously 7 to 0.

Council Member Conde	Aye
Council Member Malone	Aye
Council Member Nielson	Aye
Council Member Solorio	Aye
Council Member White	Aye
Vice Mayor Pineda	Aye
Mayor Weise	Aye

The meeting was adjourned at 7:29 p.m.

Kenn Weise, Mayor

CERTIFICATION AND ATTESTATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Council of the City of Avondale held on the 6th day of May 2024. I further certify that the meeting was duly called and held, and that the quorum was present.

Marcella Sarmiento, City Clerk

Date Approved by City Council

ITEM NUMBER: 4.b.

SUBJECT: Adoption of the Fiscal Year 2025 Pension Funding Policy

MEETING DATE: 6/3/2024

TO: Mayor and Council

FROM: Renee Weatherless, Finance and Budget Director

THROUGH: Ron Corbin, City Manager

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

This agenda item supports the following strategic outcome area:

Innovative program and service delivery - Avondale will continue to serve as a model of innovative, efficient, and responsive government.

PURPOSE:

City Council will consider a request to adopt an updated Pension Funding Policy for Fiscal Year 2025 and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

During the 2018 legislative session, HB2097 was adopted, requiring participants in the Arizona Public Safety Personnel Retirement System (PSPRS) to formally adopt a pension funding policy. The governing body must re-adopt the policy annually, accept the employer's share of the system's assets and liabilities, and post the policy on its website. The City Council adopted the original policy at the 6/3/2019 Council meeting. The policy for FY2025 updates the city plans' assets, liabilities and funded status percentages recently provided by the PSPRS' actuarial firm for FY2023. The policy also identifies the city's annual required contribution (ARC) for the upcoming fiscal year.

DISCUSSION:

The city's sworn Police and Fire personnel are members of legacy pension plans designated for each group. Plan information in the policy is presented only for the two legacy plans. The city's newer public safety personnel are members of a shared pension plan that is composed of multiple employers due to the size of staff with individual employers. The city's legacy plans' combined funded status increased from 71.9% in FY2022 to 72.9% in FY2023. The required contribution for FY2025 is \$5,007,736 and the city is planning to contribute \$8,762,500. The additional contribution results from an increase in the public safety positions budgeted since the calculation of the ARC. In addition, the city budgets Tier 3 PSPRS positions at the Tier 1/Tier 2 contribution amount in order to allocate more funds towards the Tier 1/Tier 2 unfunded liability. Currently, the city anticipates being fully funded by FY2036.

BUDGET IMPACT:

There is no budgetary impact associated with this action. The City's required contributions to PSPRS are included in the FY2025 proposed budget.

RECOMMENDATION:

Staff recommends Council adopt the updated Pension Funding Policy for FY2025.

Contact person for document distribution: Aaron White

City of Avondale

Public Safety Personnel Retirement System

FY2025 Pension Funding Policy

The intent of this policy is to clearly communicate the Council's pension funding objectives and its commitment to our employees and the sound financial management of the city and to comply with Arizona Revised Statutes Title 38 Chapter 5 Article 4 Section 863.01.

Several terms are used throughout this policy:

Unfunded Actuarial Accrued Liability (UAAL) – Is the difference between trust assets and the estimated future cost of pensions earned by employees. This UAAL results from actual results (interest earnings, member mortality, disability rates, etc.) being different from the assumptions used in previous actuarial valuations.

Annual Required Contribution (ARC) – Is the annual amount required to pay into the pension funds, as determined through annual actuarial valuations. It is comprised of two primary components: normal pension cost – which is the estimated cost of pension benefits earned by employees in the current year; and amortization of UAAL – which is the cost needed to cover the unfunded portion of pensions earned by employees in previous years. The UAAL is collected over a period of time referred to as the amortization period. The ARC is a percentage of the current payroll.

Funded Ratio – Is a ratio of fund assets to actuarial accrued liability. The higher the ratio the better funded the pension is, with 100% being fully funded.

Intergenerational equity – Ensures that no generation is burdened by substantially more or less pension costs than past or future generations.

The city's police and fire employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). The city's Detention Center correctional employees also participate in a separate Correction Officers Retirement Plan (CORP) that is also administered by PSPRS.

Public Safety Personnel Retirement System (PSPRS)

PSPRS is administered as an agent multiple-employer pension plan. An agent multiple-employer plan has two main functions: 1) to comingle assets of all plans under its administration, thus achieving economy of scale for more cost-efficient investments and invest those assets for the benefit of all members under its administration and 2) serve as the statewide uniform administrator for the distribution of benefits.

Under an agent multiple-employer plan each agency participating in the plan has an individual trust fund reflecting that agencies' assets and liabilities. Under this plan all contributions are deposited to and distributions are made from that fund's assets, each fund has its own funded ratio and contribution rate, and each fund has a unique annual actuarial valuation. PSPRS operates as the administrator of two plan groups: 1) individual employer legacy plans for the majority of the city's longer-term public safety and detention center employees; and 2) a combined risk pool plan for newer public safety employees from multiple employers. In the legacy group, the City of Avondale has three trust funds, one for police employees, one for fire employees, and one for correctional employees. As the assets and liabilities of the risk pool plan are not employer-specific, data for Avondale is not provided.

Council formally accepts the assets, liabilities, and current funding ratio of the city's PSPRS legacy trust funds from the June 30, 2023 actuarial valuation, which are detailed below.

Trust Fund	Assets	Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio
Avondale Police	\$52,773,414	\$76,464,021	\$23,690,607	69.0%
Avondale Fire	\$42,123,417	\$54,104,584	\$11,981,167	77.9%
Detention CORP	\$2,922,393	\$3,550,192	\$627,799	82.3%
City of Avondale Totals	\$97,819,224	\$134,118,797	\$36,299,573	72.9%

PSPRS Funding Goal

Pensions that are less than fully funded place the cost of service provided in earlier periods (amortization of UAAL) on the current taxpayers. Fully funded pension plans are the best way to achieve taxpayer and member intergenerational equity. Most funds in PSPRS are significantly underfunded and falling well short of the goal of intergenerational equity.

The Council's PSPRS funding ratio goal is 100% (fully funded) by June 30, 2036.

Council established this goal for the following reasons:

- The PSPRS trust funds represent only the City of Avondale's liability.
- The fluctuating cost of an UAAL causes strain on the city's budget, affecting the city's ability to provide services.
- A fully funded pension is the best way to achieve taxpayer and member intergenerational equity.

Council has taken the following actions to achieve this goal:

- Maintain ARC payment from operating revenues – Council is committed to maintaining the full ARC payment (normal cost and UAAL amortization) from operating funds. The estimated combined ARC for FY2025 is \$5,007,736 and will be able to be paid from operating funds without diminishing city services.

- **Additional payments above the ARC**
 - **Prepay both the employer and employee ARC within the first 90 days of the fiscal year** – Pre-funding the full city contribution and a portion of the employee contributions has an immediate impact on long-term funding due to the increased investment returns applied directly to the city's PSPRS trust accounts.
 - Employer contributions will be prepaid in full at the amount included in the city's annual budget - The city's annual budget amount is based upon the actuarially determined rate applied to 100% full employment for all positions including budgeted vacant positions, positions filled by an employee in DROP, and all other eligible positions whereby contributions are not currently required but have been budgeted for by the city.

Plan	FY2025 Budgeted Employer Contributions
Avondale Police	\$ 5,502,900
Avondale Fire	\$ 3,094,800
Detention CORP	\$ 164,800
City of Avondale Totals	\$ 8,762,500

- Employee contributions will be prepaid at 50 -75% of the estimated employee ARC based upon cash flow needs at the discretion of the Finance and Budget Department Director.
 - **Annual pension contributions above the ARC** – as part of the city's annual budgetary process, staff will evaluate the assets, liabilities, and current funding ratio of the city's PSPRS trust funds from the most current actuarial valuation and the city's general fund financial position and consider funding appropriations in excess of the ARC to incrementally achieve the Council's PSPRS funding ratio goal of 100%.

Based on these actions the Council plans to achieve its goal of 100% funding by June 30, 2036, in accordance with the amortization timeline set forth by the PSPRS June 30, 2022, Actuarial Valuation.

ITEM NUMBER: 4.c.

SUBJECT: Wired Telecommunications License and Right-of-Way Use Agreement with Light Source Communications, LLC

MEETING DATE: 6/3/2024

TO: Mayor and Council

FROM: Kimberly Moon, Director, Engineering Department

THROUGH: Tracy Stevens, Assistant City Manager, (623) 333-1014

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

This agenda item supports the following Avondale Strategic Outcome Area:

- Connected Community - Avondale will work directly and closely with our communities to develop programs and infrastructure that connect residents to the city's resources, the region, and each other.
-

PURPOSE:

City Council will consider a request to approve a new Wired Telecommunications License and Right-of-Way Use Agreement with Light Source Communications, LLC, to allow the placement of fiber telecommunication infrastructure in City right-of-way, and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

Light Source Communications, LLC, (Light Source) wishes to install 34,267 feet of conduit and dark fiber within City right-of-way as part of a metro ring project. This installation will be considered 100% interstate footage, which will allow Light Source to run fiber through the City's right-of-way.

DISCUSSION:

The Wired Telecommunications License and Right-of-Way Use Agreement (Agreement) will:

- Allow Light Source to install, operate, maintain, and repair conduit systems and fiber optic cable within the City's right-of-way.
- Allow for the possibility of the City to receive and use in-kind dark fiber from Light Source for City purposes.
- Require Light Source to provide as-built drawings of any conduit located within the right-of-way to the City electronically in a format compatible to our GIS system.

Light Source shall be responsible for maintenance and repair of all fiber installed. The Agreement requires security funding that must be met by Light Source to guarantee that they observe, fulfill, and perform all terms of the Agreement. The funding shall be provided prior to issuance by the City for any permit to construct, install, maintain, or perform any work under the Agreement. Standard insurance requirements are outlined in the Agreement.

The initial term of the Agreement is five (5) years, with a renewal option for three (3) additional 5-year terms.

BUDGET IMPACT:

The City will charge plan review and permit fees in accordance with its current Rates and Fees Schedule and will assess an annual right-of-way use fee of \$1.04 per linear foot of trench (not to exceed a 5% cap of Licensee's gross revenues) or receive in-kind dark fiber once the fiber is leased to third parties.

RECOMMENDATION:

Staff recommends City Council approve a new Wired Telecommunications License and Right-of-Way Use Agreement with Light Source Communications, LLC, to allow the placement of fiber telecommunication infrastructure in City right-of-way, and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

Contact person for document distribution: Natalie Railey, Terry Dorschied, Yulonda Moore

WIRED TELECOMMUNICATIONS LICENSE AND RIGHT-OF-WAY USE AGREEMENT

This Wired Telecommunications License and Right-of-Way Use Agreement (“Agreement”) is entered into this 1st day of June, 2024 by and between the City of Avondale, an Arizona municipal corporation (“City”) and Light Source Communications, LLC, a Michigan limited liability company (“Licensee”).

RECITALS

WHEREAS, the City owns public street and alley right-of-way and public utility easements within the boundaries of the City of Avondale;

WHEREAS, Licensee wishes to install, operate, maintain and repair cable containing bundles of multiple optical fibers, within the City’s right-of-way subject to the requirements of this Agreement;

WHEREAS, the City is authorized to regulate its streets, alley and public utility easements, and to grant, renew, deny, amend and terminate licenses for and otherwise regulate the installation, operation, repair, and maintenance of facilities within the City’s boundaries pursuant to the Avondale City Code, and by virtue of federal (47 U.S.C. § 253) and state statutes (including, but not limited to, ARIZ. REV. STAT. §§ 9-581, 9-582, and 9-583), by the City’s police powers, its authority over City’s public right-of-way, and its other governmental powers and authority;

WHEREAS, the City desires to reserve rights to construct, use, and allow others to construct and use all manner of additional improvements in the right-of-way, while granting Licensee a license to install, operate, maintain and repair Conduit Systems and Fiber Optic Cable within the City’s right-of-way;

WHEREAS, Licensee agrees to provide and maintain accurate maps showing the location of all Fiber Optic Cable owned or used by Licensee in the City right-of-way, and to comply with such other mapping requirements as the City may establish from time to time;

WHEREAS, Licensee will secure the appropriate licenses, encroachments and other permits required by the City for the placement of its Conduit Systems, Fiber Optic Networks, and related facilities within City Right of Way;

WHEREAS, Licensee has agreed to comply with public property use requirements that City has and may establish from time to time.

NOW THEREFORE, for and in consideration of the foregoing, the amounts hereinafter to be paid by Licensee, and the covenants and agreements contained herein to be kept and performed by Licensee, and for other good and valuable consideration, the City hereby grants to Licensee a telecommunication license and permission to use the public right-of-way pursuant to the terms and conditions set forth herein.

DEFINITIONS

Cable Services shall have the same meaning as defined in Chapter 4.5 of the Avondale City Code, herein incorporated by this reference, and in ARIZ. REV. STAT § 9-581. Cable Services is not a Telecommunications Service.

Conduit means pipes made of varying materials designed to protect buried Fiber Optic Cables.

Conduit System means any combination of Conduits, ducts, inner-ducts, manholes, and hand holes – all joined to form an integrated whole.

Dark Fiber means Fiber Optic Cables that have not been connected to transmission equipment or otherwise part of a Fiber Optic Network. Dark Fiber sales and leasing is not a Telecommunications Service.

Facilities means the plant, equipment, and property used in the provision of communication and Telecommunication Services and not owned by the City, including, but not limited to, poles, wires, pipe, Conduit, pedestals, antenna, Fiber Optic Cables, and other appurtenances placed in, on, or under the ROW.

Fiber Optic Cable means a cable containing bundles of optical fibers used to carry optical signals. Fiber Optic Cables may be part of a Fiber Optic Network.

Fiber Optic Network means a communication system consisting of an optical transmitter used to convert an electrical signal into an optical signal to send into an optical fiber, Fiber Optic Cables routed through Conduits and buildings, amplifiers, and an optical receiver to recover the signal as an electrical signal. A Fiber Optic Network contains Fiber Optic Cables and is used for the purpose of Telecommunications Services.

Gross Revenues means all cash, credits, property of any kind or nature, or other consideration, less related bad debt not to exceed one and one-half per cent annually, that is received directly or indirectly by the Licensee, its affiliates, subsidiaries or parent or any person, firm or corporation in which the Licensee has a financial interest or that has a financial interest in the telecommunications provider and that is derived from the Telecommunications Services provided in the area of jurisdiction. Gross revenues include all revenue from charges for Telecommunications Services to subscribers and all charges for installation, removal, connection or reinstatement of equipment necessary for a subscriber to receive Telecommunications Services, and any other receipts from subscribers derived from operating the telecommunications system to provide Telecommunications Services, including receipts from forfeited deposits, sale or rental of equipment to provide Telecommunications Services, late charges, interest and sale of program guides. Gross revenues also include all income the Licensee receives from the lease of its facilities located in the public streets, roads and alleys, unless services that the lessee provides over the leased facilities are subject to a transaction privilege tax of the licensing authority. Gross revenues do not include revenues from fees, taxes or other fees or charges that the Licensee collects and pays to any governmental authority, any increase in the value of any stock, security or asset, or any dividends or other distributions made in respect of any stock or securities.

Right-of-Way (“ROW”) means the roads, streets, highways, and alleys and all other dedicated public rights-of-way and public utility easements of the City.

Telecommunications means the transmission of information, between or among points specified by a user, of the user's choosing, without change in the form or content of the information as sent and received. Telecommunications does not include commercial mobile radio services, pay phone services, interstate services, Cable Services, information services, or the sale or leasing of Dark Fiber for transmission purposes.

Telecommunications Services means the offering of Telecommunications for a fee directly to the public or to such users as to be effectively available directly to the public. Telecommunications Services does not include commercial mobile radio services, pay phone services, interstate services, Cable Services, information services, the sale or leasing of Dark Fiber for transmission purposes, or the sale or leasing of Conduit.

AGREEMENT

1. LICENSE; TERM

- 1.1. **License; Route.** The City hereby grants to Licensee a non-exclusive, revocable license to use the designated portion of the ROW ("Route") subject to and conditioned upon Licensee's full, timely, complete, and faithful performance of all obligations required under this Agreement. Such use of the Route will be for the sole purpose of operating and maintaining a wired network as described in this Agreement. The Route will be occupied by Licensee's Conduit System, Fiber Optic Network, plant, equipment, and property used in the provision of communication and Telecommunication Services, including, but not limited to, poles, wires, pipe, Conduit, pedestals, antenna, Fiber Optic Cables, and other appurtenances placed in, on, or under the ROW (collectively, the "Licensee's Facilities") and is as reflected on the map (i.e. use area) in **Exhibit A**, herein incorporated by this reference. For the avoidance of doubt, under no circumstances shall the Route include any other property other than the ROW. Licensee may request modification or expansion of the Route by submitting all required permits for construction to the City. Any modifications or expansions to the Route shall be governed by the terms and conditions of this Agreement and must be approved in writing by the City in its sole discretion. Any modifications or expansions shall become part of the Route. Licensee shall not use any portion of the ROW that is abandoned by the City or removed from the City's legal boundaries or for any purpose other than that expressly stated in this Agreement.
- 1.2. **Term; Effective Date.** This Agreement is effective the date the last party signs ("Effective Date") and shall remain in effect for five (5) years from the Effective Date ("Term"), unless sooner terminated. No provision of this Agreement may be construed to grant any automatic extension, renewal, or replacement thereof.
 - 1.2.1. **Holdover.** If Licensee's Facilities remain in the Route, and Licensee continues to use such Licensee's Facilities beyond the expiration of the Term, the Agreement shall be considered to be in a "Holdover Term," subject to the terms and conditions of this Agreement. Such Holdover Term, however, shall not exceed sixty (60) days beyond the expiration of the Term, and no permits will be issued to Licensee by the City until a new license agreement has been approved by the City Council.

- 1.2.2. Failure by Licensee to have a valid license to use the Route or other ROW by the expiration of the Holdover Term shall result in immediate withdrawal and revocation of any existing permits issued by the City to Licensee. If, however, Licensee has timely filed its application and is in active negotiations with the City prior to the expiration of the Agreement, the City may, in its discretion, grant, extend, or take no action on permits issued to Licensee prior to the expiration of the Agreement.
- 1.3. Renewal. The parties may extend the Term of this Agreement for up to three (3) additional five (5) year periods upon the mutual written consent of both parties. Such renewal must be made within one-hundred eighty (180) days prior to the termination of the initial Term of the Agreement. Licensee understands that the City may adopt future code amendments or fee schedules relating to use of the ROW, which may become applicable to this Agreement upon its initial or subsequent renewal. Licensee acknowledges the right of the City to adopt and implement such lawful code amendments and/or fee schedules.
- 1.4. Amendments. This Agreement may not be amended without the written approval of both parties, except as described herein.
- 1.5. No Real Property Interest. Notwithstanding any provision in this Agreement to the contrary, and notwithstanding any negotiation, correspondence, course of performance or dealing, or other statements or acts by or between the parties, Licensee's rights in the Route is limited to the license rights created by this Agreement, which creates a revocable (subject to the terms and provisions herein), non-exclusive license in the Route. The City and Licensee do not by this instrument intend to create a lease, easement or other real property interest. Licensee shall have no real property interest in the Route or any portion of the ROW. Licensee's rights hereunder are subject to all covenants, restrictions, easements, agreements, reservations and encumbrances upon, and all other conditions of title to, the Route. Licensee's rights hereunder are further subject to all present and future building restrictions, regulations, zoning laws, ordinances, resolutions and orders of any local, state or federal agency, now or hereafter having jurisdiction over the Route or Licensee's use thereof.
- 1.6. "AS-IS" Condition. Licensee is responsible for the study and inspection of the Route to be used pursuant to this Agreement and for determining the fitness for use intended by Licensee. The City expressly disclaims all warranties of merchantability or fitness for a particular purpose or absence of hazardous conditions associated with the Route and the ROW. Licensee accepts the Route and ROW in "AS-IS" condition, without representation or warranty of any kind by the City, its officers, agents, or employees, and subject to all applicable laws governing the use of the Route for the permitted uses allowed by this Agreement.
- 1.7. Mapping Requirement. Licensee shall maintain as-built drawings of Licensee's Facilities located within the Route and furnish a copy to the City using as-builts in pdf and AutoCAD. Upon completion of new or relocation construction of Licensee's Facilities in the Route, Licensee shall create and maintain precise, up-to-date maps of any of Licensee's Facilities and the Route using as-builts in pdf and AutoCAD and will make this information available

to the City at least annually, or upon request of the City. The information provided by Licensee under this Section will be accurate to the best of Licensee's knowledge. Licensee shall make every reasonable effort to provide accurate and useful information, and the City acknowledges that the information will be provided on an "as-is" and "as-available" basis.

- 1.8. Dark Fiber and Other uses. To the extent Licensee occupies the ROW with empty Conduit and/or Dark Fiber and/or uses the ROW to provide interstate services other than Telecommunication Services as defined by ARIZ. REV. STAT § 9-581, such use or occupation of the ROW is subject to the terms and conditions of this Agreement and any applicable fees, permits, and laws.
- 1.9. Cable System. If Licensee obtains or seeks federal, state, or local approval to provide Cable Services over Licensee's Facilities within the City, this Agreement shall remain in effect according to its terms, and Licensee shall continue to pay any fee required by this Agreement, regardless of any legal or regulatory provisions, permits or other processes or rules that might now or hereafter provide otherwise. This Agreement does not allow Licensee to provide any type of video programming or other programming or transmission within the City that may be subject to a cable television license or franchise within the City's boundaries.
 - 1.9.1. Licensee shall not use Licensee's Facilities to provide Cable Services, cable television, or for open video service without the proper formal authorization by the City in separate agreements.
 - 1.9.2. Licensee may enter into User Contracts, as defined in Section 3.8, to allow third-parties to use Licensee's Facilities for Cable Services, cable television, or for open video service only if the third-party has already entered into the proper agreements with the City that allows the third-party to conduct such activities.

2. USE OF THE ROW; PERMITS

- 2.1. Maintenance of Licensee's Facilities. Licensee shall be solely responsible for all maintenance, repair, and provision of all utilities for Licensee's Facilities under this Agreement. Licensee shall at all times repair and maintain Licensee's Facilities and the Route at Licensee's sole expense in a sound, clean, safe manner, meeting or exceeding the best industry practices.
- 2.2. Liability for Licensee's Work. For purposes of this Agreement, whenever work is done in the ROW or adjacent to the ROW as part of any work Licensee is performing in the ROW, Licensee agrees that it is solely responsible for the acts, errors, omissions, and any negligence of any or all persons, firms, partnerships, corporations, associations or other organization, or a combination of any of them, including any subcontractor hired and/ or used by Licensee, that performs services or provides goods relating to this Agreement and that the obligations of this Agreement are imposed on both Licensee and any of Licensee's contractors (and any subcontractors used thereunder), who will be considered Licensee's representatives and for whom Licensee will be responsible.

- 2.3. Licensee shall ensure that Licensee and its employees, agents, contractors, and representatives comply with all ROW use requirements, including, but not limited to, the following:
- 2.3.1. Licensee shall ensure that Licensee's Facilities are constructed, installed, operated, repaired, and/or maintained in accordance with the Avondale City Code and established practices with respect to the ROW, including, but not limited to, obtaining the proper permits prior to commencing any work and following all terms and conditions of such permits.
 - 2.3.2. Licensee's use of the ROW shall be according to plans approved by the City Engineer, provided that such approval of plans shall not be unreasonably withheld or delayed.
 - 2.3.3. Licensee's Facilities to be constructed, installed, operated, maintained, repaired, upgraded, and/or removed shall be located or relocated as to interfere as little as possible with traffic or other authorized uses within the ROW. Any phases of construction and/or installation relating to traffic control, backfilling, compaction, paving, and/or location or relocation of Licensee's Facilities shall be subject to regulation by the City Engineer.
 - 2.3.4. Provided such guidelines complies with State and Federal law, the City may issue reasonable policy guidelines to all licensees/permittees with Telecommunications Services and Right-of-Way Access Agreements to establish procedures for determining how to control the issuance of engineering permits to multiple licensees/permittees for the same one-mile segments of the ROW. Licensee agrees to cooperate with the City in establishing such policies with procedures established by the City Manager or their designee to coordinate the issuance of multiple engineering permits in the same one-mile segments of the ROW.
 - 2.3.5. Licensee and its employees, agents, contractors, and representatives are subject to the City's exercise of its police, regulatory, and other powers as the City now has or may later obtain, and a license or other agreement may not waive application of the same. The City shall have continuing jurisdiction and supervision over any facilities located within or on the ROW, including, but not limited to, Licensee's Facilities. Daily administrative, supervisory, and enforcement responsibilities are hereby delegated and entrusted to the City Manager or their designee to interpret, administer, and enforce the provisions of this Agreement.
- 2.4. Permits before Construction/Installation. Licensee may not install, construct, locate, or attach any Licensee's Facilities to any property within the City, including the ROW, until Licensee has applied for and received approval for permits from the City Engineer. Licensee shall be solely responsible for any and all acts, errors, omissions, and negligence of Licensee's contractors (and any subcontractors used thereunder) who are involved in the design, installation, construction, maintenance, repair, location, relocation, and/or any other activity involving Licensee's Facilities subject to this Agreement. Licensee and Licensee's contractors (and any subcontractors used thereunder) shall comply with all

provisions of the Avondale City Code, including, but not limited to, off-site construction regarding streets and sidewalks and other applicable City and/or Maricopa County regulations. All rights hereunder are granted under the express condition that the City shall have the power at any time to impose lawful restrictions and limitations upon, and to make regulations as to Licensee's use of the ROW as may be deemed best for the public interest, safety, or welfare, to the same extent that such restrictions and limitations are applied to all non-governmental occupants/users of the ROW.

- 2.5. Details/Specifications for Permits. Licensee shall submit all applicable permit applications together with the details, plans, and specifications for City review and approval, and pay all applicable application, review, and inspection fees, prior to any and all construction work to be performed pursuant to this Agreement.
- 2.6. Stipulations. Licensee and its contractors shall abide by all stipulations of all licenses and permits issued.
- 2.7. Permits for Relocation. If Licensee desires to change the location of any portion of Licensee's Facilities from the initial permit application(s), Licensee shall apply for and obtain approval for an amendment to the permit prior to installation or construction, which approval shall not be unreasonably withheld or delayed.
- 2.8. Criteria for Approval. The City will approve or deny applications based on the availability of space at the location(s) sought by Licensee, safety, and other considerations in accordance with the Avondale City Code, the City's practice, applicable ROW construction regulations, and other applicable laws.
- 2.9. Construction Standards. Any of Licensee's Facilities placed in the ROW shall be constructed using industry standard boring and trenching construction methods. Other material placed in the ground may include concrete manholes, generally 4x4x4, pull boxes/handholes (#7s and #9s) and HDPE couplings and elbows, Fiber Optic cable, splice cases, tracer wire, grounding material, mule tape, jet string and conduit plugs. Licensee and/or its contractors shall install any new Conduit and access points (e.g. manholes, pull boxes) using industry standard practices and in full compliance with the Uniform Standard Specifications for Public Works Construction sponsored and distributed by the Maricopa Association of Governments ("MAG") as amended, the City's supplements to MAG, and the City's General Engineering Requirement Manual ("GER").
 - 2.9.1. Aerial Facilities. In accordance with the GER, Licensee may place Fiber Optic Cables above ground along the Route where there are existing aerial/aboveground facilities. If such existing aerial/aboveground facilities are subsequently relocated underground, Licensee shall relocate its then-existing aerial/aboveground Fiber Optic Cables underground in those locations and locate any new Fiber Optic Cables underground in those locations.
- 2.10. Written Approval for Changes. Licensee shall obtain written approval from the City Engineer or their designee if Licensee desires to change any components of any Licensee's Facilities, which shall not be unreasonably withheld, delayed, or denied.

- 2.11. Work Restrictions/Requirements. Licensee shall comply with and ensure that its contractors comply with the City of Avondale Temporary Work Zone Traffic Management Policy (“Avondale Work Zone Policy”), as amended from time to time, herein incorporated by this reference. All of Licensee’s work under this Agreement shall follow the Avondale Work Policy, which includes, but is not limited to, defined road types, allowable hours of work and holiday/event restrictions, and other work requirements and restrictions. The City will provide the Avondale Work Policy as requested and may be found on the City of Avondale website.
- 2.12. Right to Inspect. The City shall have the right, but not the obligation, to inspect all construction and/or installation work performed subject to the provisions of this Agreement and to make such tests as the City deems necessary to meet the City’s standards, the Avondale Work Policy, the MAG Uniform Standard Specifications and Standard Details for Public Works Construction, and any and all applicable City supplements thereto.
- 2.13. Common Installations. Licensee shall reasonably coordinate the installation of Licensee’s Facilities with other utilities and the City to accommodate opportunities for common installation. Nothing herein shall require Licensee to incur any material additional expense to accommodate common installations.
- 2.14. Boring; Street Openings. Although the exact placement and location of Licensee’s Facilities shall be determined by the City through the permitting process, Licensee has expressed its intent and the City has expressed its desire to have such Licensee’s Facilities installed outside of the paved street area whenever such location is feasible and reasonable. If Licensee intends to place Licensee’s Facilities by directional boring under such streets when feasible and reasonable, said bore profiles based on vacuum pothole information shall be part of the engineered plans to be submitted to the City. Arterial streets shall not be bored, unless approved by the City Engineer in writing. In the event that a street opening in the pavement cannot be avoided, Licensee agrees to pay a fee in accordance with the City’s Development Services Fee Schedule, as amended, and the Avondale Municipal Code (including, without limitation, trenching permit fees and fees for excavation in paved streets).
- 2.15. Dedicated Personnel. Licensee shall provide and identify a representative (e.g. project manager) who shall be the contact person for the City during any construction periods.
- 2.16. Adjacent Property-Owners. Licensee shall provide written notice to adjacent property-owners, or other individuals or entities having lawful control of adjoining property, of any activity by Licensee that may interfere with access to said property during all construction activities or other operations, except to the extent that this requirement of maintain access is waived in writing by the adjacent property-owner or other individual or entity having lawful control of such adjoining property. If an emergency requires activity without such written notice, Licensee shall use commercially reasonable efforts to provide timely actual notice to the adjacent property-owner or other individual or entity having lawful control of such adjoining property. Upon request, Licensee shall promptly provide the City with the documentation of such permission from such affected property owner.

- 2.17. Opening/Alteration. Whenever Licensee or Licensee's contractors (and any subcontractors used thereunder) shall cause any opening or alteration to be made for any purpose in any public streets or public places the opening or alteration shall be completed and restored with due diligence within seven (7) business days following completion of Licensee's work which necessitated such opening or alteration, weather permitting. Licensee shall upon the completion of the opening or alteration, restore the property, improvements or landscaping disturbed by Licensee or Licensee's contractors (and any subcontractors used thereunder) to a condition substantially comparable to the condition before the opening or alteration and the restoration shall be performed with due diligence within a reasonably prompt time.
- 2.18. Restoration. After any work, installation, repair, maintenance, replacement, or relocation work performed in the Route, Licensee shall restore all disturbed areas of the Route, affected ROW, and any affected surrounding property to the same condition or better that existed immediately prior to the commencement of the installation, repair, maintenance, replacement or relocation work. Such restoration includes, but is not limited to, repairing and/or replacing to the City's standards, rules, and policies (as amended from time to time) all pavement, sidewalks, curbs, landscaping, or other City improvements that may be disturbed or damaged by Licensee's activities or work under this Agreement.
- 2.19. Clean; Removal of Debris. Licensee and/or its contractors shall, during construction and upon completion of the work, remove all temporary construction facilities, debris, and unused materials provided for in the work, and put the work site, the Route, and the ROW in a safe, neat, and clean condition.
- 2.20. Safety. Licensee and its contractors shall be solely and completely responsible for the conditions of any job site, including safety of all individuals (including employees) and property, during performance of the work. This requirement shall apply continuously and is not limited to normal working hours. The safety provisions herein shall conform to all applicable federal (including OSHA), state, and local laws, ordinances, codes, and regulations. Where any of these are in conflict, the stricter requirement shall be followed. Licensee's failure to thoroughly familiarize itself with the aforementioned safety provisions shall not relieve Licensee from compliance with these provisions.
- 2.21. Traffic Control. Licensee shall comply with the following traffic control requirements:
- 2.21.1. Licensee's traffic control shall comply with the City of Avondale Temporary Work Zone Traffic Management Policy, herein incorporated by this reference. Licensee shall follow the guidelines contained in the latest editions of the Manual on Uniform Traffic Control Devices ("MUTCD"), herein incorporated by this reference, and the City of Phoenix Traffic Barricade Manual, herein incorporated by this reference. Licensee shall additionally comply with any special provisions herein.
- 2.21.2. At the time of the pre-construction conference, Licensee shall designate an individual who is well qualified and experienced in construction traffic control and safety, to be responsible for implementing, monitoring, and altering traffic control measures as necessary to insure that traffic is carried through the work area in an effective manner and that motorists, pedestrians, bicyclists, and workers are

protected from hazards and accidents. Any entity wishing to obtain a permit to place, maintain, and/or remove temporary traffic control within the City of Avondale shall obtain an annual traffic control permit from the City per the Avondale Work Zone Policy. At the same time, the City shall designate a representative who will be responsible for ensuring that all traffic control and traffic control alterations are implemented per the traffic control specifications as defined in the approved traffic control plan.

- 2.21.3. Licensee shall have the full responsibility and liability for traffic control for a project. Licensee shall submit a traffic control plan (“Traffic Control Plan”) to Traffic Engineering for approval – five (5) business days prior to beginning work under this Agreement. The Traffic Control Plan shall include all motor vehicles, bicyclists, and pedestrians. Licensee shall not begin construction until the Traffic Control Plan is approved by the City. An approved Traffic Control Plan shall be maintained onsite during all phases of construction; otherwise, construction will cease until the Traffic Control Plan is approved. During construction it may be necessary to alter traffic control as approved by Traffic Engineering. Alterations to traffic control shall be in accordance with the Avondale Work Zone Policy, the latest edition of the MUTCD, and/or the latest edition of the City of Phoenix Traffic Barricade Manual. The most restrictive manual shall apply. Licensee shall pay any and all applicable barricade fees.
- 2.21.4. In the event Licensee or Licensee’s contractors (and any subcontractors used thereunder) damages any traffic signal equipment, traffic signal Conduit, loop detectors, and/or circuits, Licensee shall have them repaired immediately at its expense by an electrical contractor that has had traffic signal experience which is pre-approved by the City. Any damage repaired by the City will be billed to Licensee at cost.
- 2.21.5. Licensee shall notify all adjacent and/or affected residents and/or businesses in advance of any street, alley, sidewalk, and driveway closures per the Avondale Work Zone Policy so that they can make suitable arrangements to have all vehicles moved to a satisfactory location outside the closed area.
- 2.21.6. Pedestrian access shall be maintained along the length of the project at all times per the requirements of the ADA and as approved by Traffic Engineering.
- 2.22. Arizona 811. Licensee and Licensee’s contractors (and any subcontractors used thereunder) shall comply with ARIZ. REV. STAT §§ 40-360.21 through 40-360.32 and participate as a member of Arizona 811 with the necessary records and persons to provide location service of Licensee’s Facilities upon receipt of a locate call or as promptly as possible, but in no event later than two (2) working days. A copy of the agreement or proof of membership shall be filed with the City Engineer.
- 2.23. Compliance with Laws. Licensee shall comply with all applicable laws as amended from time to time, including but not limited to, the Avondale City Code, Arizona law, and federal law in the exercise and performance of its rights and obligations under this Agreement. If

it is necessary for Licensee to comply with any law or regulation of the Federal Communications Commission (“FCC”) or the ACC) to engage in the business activities anticipated by this Agreement, Licensee shall comply with such laws or regulations. Provided, however, no such law or regulation of the FCC or ACC shall enlarge or modify any of the rights or duties granted by this Agreement without a written modification to this Agreement.

3. **NON-EXCLUSIVITY; THIRD-PARTY CONTRACTS**

- 3.1. Non-Exclusive. This Agreement is non-exclusive and nothing herein shall prevent the City from granting like or similar privileges to any other individual or entity.
- 3.2. City’s Control of ROW. Any and all rights granted to Licensee shall be subject to the prior and continuing right of the City to use and manage the ROW exclusively or concurrently with any individuals and/or entities and to manage the City’s own Conduit, Fiber Optic cables, or facilities. Any and all rights granted to Licensee shall be subject to all deeds, easements, dedications, covenants, restrictions, encumbrances, and claims to title which may affect public property. Nothing in this Agreement shall be construed to grant, convey, create, or vest any real property interest in land to Licensee, including any fee or leasehold interest, easement, or any franchise rights. The City shall have full authority to regulate, on a non-discriminatory basis, use of the Route and the ROW and to resolve competing demands and preferences regarding use of the Route and the ROW and to require Licensee to cooperate and participate in implementing such resolutions. Without limitation, the City may take any or all of the following into account in regulating use of the Route and the ROW:
 - 3.2.1. All timing, public, operational, financial, and other factors affecting existing and future proposals, needs, and plans for Competing Activities, as defined in Section 3.6;
 - 3.2.2. All other factors the city may consider relevant, whether or not mentioned in this Agreement; and/or
 - 3.2.3. Differing regulatory regimes and/or laws applicable to claimed rights, public benefits, community needs, and all other factors relating to Competing Activities, as defined in Section 3.6.
- 3.3. Accommodate City’s Activities. Nothing in this Agreement shall be construed to prevent the City from abandoning, altering, improving, repairing, or maintaining its facilities and/or the ROW, and for that purpose to require Licensee, at no expense to the City, to remove, relocate, or abandon in place Licensee’s Facilities in order to accommodate the activities of the City. The City shall not be liable for lost revenues sustained by Licensee, however caused, because of damage, modification, alteration, or destruction of Licensee’s Facilities in the ROW, when such costs or lost revenues result from the construction, operation, and/or maintenance of City facilities and/or the ROW, provided that the activities resulting in such costs or lost revenues are conducted in accordance with applicable laws and regulations.

- 3.4. City's Rights. There is hereby reserved to the City every right and power required pursuant to this Agreement to be herein reserved or provided by any lawful ordinance or law, and Licensee by its execution of this Agreement agrees to be bound thereby and to comply with any lawful action or lawful requirements of the City in its exercise of such rights or power, heretofore or hereinafter enacted or established. Neither the granting of any agreement nor any provision hereof shall constitute a waiver or bar to the exercise of any lawful governmental right or power of the City.
- 3.5. Interference with Communications Operations. Licensee shall not install, operate, or allow the use of any equipment, methodology, or technology that may or would interfere with the optimum effective use or operation of the City's existing or future fire, emergency, or other communications equipment, methodology, or technology. Licensee shall be responsible to ensure compliance with this requirement by all persons using the Route through or under Licensee. If such interference should occur, Licensee shall immediately discontinue using the equipment, methodology, or technology that causes the interference until Licensee takes corrective measures to alter the Route
- 3.6. Competing Activities. Licensee accepts the risk that there may exist, now or in the future, all manner of work and improvements upon the ROW ("Competing Activities"). Competing Activities include, but are not limited to, laying construction, erection, installation, use, operation, repair, replacement, removal, relocation, raising, lowering, widening, or realigning, whether above, upon, or below the surface of the ROW and whether occasioned by the existing or proposed uses of the ROW or existing or proposed uses of adjoining or nearby land, (i) all manner of streets, sidewalks, alleys, trails, ways, and traffic control devices of every description, (ii) all manner of other transportation facilities and their appurtenances, (iii) all manners of pipes, wires, cables, Conduits, sewers, storm drains, pumps, valves, switches, conductors, connectors, poles, supports, access points and guys of every description, (iv) all manner of other utility facilities and their appurtenances, (v) all manner of canals, drains, bridges, underpasses, culverts and other encroachments of every description and all manner of other facilities and their appurtenances, and (vi) all other uses of the ROW that the City may permit from time to time.
- 3.7. Subordinate Rights. Any right or privilege claimed pursuant to this Agreement by Licensee for any use of the ROW shall be subordinate to: (i) any prior or subsequent lawful occupancy or use thereof by the City or any other governmental entity; (ii) any prior lawful occupancy or use thereof by any other individual or entity; and (iii) any prior easements therein, provided however, that nothing herein shall extinguish or otherwise interfere with the property rights established independent of this Agreement. Licensee shall not obstruct, impede, disrupt, or interfere with or prevent any Competing Activities or any person or entity that has prior or subsequent rights to use the Route and/or ROW.
- 3.8. Third-Party Contracts. Licensee may enter into contracts with third-parties ("ROW Users") in the ordinary course of Licensee's business for use of Licensee's Facilities within the Route, subject to this Agreement. Such contracts ("User Contracts") are subject to all terms and conditions of this Agreement, including, but not limited to, the following:

- 3.8.1. No ROW User shall transmit data over Licensee's Fiber Optic Network, use Licensee's Facilities, or use the Route for any purpose, except under a User Contract with Licensee;
- 3.8.2. ROW Users shall not perform any construction, maintenance, repair, or any other work in the ROW, unless a ROW Users has a separate agreement with the City to do so; and
- 3.8.3. Identities of ROW Users shall be disclosed to the City, upon reasonable request, but will be deemed confidential if consistent with Arizona public records laws.
- 3.9. Disruption by Others. The City and its officials, agents, employees, or contractors shall not be liable to Licensee or its customers, the ROW Users, or other contractors for any service disruption or for any other harm caused to them or the Route due to Competing Activities.
- 3.10. Compliance with Agreement. Licensee shall cause all persons and/or entities using the ROW through or under Licensee or this Agreement to comply with all terms and conditions of this Agreement. Licensee is responsible for any and all violations of this Agreement by persons and/or entities using the ROW through or under Licensee or this Agreement.

4. **FEES**

- 4.1. City's Right of Fair and Reasonable Compensation. By entering into this Agreement, neither party waives any current or future rights reserved under the law or the Telecommunications Act of 1996, including, but not limited to, those rights pursuant to Section 253(c) that reserve the City's right to manage the ROW and to require fair, non-discriminatory and reasonable compensation from Licensee for use of the ROW.
- 4.2. Licensee's Payments. Licensee shall pay to the City each of the following separate and cumulative amounts (collectively, the "Fee Payment"):
 - 4.2.1. An amount (the "Annual Fee Payment"), consistent with ARIZ. REV. STAT. § 9-583(C)(2), based on Licensee's (a) Facilities in the ROW that carry interstate traffic between and among Licensee's interstate points of presence, exclusive of Facilities used by the local network and the portion of the interstate network that carries intrastate calls, (b) empty Conduit that is leased/licensed, and/or (c) Dark Fiber that is leased/licensed.
 - 4.2.2. An amount (the "Permit Fee Payment") based on Licensee's permit review and other costs as set out below.
 - 4.2.3. An amount (the "Violation Fee Payment") based on certain breaches by Licensee of this Agreement as set out below.
 - 4.2.4. An amount (the "Transaction Privilege Tax") based on any qualifying services under the Avondale Tax Code.

4.2.5. All other amounts required by this Agreement.

4.3. Annual Fee Payment Amount. The amount of the Annual Fee Payment shall be \$1.04 per linear foot of trench in the ROW.

4.3.1. Within ten (10) days after the Effective Date, and on each annual anniversary of the Effective Date, Licensee will report to the City the amount of linear feet of trench installed in the ROW or on other City-owned property. The Annual Fee Payment for the coming year is calculated by multiplying the current annual per linear foot fee, as adjusted by annual CPI under section 4.6 for the year of payment, by the linear footage of trench installed in the ROW or on other City-owned property. The City must receive the Annual Fee Payment before the City will issue any new encroachment permits for additional Facilities or equipment in the ROW or other City-owned property.

4.3.2. The Annual Fee Payment shall be adjusted annually as set forth in this Section. Commencing on the first anniversary of the Commencement Date (being the start of Year 2), and during the Term on each annual anniversary thereafter, the adjusted fee payment amount shall be the Annual Fee Payment established for the immediately preceding Year as increased by the percentage increase, if any, in the CPI-U (as defined below) from the Base Year 1st Half (as defined below) to the Current Year 1st Half (as defined below). The "CPI-U" means the Consumer Price Index, All Items, for All Urban Consumer, Phoenix Area, published by the Bureau of Labor Statistics of the United States Department of Labor (the "Bureau").

4.3.3. In the event Licensee cancels or returns a permit and does not construct or install the Licensee's Facilities approved by such a permit, the fees Licensee previously paid for the respective permit may be applied as a credit to a future Annual Fee Payment or may be refunded to Licensee by the City.

4.3.4. Notwithstanding the above, Licensors and Licensee agree that the Annual Fee Payment shall not be greater than an amount equal to five percent (5%) of Licensee's Gross Revenues during each computation period for the Annual Fee Payment; however, such 5% annual cap shall only apply once Licensee has paying customers in the Route which are deemed Gross Revenues. Until Licensee has such paying customers that would be deemed Gross Revenues under this Agreement, Licensee will be subject to the Annual Fee Payment in full with no cap. If at any time Licensee no longer has paying customers or otherwise does not receive any Gross Revenues subject to the 5% cap, the Annual Fee Payment shall resume with no cap until such a time that Licensee again has applicable paying customers. The City shall have the right, at any time, to require written documentation to show that Licensee obtains paying customers; Licensee shall promptly comply with providing such documentation.

- 4.3.5. Notwithstanding the above, Licensor and Licensee may make an in-kind exchange in connection with the Annual Fee Payment, with the Licensor installing City Conduit or fiber at specific locations at the City's election.
- 4.4. Appropriate Taxes. Licensee shall pay any applicable city, county and state transaction privilege and use taxes. Such taxes are in addition to any non-tax amounts owed by Licensee pursuant to this Section.
- 4.5. Permit Fee Payment Amount. Licensee shall pay all applicable construction permit fees, including, but not limited to, charges for encroachment permit applications, issuance, inspection, testing, plan review, and any other fees adopted by the City and applicable to persons doing work or encroaching in the ROW.
- 4.6. Adjustments. All fixed dollar amounts stated in this Agreement shall be automatically adjusted upward annually on July 1st. The adjustment shall be made on the basis of changes in the United States Consumer Price Index for all Urban Consumers (CPI-U), Phoenix Area, all items, published by the United States Bureau of Labor Statistics (the "Cost of Living Index"). The amount of each adjusted amount shall be calculated as described in Section 4.3.2;

provided, that in no event shall any amount be adjusted downward from any previous period. If the Cost of Living Index has not been published on any adjustment date, the City shall have the right to estimate the Cost of Living Index and to make the adjustments based on such estimate, subject to adjustment when the actual figures become known. If such Cost of Living Index shall, for any reason whatsoever, not be published or readily identifiable at the adjustment date, an index published by any state or federal agency or an index, formula or table accepted generally by the real estate profession shall be used as chosen by the City in the City's reasonable discretion. Any delayed adjustment shall be effective retroactively.

- 4.7. Fee Payment Cumulative. All items of Fee Payment shall be cumulative and separate from each other.
- 4.8. Fee Payment Schedule. Except as specifically provided elsewhere for Violation Fee Payment, Licensee shall pay all Fee Payment on the following schedule:
- 4.8.1. Licensee shall pay Annual Fee Payment by the anniversary date of each year of this Agreement.
- 4.8.2. Licensee shall pay Permit Fee Payment at the times and in the amounts specified by the City's normal processes for permitting, including, but not limited to, construction permits, encroachments, issuances, inspections, testing, plan review, and other processes applicable to persons doing work or encroaching in the ROW.

- 4.8.3. All other Fee Payment shall be payable quarterly in arrears on the last calendar day of the first month of the next calendar quarter. For example, the Violation Fee Payment for the first calendar quarter of a year shall be payable on or before April 30.
- 4.9. Fee Payment Amount Report. Each installment of Fee Payment by Licensee, other than Permit Fee Payment, shall include a report showing the manner in which each component of the Fee Payment was calculated. The report shall summarize the transactions giving rise to the License Fee Payment.
- 4.10. Damage Fees. Licensee shall pay all reasonable costs associated with any damage caused by Licensee or its subcontractors, employees, or agents to the ROW or other public property.
- 4.11. Violation Fee Payment. During the Term of this Agreement, the City may suffer certain money damages in the form of administrative cost and inconvenience, disharmony among Competing Activities, and general inconvenience in ROW use by the City, Competing Activities, and the public as a result of an uncured violation of this Agreement by Licensee (“Inconvenience Costs”). Assessing the actual damages for these Inconvenience Costs may be impracticable to determine. In lieu of paying the actual damages for these Inconvenience Costs, the City may assess Violation Fee Payments against Licensee to cover the damages that caused the Inconvenience Costs and is as described in Section 4.11.1. The Violation Fee Payments will be assessed with the processes described in Section 4.11.2. The Violation Fee Payments are only intended to remedy the Inconvenience Costs that the City suffers. Licensee's payment of Violation Fee Payment does not in any way excuse any breach by Licensee of this Agreement or limit in any way the City's obtaining any other legal or equitable remedy provided by this Agreement or otherwise for such breach. For example, Licensee's obligation to pay Violation Fee Payment does not in any way detract from Licensee's indemnity and insurance obligations under this Agreement, which shall apply according to their terms in addition to Licensee's obligation to pay Violation Fee Payment. Provided however, that if the City determines to exercise any other legal or equitable remedy provided by this Agreement or otherwise, City may not, in addition to such remedy, assess a Violation Fee Payment. Except for any failure to properly restore the public ROW under 4.11.1.1, or other violation of this Agreement by Licensee that in the City's sole determination may impact the health, safety, or welfare of the public, City shall use reasonable efforts to notify Licensee of any violation of this Agreement and permit Licensee an opportunity to cure such violation in accordance with the applicable cure period in this Agreement or as otherwise agreed by City.
- 4.11.1. The Violation Fee Payments per calendar day or part thereof are as follows:
- 4.11.1.1. The amount of Six Hundred Dollars (\$600.00) per calendar day for Licensee's failure to properly restore the public ROW or to correct related violations of specifications, code, ordinance or standards within ten (10) calendar days after the City's notice to correct such defects except where such curative efforts by Licensee are precluded by a force majeure event.

Such Violation Fee Payment shall be in addition to any cost the Licensor may incur to restore the ROW or correct the violation.

- 4.11.1.2. Following a ten (10) day notice to cure, the amount of Two Hundred Fifty Dollars (\$250.00) per calendar day for each failure to make Licensee's books and records available as required by this Agreement.
- 4.11.1.3. The amount of Five Thousand Dollars (\$5,000.00) for any unauthorized partial or total assignment of this Agreement.
- 4.11.1.4. The amount of Five Hundred Dollars (\$500.00) per instance of any other action or non-action by the Licensee in violation of this Agreement that causes Inconvenience Costs and that is not cured after three (3) calendar days' notice.

4.11.2. Process for assess a Violation Fee Payment:

- 4.11.2.1. If the City determines that Licensee is liable for Violation Fee Payment, then the City shall issue to Licensee a notice of the City's assessing a Violation Fee Payment. The notice shall set forth the nature of the violation and the amount of the assessment.
- 4.11.2.2. Licensee shall pay the Violation Fee Payment within ten (10) calendar days after the City's notice. The following shall apply for any Violation Fee Payment:
- 4.11.2.3. Licensee shall have thirty (30) calendar days after the notice to pay the Violation Fee Payment or give Licensor notice contesting the assertion of noncompliance.
- 4.11.2.4. If Licensee fails to respond to the notice, Licensee shall pay the Violation Fee Payment.

4.11.3. Except as may be expressly stated in this Section 4, no cure period applies to the accrual of Violation Fee Payment.

4.11.4. Licensee may elect to draw upon the letter of credit to collect the Violation Fee Payment

- 4.12. Deadlines for Annual Fees. For any annual payment(s) owed, Licensee shall make such payment(s) to the City within ten (10) business days of the Effective Date and by the anniversary of the Effective Date for the duration of the Term.
- 4.13. Late Fees. Licensee agrees that if it fails to pay any amounts owed to the City by the time prescribed for payment, Licensee shall pay interest on the amounts owed at the rate of one percent (1%) per month.

4.14. Requirement of Insurance, Performance Bond, and Letter of Credit. Prior to any work being performed in the ROW, Licensee shall secure all requirements in this Agreement and provide the City with all insurance requirements prior to the commencement of any work, including, but not limited to, all certificates of insurance required by this Agreement.

4.15. Performance Bond or Letter of Credit.

4.15.1. Prior to receiving any permit to construct, install, maintain or perform any work under this Agreement, Licensee shall either:

4.15.1.1. cause to be filed and maintain until completion of the construction, a faithful performance bond in favor of City in the sum of One Hundred Thousand Dollars (\$100,000.00) or 125% of the amount of the construction costs (whichever is greater) to guarantee that Licensee shall observe, fulfill and perform each and every term of this Agreement. In case of any breach of any condition of this Agreement, any amount of the sum of the bond, up to the whole thereof, may be forfeited to compensate the City for any damages it may suffer by reason of such breach. Said bond shall be acknowledged by Licensee, as principal, and shall be issued by a surety with an AM Best rating of A-VII or better for the last four quarters. The City and Licensee agree that the process and procedure for drawing upon, curing, and replenishing the performance bond shall be the same as set forth below for the security fund;

4.15.1.2. or, as alternative to Section 4.15.1.1, provide either a cash deposit into a suitable interest-bearing account, established by the City, or a domestic irrevocable standby letter of credit, in the sum of not less than One Hundred Thousand Dollars (\$100,000.00) or 125% of the amount of the construction costs (whichever is greater) as security for the faithful performance by it of all the provisions of this Agreement, and compliance with all orders, permits and directions of any agency of the City having jurisdiction over its acts or defaults under the Agreement and license issued pursuant thereto, and the payment by the Licensee of any claims, liens and taxes due the City which arise by reason of the construction, operation or maintenance of the Fiber Optic Network (the "security fund"). The City shall have the full power of withdrawal of funds from the account or letter of credit except that all interest accrued shall be payable to the Licensee on demand. No withdrawals shall be made from the security fund without the prior written approval of the City Engineer and ten (10) days' prior written notice of intent to withdraw to Licensee.

4.15.2. Within twenty (20) days after notice to Licensee that any amount has been withdrawn by the City from the security fund, Licensee shall deposit a sum of money or present to the City an additional irrevocable letter of credit sufficient to restore such security fund account to the original amount.

4.15.3. If Licensee: (i) fails, within ten (10) business days of a notice of intent to draw on the security fund, to either dispute the notice in writing or to pay the City any taxes

or fees due and unpaid or any damages, costs or expenses which City shall be compelled to pay by reason of any act or default of Licensee in connection with this Agreement; or (ii) fails, within thirty (30) days of such notice of failure from the City to dispute the notice in writing, or comply with any provision of this Agreement which the City reasonably determines can be remedied by an expenditure of funds from the security fund; the City may immediately withdraw the amount thereof from the security fund. Upon such withdrawal, the City shall notify Licensee of the amounts and date thereof.

4.15.4. The rights reserved to the City, with respect to the security fund, are in addition to all other rights of the City whether reserved by this Agreement or authorized by law, and no action, proceeding or exercise of a right with respect to such security fund shall affect any other right City may have.

4.15.5. Licensee shall be entitled to the return of such security fund, or portion thereof, as remains on deposit at the expiration of the term of the Agreement or upon termination of the Agreement at an earlier date, provided that there is then no outstanding default on the part of the Licensee. Any funds that the City erroneously or wrongfully withdraws shall be returned to Licensee, within thirty (30) business days of such a determination.

4.16. In Kind. This Agreement does not currently require any in-kind payment to City by Licensee. However, if Licensee has not paid any fees required under Section 4, the Parties may agree in writing to new in-kind payments to offset to any fees not paid by Licensee to the extent permitted by law. This subsection imposes no obligation on the City to agree to offset any fees in this Agreement or in any future agreement.

4.17. Audits. The City shall have the right to audit or otherwise inspect any and all customer contracts, subleases, sublicenses, or otherwise subcontracts, including without limitation, all ROW User agreements with Licensee, to the extent reasonably necessary to confirm compliance with this Agreement, including proper payment of all fees under this Section 4. The City may conduct such audits as often as reasonably necessary in order to justify the necessary payments, but no less than one (1) time per annual term, beginning on the Effective Date.

5. **RELOCATION**

5.1. Licensee shall relocate, at no expense to the City, any of Licensee's Facilities, or other encroachment installed or maintained in, on or under any public place or ROW, as may be necessary to facilitate any public purpose or any City or other governmental project whenever directed to do so by City. Such relocations shall be accomplished in accordance with the directions from City and shall be pursuant to the same terms and conditions as the initial installation allowed pursuant to this Agreement and any applicable issued permits. Within ninety (90) days after service of notice by the City, Licensee shall remove the designated portions of Licensee's Facilities, or in the event that, by the nature of the removal such removal cannot be performed within the ninety-day period, Licensee shall take reasonable steps to remove Licensee's Facilities and diligently prosecute the removal

to completion, and, if requested, restore the sidewalks and other ROW to a condition comparable to the condition before the construction of the public improvement at no cost and expense to the City.

- 5.2. Licensee agrees to obtain a permit as required by this Agreement prior to removing, abandoning, relocating, or reconstructing any portion of Licensee's Facilities on public property or ROW. Notwithstanding the foregoing, the City understands and acknowledges there may be instances when Licensee is required to make repairs that are of an emergency nature or in connection with an unscheduled disruption of Licensee's Facilities. Licensee will maintain any annual permits required by the City for such maintenance and emergency repairs. Licensee will notify the City before undertaking the emergency repairs and will apply for and obtain the necessary permits in a reasonable time after notification.
- 5.3. If the City needs to perform any part of the necessary relocation or removal work that has not been done within the time required by the City, it shall be entitled to seek payment for such actual relocation costs by drawing upon the performance bond or letter of credit required pursuant to Section 4.
- 5.4. The City has no obligation to relocate or otherwise move Licensee's Facilities, any City-owned facilities, Conduit, or Fiber Optic Cables, ROW Users' Facilities, or any other Facilities of persons or entities lawfully using the ROW. The City shall require that third parties be responsible for relocation work of Licensee's prior existing Licensee Facilities in the ROW not necessitated by the City.
- 5.5. Any relocation work performed by Licensee or its contractors shall be subject to and comply with this Agreement.

6. DAMAGE TO PUBLIC PROPERTY

- 6.1. In addition to any indemnity obligation under this Agreement, whenever the installation, use, maintenance, removal, or relocation of any of Licensee's Facilities is required or permitted hereunder, and such installation, removal, or relocation damages or disturbs the surface or subsurface of any ROW or public property or any public improvement that may be located thereon, therein, or thereunder, however such damage or disturbance was caused, Licensee, at its sole cost and expense, shall promptly restore the surface or subsurface of the ROW or public property and/or repair or replace the surface, subsurface and/or public improvement therein, or thereunder, in as good a condition as before in accordance with applicable laws, normal wear and tear excepted, reasonably satisfactory to the City Engineer. If Licensee does not repair the damage or disturbance as just described, then City shall have the option, upon ten (10) business days' prior written notice to Licensee, to perform or cause to be performed such reasonable and necessary work on behalf of Licensee and to charge Licensee for the actual costs incurred by the City at City's standard rates.
- 6.2. Notwithstanding the notice provision above, in the event of a public emergency, the City shall have the right to immediately perform, without prior written notice to Licensee, such reasonable and necessary work on behalf of Licensee to repair and return public property

to a safe and satisfactory condition in accordance with applicable laws, normal wear and tear excepted, reasonably satisfactory to the City Engineer. The City shall provide written notice to Licensee of the repairs as soon as practicable after the work has begun. Licensee agrees that any damage to City fiber, conduit, or other property must be replaced or repaired and restored with new or like-new materials. If the City needs to perform any part of the necessary repairs, relocation and/or removal work, it shall be entitled to seek payment for such repairs and/or relocation and/or removal costs from Licensee and may draw upon the performance bond and/or letter or credit or security fund required by this Agreement in full or partial satisfaction of such costs, if payment is not made by Licensee as required by Section 6.3 below.

- 6.3. Upon the receipt of a demand for payment by the City, Licensee shall, within thirty (30) days, reimburse the City for such costs.
- 6.4. For any pavement cuts by Licensee, Licensee agrees to restore the pavement.

7. PENALTIES FOR VIOLATION OF TERMS

- 7.1. The City's Remedies. The City may pursue any remedy at law, including but not limited to injunctive relief, civil trespass, and withholding other City permits and authorizations until Licensee complies with the terms of this Agreement or any applicable law. Such City remedies are cumulative and may be pursued in the alternative. The City's remedies set forth in this Agreement are not exclusive. Except as otherwise set forth in this Agreement, election of one remedy by the City, including assessment of liquidated damages, does not preclude the use of other remedies.
- 7.2. Licensee's Remedies. Licensee sole remedy for any breach or threatened breach of this Agreement by the City shall be an action for equitable or injunctive relief.

8. TERMINATION

- 8.1. The City Manager has the authority to terminate, subject to Licensee's right to notice and cure where provided, this Agreement consistent with this Section 8.
- 8.2. Immediate Termination. The City may terminate this Agreement upon thirty (30) days' notice and Licensee's failure to remedy any of the following to the reasonable satisfaction of the City:
 - 8.2.1. Licensee ceases doing business in the City;
 - 8.2.2. If Licensee shall be the subject of a voluntary or involuntary bankruptcy, receivership, insolvency or similar proceeding or if any assignment of any of Licensee's or such other person's property shall be made for the benefit of creditors or if Licensee or such other person dies or is not regularly paying its debts as they come due (collectively a "Licensee Insolvency");
 - 8.2.3. Licensee fails to maintain the CC&N, once granted, in effect following any right of appeal or due process of the ACC;

- 8.2.4. Licensee fails to maintain any insurance required by this Agreement;
- 8.3. Cure of Defect; Termination. The following instances are defects in performance by Licensee shall be deemed instances of “Default” by Licensee:
- 8.3.1. Licensee fails to comply with the material terms and conditions of this Agreement or applicable law, including, but not limited to, failing to maintain any insurance, security fund, or performance bond;
 - 8.3.2. Licensee fails to make payments to the City in the amounts and at the times specified in this Agreement;
 - 8.3.3. Licensee fails to comply with the Avondale Work Policy and any other construction, design, or other related requirement under this Agreement;
 - 8.3.4. Licensee fails to construct in the designated, approved path of the Route;
 - 8.3.5. Licensee fails to provide the current, accurate as-built plans and maps showing the Route, including all of Licensee’s Facilities in the Route; and
 - 8.3.6. Licensee fails to obtain or maintain the required licenses, permits, or other approvals pertaining to the ROW or timely pay any taxes pertaining to the ROW.
- 8.4. Curing Default. The City may terminate this Agreement if Licensee does not cure the defect in performance, as listed as Section 8.3 as instances of Default, within sixty (60) days (or such longer period of time as the City determines is reasonably necessary to cure) following the City’s written notice of Licensee’s defective performance. Upon the occurrence of Default or at any time thereafter, the City may do any of the following:
- 8.4.1. Pay or perform for Licensee’s account, in Licensee’s name, and at Licensee’s expense, any and all payments or performances required to be paid or performed by Licensee;
 - 8.4.2. Require an additional security deposit adequate in the City’s sole discretion to protect the City and the ROW in light of Licensee’s history of performance under this Agreement;
 - 8.4.3. Abate at Licensee’s expense any violation of this Agreement; and/or
 - 8.4.4. Be excused without any liability to Licensee from further performance of any and all obligations under this Agreement.
- 8.5. No Need to Cure. The City will not need to provide Licensee with a cure period prior to termination if the City finds the defect in performance is due to intentional misconduct, a violation of law, or is part of a pattern of repeated and persistent violations where Licensee has already had notice and an opportunity to cure.

- 8.6. Licensee's Termination. Licensee may terminate this Agreement by providing the City with ninety (90) days' written notice and only upon making arrangements satisfactory with the City Engineer to remove all Licensee's above ground Licensee's Facilities from public property and the ROW, unless the City Engineer agrees in writing to allow Licensee to abandon part or all of Licensee's Facilities in place. If the City Engineer agrees to allow Licensee to abandon Licensee's Facilities in place, the ownership of such Licensee's Facilities, including everything permitted by City to be abandoned in place, shall transfer to City and Licensee shall cooperate to execute any documents necessary to accomplish such transfer within thirty (30) days of such allowance of abandonment.
- 8.7. Restoring the Route. Upon termination or revocation of this Agreement, Licensee shall cease using the Route. Licensee shall return the Route and any affected portions of the ROW or surrounding property affected by Licensee's Facilities and/or work to the same condition or better condition prior to the commencement of this Agreement, reasonable wear and tear excepted. Licensee shall remove all of Licensee's Facilities if requested by the City upon termination of this Agreement and/or revocation of the license granted herein, including, but not limited to, all above ground and subsurface portions of Licensee's Facilities.

9. **GOVERNING LAW**

It is mutually understood and agreed that this Agreement shall be governed by the laws of the State of Arizona, both as to interpretation and performance, without giving effect to its principles of conflicts of laws. Any action at law, suit in equity, or judicial proceeding for the enforcement of this Agreement or any provision thereof shall be instituted only in the federal or state courts located within or within the jurisdiction of Maricopa County, Arizona.

10. **COMPLIANCE WITH LAWS**

- 10.1. Compliance with ARIZ. REV. STAT § 38-511. Pursuant to ARIZ. REV. STAT § 38-511, the City may cancel this Agreement within three (3) years after execution of the 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 or becomes at any time while this Agreement or an extension of this Agreement is in effect an employee of or a consultant to Licensee with respect to the subject matter of this Agreement. The cancellation shall be effective when Licensee receives written notice of the cancellation, unless the notice specifies a later time.
- 10.2. The Parties shall comply with all federal, state and local laws, codes, rules and regulations.
- 10.3. Compliance with ARIZ. REV. STAT. § 35-393.01. Licensee hereby certifies that it does not, and will not, participate in during the term of this Agreement, a boycott of Israel in accordance with ARIZ. REV. STAT §35-393.01. Licensee hereby agrees to indemnify and hold harmless the City, its agents and employees from any claims or causes of action relating to the City's action based upon reliance upon this representation, including the payment of all costs and attorney fees incurred by the City in defending such an action.

- 10.4. Compliance with Federal Immigration Laws and Regulations. Licensee warrants that it complies with all federal immigration laws and regulations that relate to its employees and that it complies with ARIZ. REV. STAT. § 23-214(A). Licensee acknowledges that pursuant to ARIZ. REV. STAT. § 41-4401, a breach of this warranty is a material breach of this Agreement subject to penalties up to and including termination of this Agreement, and that the City retains the legal right to inspect the papers of any employee who works on the Agreement to ensure compliance with this warranty.

11. INDEMNIFICATION

- 11.1. Licensee acknowledges that it has liability for any and all of Licensee's Facilities installed in the public ROW and in the Route, its use and/or occupation of the ROW and the Route, for any work that is done in or adjacent to the ROW and/or the Route, for any loss or liability incurred by reason of any Toxic Substance (as defined in section 19) on or affecting the portion of the ROW and/or the Route used that is attributable to or caused by Licensee and/or its contractor(s), the failure to comply with the request for information and laws pertaining to public records (as further described in section 20.9), and for its exercise of its rights under this Agreement directly or through its contractor(s), except for the intentional or solely negligent acts on the part of the City or its agents. To the fullest extent permitted by law, Licensee, shall defend, indemnify and hold harmless the City, and its officials, boards, commissions, agents, contractors, subcontractors, or employees, individually and collectively, from and against any and all losses, claims, damages, suits, actions, payments, judgments, demands, expenses and costs, including but not limited to, reasonable attorney's fees incurred through all appeals ("Claims") arising out of or alleged to have resulted from or materially related to: (i) the acts, errors, mistakes, or omissions of Licensee, its employees, representatives, or any tier of contractors and/or subcontractors or any other person for whose acts, errors, mistakes, and/or omissions Licensee may be legally liable; (ii) for any loss or liability incurred by reason of any Toxic Substance on or affecting the portion of the ROW and/or the Route used that is attributable to or caused by Licensee and/or its contractor(s); (iii) the failure to comply with the request for information and laws pertaining to public records, including defending the City in any legal action and payment of any penalties or judgments assessed against the City; and/or (iv) the City entering into this Agreement, or the acts or omissions of the City or its officials, boards, commissions, agents, contractors, subcontractors, or employees acting pursuant to or in furtherance of this Agreement. This defense and indemnification requirement includes any Claims or amounts arising or recovered under worker's compensation laws or any other law, bylaw, or ordinance, order or decree related to any failure on the part of Licensee, its agents, employees or representatives to fulfill Licensee's obligations under this Agreement, whether resolution of the above Claim(s) proceeds to judgment or not. The provisions of this Section shall survive termination of this Agreement. This Section applies even if the party seeking damages makes a claim against the City or brings a claim against the City based on vicarious liability or non-delegable duty.

- 11.1.1. The parties shall promptly notify each other in writing of any claims, demands, or lawsuits which may involve the City and provide copies of all accident reports, incident reports, statements or other documents that are relevant to the claims, demands or lawsuits or which may lead to the discovery of relevant materials or

information, in the possession of the other party, its employees, representatives, contractors, and/or others.

- 11.2. Subject to any privilege and/or confidentiality legal protections, both parties agree to make their employees, representatives, and contractors available to the other party to gather any relevant information relating to an incident from which any claim, demand, or lawsuit arises.
- 11.3. It is the purpose of this Section to provide maximum indemnification to the City under the terms and conditions expressed and, in the event of a dispute, this Section shall be construed (to the greatest extent permitted by law) to provide for the indemnification of the City by Licensee against any and all claims, demands or lawsuits. The sole exception shall be an express determination by a court of competent jurisdiction upon full adjudication of the case that the damages arose either from City's sole negligence or intentional acts or that the City was comparatively at fault for the damages. Only in this event may Licensee then commence an action against the City for damages related to that portion judicially determined to be City's fault.
- 11.4. The provisions of this Section shall not be dependent or conditioned upon the validity of this Agreement, but shall be and remain a binding right and obligation of the City and Licensee, even if part or all of this Agreement is declared null and void in a legal or administrative proceeding. It is the intent of Licensee and the City upon the effective date of this Agreement that this Section serves as any such declaration and shall be a binding obligation of and inure to the benefit of Licensee and the City and their respective successors and assigns, if any.
- 11.5. The amount and type of insurance coverage requirements set forth in this Agreement will in no way be construed as limiting the scope of the indemnity in this Section.
- 11.6. As a condition to City's executing this Agreement, Licensee specifically agrees that to the extent any provision of this Section is not fully enforceable against Licensee for any reason whatsoever, this Section shall be deemed automatically reformed to the minimal extent necessary to cause it to be enforceable to the fullest extent permitted by law.

12. **INSURANCE**

- 12.1. **Limits of Insurance.** Licensee shall at all times during the term of this Agreement, at its own cost and expense, carry and maintain commercial general liability insurance against claims for bodily injury (including death) or property damage, products/completed operations and personal and advertising injury, which insurance shall cover claims as may be occasioned by the operations, act, omission or negligence of Licensee or its officers, agents, representatives, or employees during all times that this Agreement is in effect. Limits may be attained by a combination of primary and umbrella liability coverage. Licensee shall maintain limits no less than those stated herein for each type of insurance.
- 12.2. **General Requirements.** Licensee's insurance of the types and amounts required in this Section shall be from companies possessing a current A.M. Best, Inc. rating of A-VII, or better and legally authorized or permitted to do business in the State of Arizona.

- 12.2.1. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of the City, constitute a material breach of this Agreement and may result in termination of this Agreement.
- 12.2.2. The insurance coverage, except workers' compensation and employer's liability, and professional liability, required by this Agreement, shall include the City, its agents, representatives, directors, officials, and employees, as additional insureds as their interest may appear, and shall specify that insurance afforded Licensee shall be primary insurance, and that any self-insured retention and/or insurance coverage carried by the City or its employees shall not contribute to the coverages provided by Licensee. This provision and the inclusion of the City as an additional insured shall not be construed as giving rise to responsibility or liability of the City for applicable deductible amounts under such policy(ies).
- 12.2.3. The insurance policies shall contain a waiver of transfer rights of recovery (subrogation) for workers' compensation against the City, its representatives, officers, directors, officials and employees for any claims arising out of Licensee's acts, errors, mistakes, omissions, work or service.
- 12.2.4. The insurance policies may provide coverage, which contain deductibles or self-insured retentions. Such deductible and/or self-insured retention shall be assumed by and be for the account of, and at the sole risk of Licensee who shall be solely responsible for the deductible and/or self-insured retention.
- 12.2.5. Upon receipt of notice from its insurer(s), Licensee shall use commercially reasonable efforts to provide the City with thirty (30) days' prior written notice of cancellation of any policy required herein.
- 12.2.6. Upon request, Licensee shall furnish separate certificates and additional insured endorsements for each of Licensee's contractors (and any subcontractors used thereunder). All coverages for Licensee's contractors (and any subcontractors used thereunder) shall be subject to the same limits as required for Licensee.
- 12.2.7. The City reserves the right to periodically review said insurance limits to ensure coverage is based on market and risk requirements throughout the effective term of this Agreement.

12.3. Proof of Insurance – Certificates of Insurance.

- 12.3.1. Upon execution of this Agreement, Licensee shall furnish to the City Certificates of Insurance issued by Licensee's agent or broker, as evidence that policies providing the required coverages, conditions and limits required by this Agreement are in full force and effect and obtain from the City's Risk Management Division approval of such Certificates. Such Certificate(s) shall include the blanket additional insured endorsement including the City as an Additional Insured pursuant to Section 12.2.2 and shall be attached as Exhibit C to this Agreement.

12.3.2. If a policy does expire during the life of this Agreement, a renewal certificate must be sent to the City five (5) business days prior to the expiration date.

12.3.3. All Certificates of Insurance shall identify the policies in effect on behalf of Licensee, their policy period(s), and limits of liability required herein. Coverage shown on the Certificate of Insurance must coincide with the requirements in this Agreement. Information required to be on the Certificate of Insurance may be typed on the reverse of the Certificate and countersigned by an authorized representative of the insurance carrier or agent. Copies of the initial Certificate of Insurance and any and all subsequent renewals that are required under this Agreement shall be sent to:

City of Avondale
Attn: Risk Manager
11465 W. Civic Center Drive
Avondale, AZ 85323

With copy to:
City of Avondale
Attn: City Engineer
11465 W. Civic Center Drive
Avondale, AZ 85323

12.3.4. The City reserves the right to review, within at least ten (10) business days, certified copies of any or all of the herein required insurance policies and/or endorsements. Such policies shall be made available for review in Maricopa County, Arizona. The City shall not be obligated, however, to review same or to advise Licensee of any deficiencies in such policies and endorsements, and such receipt shall not relieve Licensee from, or be deemed a waiver of the City's right to insist on, strict fulfillment of Licensee's obligations under this Agreement.

12.4. Required Coverage. Such insurance shall protect Licensee from claims set forth below that may arise out of or result from the operations of Licensee under this Agreement and for which Licensee may be legally liable, whether such operations be by Licensee or by anyone directly employed by Licensee. Coverage under the policy will be at least as broad as ISO policy form CG 00 010 93 or equivalent thereof, including but not limited to: severability of interest and waiver of subrogation clauses; claims for damages because of bodily injury, sickness or disease, or death of any person other than the Licensee's employees; claims for damages insured by usual personal and advertising injury liability coverage; claims for damages because of injury to or destruction of tangible property, including loss of use resulting therefrom; and claims involving contractual liability applicable to Licensee's obligations under the indemnification Section herein.

12.5. Commercial General Liability – Minimum Coverage Limits. Licensee shall maintain "occurrence" form Commercial General Liability insurance with an unimpaired limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products and Completed Operations Annual Aggregate and a \$2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as ISO policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured's clause. To the fullest extent allowed by law, for claims arising out of the performance of a Contract, the City, its agents, representatives,

officers, officials and employees shall be cited as an Additional Insured under ISO, Commercial General Liability Additional Insured Endorsement form CG 20 10 03 97, or equivalent, which shall read “Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of “your work” for that insured by or for you.” If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be “follow form” equal or broader in coverage scope than underlying insurance. Worker's Compensation and Employer's Liability. If Licensee employs anyone who is required by law to be covered by workers’ compensation insurance, Licensee shall maintain Workers’ Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over Licensee’s employees engaged in the performance of work or services under a Contract and shall also maintain Employers’ Liability Insurance of not less than \$500,000 for each accident, \$500,000 disease for each employee and \$1,000,000 disease policy limit.

- 12.6. Automobile Liability. Licensee shall maintain Business Automobile Liability insurance with a limit of \$1,000,000 each occurrence on Licensee’s owned, hired and non-owned vehicles assigned to or used in the performance of the Licensee’s work or services under a Contract. Coverage will be at least as broad as ISO coverage code “1” “any auto” policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of the performance of the Contract, the City, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured under ISO Business Auto policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be “follow form” equal or broader in coverage scope than underlying insurance. The City reserves the right to require additional insurance coverages and/or increase any minimum coverages herein at any time with written notice to Licensee.

13. LIMITATION OF LIABILITY

- 13.1. The City and its officers, agents, elected or appointed officials, employees, departments, boards and commissions, shall not be liable to Licensee or to its affiliates or customers for any interference with or disruption in the operations of Licensee’s Fiber Optic Network or the provision of services, or for any damages arising out of or materially related to Licensee’s use of the ROW, except to the extent of intentional misconduct or gross negligence on the part of the City its officers, agents, elected or appointed officials, employees, departments, boards and commissions.
- 13.2. Licensee also agrees that it shall have no recourse whatsoever against the City or its officials, boards, commissions, agents or employees for any loss, costs, expense or damages arising out of or materially related to any provision or requirement of the City because of the enforcement of this Agreement.
- 13.3. Licensee shall assume the risk of, and hereby relinquishes any claim against the City in connection with any final, non-appealable determination by a court of competent jurisdiction that the City lacked the current statutory authority under Arizona law to issue this Agreement.

14. WARRANTY

- 14.1. The issuance of a license, permit or other authorization by the City is not a representation or warranty that such license, permit, or authorization is a legally sufficient substitute for a franchise, and is not a representation of warranty that a franchise is not required.
- 14.2. LICENSEE ACKNOWLEDGES AND AGREES THAT CITY DOES NOT WARRANT THE CONDITION OR SAFETY OF ITS ROW OR THE PREMISES SURROUNDING THE SAME, AND LICENSEE HEREBY ASSUMES ALL RISKS OF ANY DAMAGE, INJURY OR LOSS OF ANY NATURE WHATSOEVER CAUSED BY OR IN CONNECTION WITH THE USE OF ANY THE ROW SUBJECT TO THE PROVISIONS OF THIS AGREEMENT.

15. SURVIVAL OF LIABILITY

All obligations of Licensee and the City hereunder and all warranties and indemnities of Licensee hereunder shall survive termination of this Agreement.

16. PUBLIC EMERGENCY

- 16.1. The City shall have the right, because of a public emergency, to sever, disrupt, relocate, remove, tear out, dig-up or otherwise damage and/or destroy Licensee's Facilities of without any prior notice to Licensee, if the action is deemed reasonably necessary by either the City Manager, Fire Chief, Police Chief, City Engineer, Public Works Director, or their designees. In such event, neither the City nor any agent, contractor or employee of the City shall be liable to Licensee, Licensee's contractors (and any subcontractors used thereunder), or Licensee's customers for any harm so caused to them or Licensee's Facilities. To the extent possible under the circumstances, City will consult with Licensee in advance to assess the necessity of such actions and to minimize to the extent practical under the circumstances damage to and disruption of operation of the Fiber Optic Networks. City shall inform Licensee of any actions taken. Licensee shall be responsible for repair at its sole expense of any of Licensee's Facilities damaged pursuant to any such action taken by City related to the public emergency.
- 16.2. If any of Licensee's Facilities or activities present any immediate hazard or impediment to the public, to the City, to other City improvements or activities within or outside of the Route, or to City's ability to safely and conveniently operate the ROW or perform City's utility, public safety, and/or other public health, safety and welfare functions, then Licensee shall immediately remedy the hazard, comply with the City's request to secure the route area, and otherwise cooperate with the City at no expense to the City to remove any such hazard or impediment.
- 16.3. In the event of a public emergency, neither the City nor any agent, contractor or employee of the City shall be liable to Licensee, Licensee's contractors (and any subcontractors used thereunder), Licensee's customers, or other third parties for any harm so caused to them by the reasonable actions of the City or its agents, contractors or employees in reasonably responding to such public emergency. Where possible, the City will consult with Licensee in advance to assess the necessity of such actions and to minimize, to the extent practical

under the circumstances, damage to and disruption of either the public property involved or Licensee's Facilities involved.

17. **NOTICE**

- 17.1. All notices, which shall or may be given pursuant to this Agreement, shall be in writing and transmitted through the U.S. certified or registered mail, postage prepaid, by means of prepaid private delivery systems, addressed as follows:

THE CITY

City of Avondale
Attn: City Engineer
16000 N. Civic Center Plaza
Avondale, AZ 85374
Phone: (623) 222-6150
Fax: (623) 222-6001

LICENSEE

Teleport Communication America, LLC
Debra Freitas, CEO
16737 Anderson Drive
Southgate, MI 48195
Tel: (734) 250-8941

With copy to:

Avondale City Attorney's Office
Attn: City Attorney
11465 W. Civic Center Drive
Avondale, AZ 85323
Phone: (623) 222-1120
Fax: (623)-222-1101

With copy to:

Light Source Communications, LLC
Attn: Pete Empie, COO,
16737 Anderson Drive
Southgate, MI 48195
Tel: (517) 420-1600

- 17.2. Notices shall be deemed sufficiently given and served upon the other party the first business day after deposit if sent by private delivery systems and the fifth business day after deposit in U.S. Mail.
- 17.3. Either party may from time to time designate any other address for this purpose by written notice to the other party in the manner set forth above. Licensee shall notify the City within ten (10) business days of any change in mailing address.

18. **TRANSFERABILITY OF LICENSE**

- 18.1. This Agreement is personal to Licensee and therefore the rights, privileges and license granted herein shall not be sold, sublet, assigned, conveyed or otherwise transferred, nor shall any of the rights or privileges herein granted or authorized be leased, assigned, sold, conveyed or otherwise transferred, either in whole or in part, nor shall title thereto, either legal or equitable, or any right, interest or property therein, pass to or vest in any person, except Licensee, either by act of Licensee or operation of law, without the express written consent of the City, which consent shall not be unreasonably withheld or delayed. Prior to any proposed transfer of any kind becoming final, Licensee shall seek the consent of the City to the proposed transfer. Approval by the City to a transfer does not constitute a waiver or release of any of the rights of the City under the Avondale Municipal Code or this Agreement, whether arising before or after the date of transfer.

- 18.2. The assignee or transferee as approved by the City shall be equally subject to all the obligations and privileges of this Agreement, including any amendments, which will remain in full effect, as if the assignee or transferee were the original Licensee.
- 18.3. Nothing in this Section shall be deemed to prohibit a pledge or, hypothecation or mortgage or similar instrument transferring conditional ownership of all or part of the Licensee's assets to a lender or creditor in the ordinary course of business. In the event a lender assumes control of the assets and operation of the Licensee through a default of the Licensee in loan obligations, the lender may assume the rights and obligations of the Licensee. The lender may not transfer or change control of the Agreement without submitting the change to the City for consent under this Section. If the lender does continue operation on any basis at any time, it shall be subject to all provisions of the Agreement. No later than three (3) years after assumption of control by the lender, the lender shall apply to the City for the right to continue assumption of control or to transfer the Agreement. Application by the lender for approval of such assumption of control or transfer shall be subject to all provisions set forth herein on consent by the City Council and approval shall not be unreasonably denied or delayed. A "lender" as discussed herein does not include a Licensee, person or corporation or other entity that operates cable television systems or Telecommunications Services as a principal or important business. This Section is intended to prohibit the intentional use of lending and/or foreclosure as a method for effecting change of control or transfer of the Agreement without City Council review and approval.
- 18.4. Any transfer without City's consent shall be void and shall not result in the transferee obtaining any rights or interests in, under or related to this Agreement. The City may, in its sole discretion and in addition to all other lawful remedies available to the City under this Agreement or otherwise, and in any combination, terminate this Agreement, collect any fees owed from Licensee and/or declare the transfer to be void, all without prejudicing any other right or remedy of City under this Agreement. No cure or grace periods shall apply to transfers or assignments prohibited by this Agreement or to enforcement of any provision of this Agreement against an assignee who did not receive the City's consent. Notwithstanding, the above, transfer or assignment to Licensee's financially viable parent, subsidiary, successor (including the surviving entity in the event of a merger of Licensee), or affiliate under common control, shall not require consent and shall be effective upon written notice to the City.
- 18.5. A change in the direct or indirect ownership of Licensee, where the License remains with Licensee, is not a transfer or assignment under this Section 18.

19. HAZARDOUS SUBSTANCES

- 19.1. Licensee's and its contractors' activities upon or about the ROW shall be subject to the following regarding any hazardous or toxic substances, waste or materials, or any substance now or hereafter subject to regulation under the Comprehensive Environmental Response Compensation and Liability Act 42 U.S.C. §§ 9601, et. seq., the Arizona Hazardous Waste Management Act, ARIZ. REV. STAT §§ 49-901, et. seq., the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901, et. seq., the Toxic Substances Control Act, 15 U.S.C. § 2601, et. seq., or any other federal, state, county or local law pertaining

to hazardous substances, waste or toxic substances and their reporting requirements (collectively “Toxic Substances”):

19.1.1. Licensee and/or its contractors shall not produce, dispose, transport, treat, use or store any Toxic Substances upon or about the ROW. The prohibitions of the preceding sentence only shall not apply to:

19.1.1.1. Ordinary gasoline, diesel fuel or other fuels or lubricants necessary for ordinary use in motor vehicles and ordinary construction machinery permitted upon the ROW. Such materials must be properly and lawfully contained in ordinary quantities in ordinary tanks and receptacles that are permanently installed in such vehicles and machinery, or small portable tanks that are being used for fueling permitted construction machinery; or

19.1.1.2. Electric backup batteries.

19.1.2. Licensee and/or its contractors shall dispose of any Toxic Substances away from the ROW as required by law and as reasonably required by the City.

19.1.3. Licensee and/or its contractors shall not use the ROW in a manner inconsistent with regulations issued by the Arizona Department of Environmental Quality, or in a manner that would require a permit or approval from the Arizona Department of Environment Quality or any other governmental agency. The preceding sentence does not prohibit ordinary permits for control of dust during construction permitted by this Agreement.

19.1.4. Licensee and/or its contractors shall immediately notify the City of any Toxic Substance at any time discovered or existing upon the ROW. Licensee is not responsible for Toxic Substances that may exist at the ROW if Licensee’s contractors (and any subcontractors used thereunder) and/or any other persons using the ROW under this Agreement did not do any of the following:

19.1.4.1. Participate in the Toxic Substance coming to the ROW;

19.1.4.2. Fail to immediately report the Toxic Substance to the City;

19.1.4.3. Knowingly participate in spreading or otherwise disturbing the Toxic Substance; or

19.1.4.4. Knowingly exacerbate the effects of the Toxic Substance or the difficulty or cost of dealing with the Toxic Substance.

19.1.5. Licensee understands the hazards presented to persons, property and the environment by dealing with Toxic Substances. Licensee acknowledges the possibility that the ROW may contain actual or presumed asbestos and other Toxic Substances containing materials.

19.1.6. Within twenty-four (24) hours after any violation by Licensee and/or by its contractors of this Agreement pertaining to Toxic Substances, Licensee shall give the City notice reporting such violation.

19.1.7. Licensee shall be available to staff employees of any City department having jurisdiction over Licensee's activities twenty-four (24) hours a day, seven (7) days a week, regarding problems or complaints resulting from the installation, operation, maintenance, or removal of Licensee's Facilities. The City may contact by telephone the network control center operator at the following phone number 866-236-2824 regarding such problems or complaints, and may use that number in order to reach Licensee at any time for any emergency matter. Licensee shall use reasonable efforts to respond to any issues within the time frames specified in its service level agreements. Licensee shall make arrangements with a local entity to handle any necessary problems or complaints that require a physical presence. In addition, Licensee will immediately notify the City if there is a change in the telephone number listed in this Section.

20. MISCELLANEOUS

20.1. Complete Agreement. This Agreement, including all Exhibits which are attached, are hereby incorporated into this Agreement and all of which constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any and all prior or contemporaneous agreements whether written or oral. This Agreement cannot be modified or amended except in writing signed by both parties.

20.2. Validity. Licensee shall acknowledge that as a condition of acceptance of this Agreement, Licensee was required to be represented throughout the negotiations of the Agreement by its own attorneys and Licensee had the opportunity to consult with its own attorneys about its rights and obligations regarding this Agreement. Licensee has reviewed City's authority to execute and enforce this Agreement and has reviewed all applicable law, both federal and state, and, after considering same, Licensee acknowledges and accepts the right and authority of the City to execute this Agreement and to enforce the terms herein.

20.3. Partial Invalidity. If any section, paragraph, subdivision, clause, phrase or provision of this Agreement shall be adjudged invalid or unenforceable, or is preempted by federal or state laws or regulations, the same shall not affect the validity of this Agreement as a whole or any part of the provisions of this Agreement other than the part adjudged to be invalid, unenforceable, or preempted. Parties agree if a regulatory body or a court of competent jurisdiction should determine by a final, non-appealable order that the City did not have the authority to issue a license to Licensee under ARIZ. REV. STAT § 9-581 to § 9-583, as amended or succeeded, then this Agreement shall be considered a revocable permit with a mutual right in either party to terminate without cause upon giving sixty (60) days written notice to the other. The requirements and conditions of such revocable permit shall be the same requirements and conditions as set forth in this Agreement except for conditions relating to the term of the Agreement and the right of termination. If this Agreement shall be considered a revocable permit as provided herein, Licensee acknowledges the authority of the City Council to issue a revocable permit and the power to revoke as provided therein.

- 20.4. Time of Essence. Time is of the essence in each and every provision of this Agreement.
- 20.5. Severability. If any provision of this Agreement shall be ruled by a court or agency of competent jurisdiction to be invalid or unenforceable for any reason, or superseded by other lawful authority including any state or federal, legislative, regulatory or administrative authority having jurisdiction thereof, the invalidity or unenforceability of such provision shall not affect the validity of any remaining provisions of this Agreement and the parties may agree in writing to amend this Agreement to address such invalid or unenforceable provisions; however, if the parties disagree as to the validity or enforceability of such provisions, the Agreement will not be affected to the extent of such disagreement until a court of competent jurisdiction determines otherwise or the parties later agree in writing. In the event either party seeks such judicial declaration or interpretation of any provision herein, neither party will be liable for the other party's attorney's fees, regardless of which party is deemed the successful party.
- 20.6. Headings. The headings contained herein are for convenience only and not intended to define or limit the scope of any provision of this Agreement.
- 20.7. No Partnership. Each party will act in its individual capacity and not as an agent, employee, partner, joint venture, or associate of the other under this Agreement.
- 20.8. No Third-Party Beneficiaries. No person or entity shall be a third party beneficiary to this Agreement or shall have any right or cause of action hereunder. The City shall have no liability to third parties for any approval of plans, Licensee's construction of improvements, Licensee's negligence, Licensee's failure to comply with the provisions of this Agreement (including any absence or inadequacy of insurance required to be carried by Licensee), or otherwise as a result of the existence of this Agreement.
- 20.9. Public Records. Notwithstanding any provisions of this Agreement regarding confidentiality, secrets, or protected rights, Licensee acknowledges that all documents provided to the City may be subject to disclosure by laws related to open public records. Consequently, Licensee understands that disclosure of some or all of the items subject to this Agreement may be required by law. In the event the City receives a request for disclosure that is reasonably calculated to incorporate information that might be considered confidential by Licensee, the City agrees to provide Licensee with notice of that request. Within ten (10) days of such notice (which shall reference the 10-day requirement), Licensee must inform the City in writing of any objection by Licensee to the disclosure of the requested information. Failure by Licensee to object timely will waive Licensee's ability to object under this section and will waive any remedy against the City for disclosure. In the event Licensee objects to disclosure within the time specified, Licensee agrees to handle all aspects related to the request including properly communicating with the requestor and timely responding with information. This provision will survive the termination of this Agreement.
- 20.10. Force Majeure. With respect to any provision of this Agreement, the violation or non-compliance of which could result in the imposition of a financial penalty, liquidated damages, forfeiture or other sanction upon Licensee, such violation or non-compliance

shall be excused where such violation or non-compliance is the result of acts of God; war; terrorist attack; civil disturbance, strike or other labor unrest; plague; pandemics; epidemics; quarantine orders or directives by a governmental entity; outbreaks of infectious disease or other public health crisis, including without limitation, quarantine or other employee restrictions; or other events, the occurrence of which was not reasonably foreseeable by Licensee and is beyond its reasonable control.

- 20.10.1. Government Directives. Any delay or nonperformance of any provision of or obligation under this Agreement caused by a federal, state, and/or local directive, order, or similar requirement, including without limitation, the COVID-19 pandemic and related quarantine orders, shall not constitute a breach of this Agreement or any portion thereof, provided that one party has provided the other party with at least seventy-two (72) hours' written notice of such delay or nonperformance.
- 20.11. Attorneys' Fees. Except as described herein, in the event either party brings any action for any relief, declaratory or otherwise, arising out of this Agreement or on account of any breach or default hereof, the prevailing party is entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, determined by the court sitting without a jury, which will accrue on the commencement of such action and will be enforced whether or not such action is prosecuted through judgment.
- 20.12. Non-Waiver. Licensee shall not be excused from complying with any of the terms and conditions of this Agreement by any failure of City upon any one or more occasions to insist upon or to seek compliance with any such terms or conditions.
- 20.13. Recitals. The Recitals set forth above are hereby incorporated by this reference, as if fully set forth herein.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

City of Avondale

An Arizona municipal corporation

By: _____

Its: _____

Date: _____

Licensee

Light Source Communications, LLC

By:  _____

Its: CEO _____

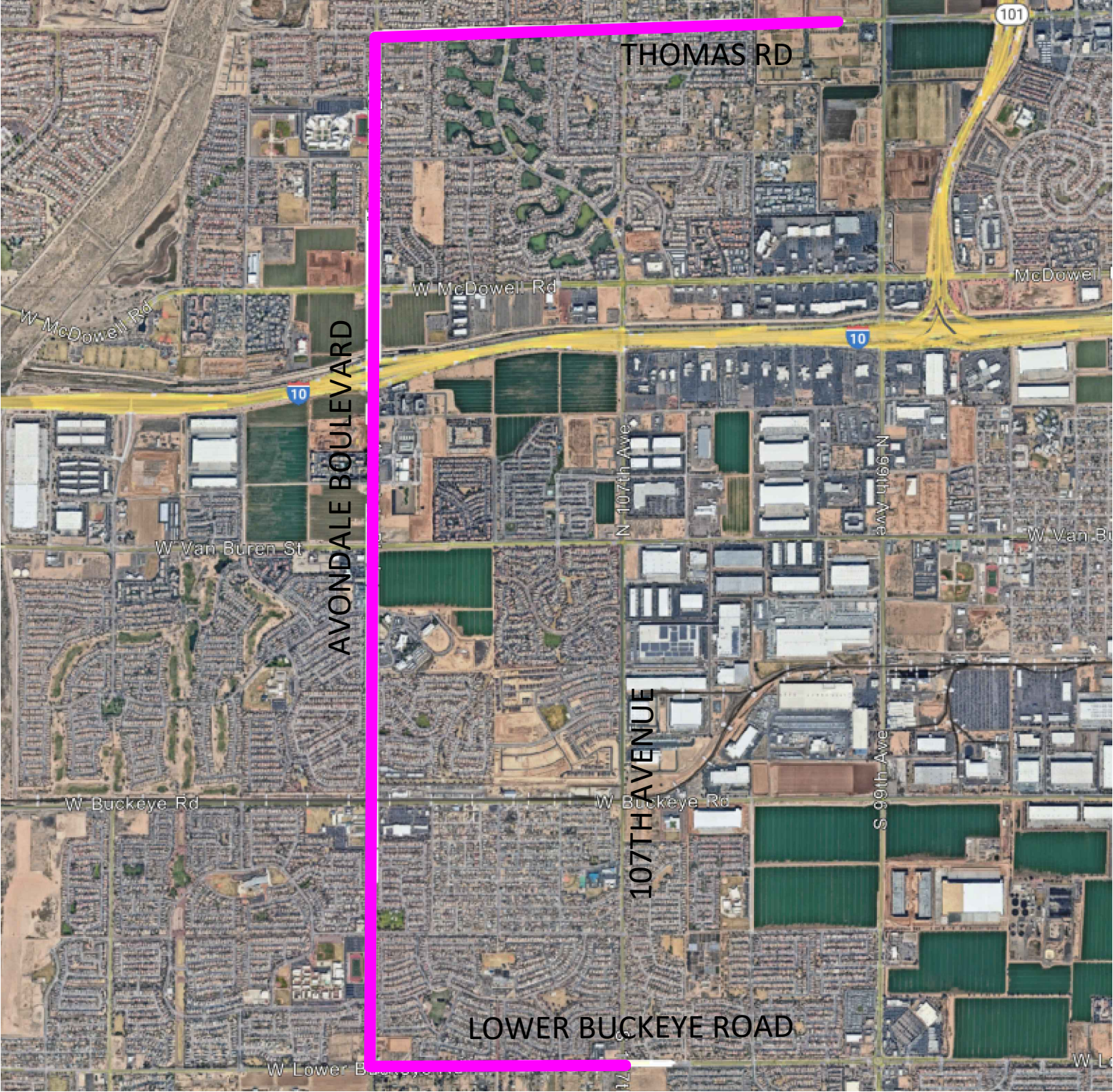
Date: 5/2/24 _____

EXHIBIT A – The Route Map/Use Area

LSC West Fiber Ring

DATE: 3/19/24

PROJECT FOOTAGE = 34,267'
PROJECT EXHIBIT



CITY/AGENCY: AVONDALE



GLEZ DESIGNS
3001 WEST LINCOLN STREET
PHOENIX, AZ. 85009
(623)444-7805

ITEM NUMBER: 4.d.

SUBJECT: Resolution 1050-0624 - Grant Acceptance from Water Infrastructure Finance Authority (WIFA) of Arizona for Enhanced Water Efficiency Audits

MEETING DATE: 6/3/2024

TO: Mayor and Council

FROM: Renee Weatherless, Finance and Budget Director

THROUGH: Ron Corbin, City Manager, (623) 333-1011

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

This agenda item supports the following Avondale Strategic Outcome Areas:

- Natural Resources and Open Spaces - Avondale recognizes the value of its natural resources and promotes environmental sustainability and conservation in its operations, activities, and planning.
-

PURPOSE:

City Council will consider a request to: a) adopt Resolution 1050-0624, accepting grant funding from Water Infrastructure Finance Authority of Arizona (WIFA) for Enhanced Water Efficiency Audits in the amount of \$52,500; b) authorize and direct staff to take all steps necessary to cause the execution of the Agreement and to take all steps necessary to carry out the purpose and intent of this Resolution; and c) authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

The Water Infrastructure Finance Authority of Arizona (WIFA) is an independent state authority permitted to finance the construction, rehabilitation, acquisition, and improvement of water infrastructure throughout Arizona. WIFA administers the Water Conservation Grant Fund and has awarded the City of Avondale a grant in the amount of \$52,500 for the "Enhanced Water Efficiency Audits for Avondale Municipal Properties" program.

The overall goal of the conservation program is to produce long-term reductions in water use by identifying cost-effective opportunities to increase water use efficiency. By repairing and upgrading the infrastructure, water wastage due to leaks can be significantly reduced. Additionally, upgraded infrastructure may incorporate advanced technologies like pressure management systems and leak detection sensors on city property that will allow the city to address inefficiencies promptly. Upgrading water infrastructure sets the stage for long-term reductions in water use by providing the foundation for a more efficient and sustainable water management system.

The consultant selected for the water efficiency audits will be determined through a competitive bid process and applicants with proven experience completing water efficiency audits of large, complex customers will be considered. Avondale has previously implemented facility water audits and efficiency upgrades at City Hall and the Municipal Operations Service Center.

DISCUSSION:

The costs associated with this water conservation activity include the initial audit and program administration, leak repair, infrastructure upgrades, design services and labor. Benefits include reduced water use (estimated at 15%) and reductions in maintenance costs. Based on previous audit campaigns in other cities, the payback period for recommended system improvements averages 7 months. Broader benefits include reducing costs and demand for Avondale's water and wastewater systems, demonstration of water-efficient practices for Avondale's water utility customers, and easing pressure on the CAP's ongoing water supply challenges and uncertainties.

WIFA funding will be used toward water conservation programs and will include water efficiency audits and improvements to 25 city-owned facilities, including fire and police stations, libraries, the Visitor and Conference Center, the Avondale Resource Center, etc. Each of the enhanced water audit campaigns will include the following components:

- Pre-audit analysis based on historical water use, remote sensing, other factors
- Audit site visit, deployment of instruments
- Analysis and report with findings and recommendations
- Installation and retrofit of water-saving infrastructure and/or repair of leaks
- Follow-up comparison of pre- and post-audit water demand to measure water savings

BUDGET IMPACT:

Funding provided by WIFA will require an expenditure appropriation transfer of \$52,500 from grant contingency to provide expenditure authority for the grant. There is a grant match requirement in the amount of \$17,500, which is accounted for in the Water Operations Fund.

RECOMMENDATION:

Staff recommends City Council adopt a resolution authorizing the Grant Agreement with the Water Infrastructure Finance Authority in the amount of \$52,500 and authorize staff to take the necessary actions to execute the terms of the agreement.

Contact person for document distribution: Stephanie George, Katrece Swenson

RESOLUTION NO. 1050-0624

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, AUTHORIZING THE ACCEPTANCE OF A WATER CONSERVATION GRANT FROM THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA.

WHEREAS, the Water Infrastructure Finance Authority of Arizona has awarded the City of Avondale (the “City”) a Water Conservation Grant in the amount of \$52,500.00 (the “Grant”), subject to a \$17,500.00 local match; and

WHEREAS, the Mayor and Council of the City of Avondale (“City Council”) desire to accept the Grant funds.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

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

SECTION 2. The City Council hereby authorizes (i) the acceptance of the Grant in an amount not to exceed \$52,500.00, (ii) the expenditure of a local match of \$17,500.00, and (iii) the execution of a contract relating to the acceptance and administration of the Grant funds (the “Agreement”) is hereby approved in substantially the form and substance attached hereto as Exhibit A and incorporated herein by this reference.

SECTION 3. The Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to execute and submit the Agreement and any other necessary or desirable instruments in connection with the Grant and to take all steps necessary to carry out the purpose and intent of this Resolution.

[Signatures on Following Page]

PASSED AND ADOPTED by the Council of the City of Avondale, Arizona,
June 3, 2024.

Kenneth N. Weise, Mayor

ATTEST:

Marcella Sarmiento, City Clerk

APPROVED AS TO FORM:

Nicholle Harris, City Attorney

EXHIBIT A
TO
RESOLUTION NO. 1050-0624

[Agreement]

See following pages.

AGREEMENT: WC5-204-2024**WATER CONSERVATION GRANT FUND AGREEMENT****BETWEEN**
CITY OF AVONDALE**AND****The Water Infrastructure Finance Authority of Arizona**

THIS GRANT AGREEMENT (the “**Agreement**”) is made effective as of the date of signature of the last signatory hereto (the “**Effective Date**”), by and between the Water Infrastructure Finance Authority of Arizona (the “**Authority**”), a body corporate and politic, and CITY OF AVONDALE (the “**Grantee**”). The Authority and the Grantee may individually be referred to as “**Party**” or collectively as the “**Parties**.”

RECITALS

WHEREAS, Title VI of the Social Security Act (42 § U.S.C. 801 et seq.) (the “**Act**”) was amended by section 9901 of the American Rescue Plan Act (“**ARPA**”), Pub. L. No. 117-2 (March 11, 2021), to add section 602, which authorizes the United States Department of Treasury’s (“**Treasury**”) to make payments from the Coronavirus State and Local Fiscal Recovery Funds (“**SLFRF**”), and

WHEREAS, the funds are purposed for use in responding to the COVID-19 public health emergency and its economic impacts through the categories of eligible uses and activities described in 31 C.F.R. Part 35, Subpart A, including for making necessary investments in water, sewer, and broadband infrastructure, and

WHEREAS, the source of funding for the Award is the ARPA, specifically the SLFRF, with Catalog of Federal Domestic Assistance (“**CFDA**”) Assistance Listing 21.027 for all activity pursuant to this Agreement, and

WHEREAS, the State of Arizona established the Water Conservation Grant Fund (“**WCGF**”) under Title 49, Chapter 8, Article 5 of the Arizona Revised Statutes. A.R.S. §§ 49-1331 – 1335, to be administered by the Authority, and

WHEREAS, the Office of the Governor, in fulfilling its duty to administer the Coronavirus State and Local Fiscal Recovery Funds allocated to the State of Arizona, entered into an Interagency Service Agreement (ISA-ARPA-WIFA-070122-01), as amended on November 3, 2023, to provide funding to the Authority through the WCGF to support COVID-19 related activities in accordance with State Fiscal Recovery Fund Expenditure Category 5.8 Clean Water: Water Conservation, and

WHEREAS, the Authority is authorized to issue grants from the WCGF to eligible entities for water conservation programs and projects that are expected to result in: (1) long-term reductions in water use; (2) improvements in water use efficiency; or (3) improvements in water reliability. And

WHEREAS, WCGF grants may be issued for any of the purposes specified in A.R.S. § 49-1332(B), and

Water Conservation Grant Fund

WHEREAS, Grantee meets the Treasury’s definition of a subrecipient and has applied for a grant, pursuant to the Application attached to this Agreement as Exhibit A [*Grant Application*]; and

WHEREAS, by the Board resolution attached to this Agreement as Exhibit B [*Board Resolution*], the Authority has determined Grantee is eligible for financial assistance from the WCGF and has reviewed and approved the Grantee’s Application in accordance with the requirements of A.R.S. §§ 49-1331 – 1335.

NOW THEREFORE, in consideration of the mutual promises and covenants set forth below, the Authority and Grantee agree as follows:

ARTICLE I - Definitions

- 1.1. “Act” means Title VI of the Social Security Act (42 § U.S.C. 801 et seq.), as amended.
- 1.2. “Application” means the Grantee’s application for financial assistance from the Water Conservation Grant Fund, attached to this Agreement as Exhibit A [*Grant Application*] and incorporated herein.
- 1.3. “ARPA” means the American Rescue Plan, Pub. L. No. 117-2 (March 11, 2021), as amended.
- 1.4. “Authority” or “WIFA” means the Water Infrastructure Finance Authority of Arizona
- 1.5. “Authorized Officer” means the Director of the Authority, or any other person or persons designated by the Director to act on behalf of the Authority, with respect to this Agreement.
- 1.6. “Award” means the specific grant amount awarded to Grantee as described in this Agreement.
- 1.7. “Scope of Work” means the program or project described in Exhibit C [*Scope of Work*], attached to this Agreement and incorporated herein.
- 1.8. “SLFRF” means the Coronavirus State and Local Fiscal Recovery Funds.
- 1.9. “Treasury” means the United States Department of Treasury.
- 1.10. Any capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the Exhibits.

ARTICLE II - Award

- 2.1. The Award. The Authority hereby agrees to provide the Grantee with an award in the amount of Fifty Two Thousand Five Hundred Dollars and 00/100 (\$ 52,500.00) (the “**Award**”), subject to the terms and conditions set forth in this Agreement and availability of funds. The Authority shall make the Award available to Grantee upon execution of this Agreement by the parties. Subject to the Grantee’s compliance with all terms and conditions of this Agreement, and the continued non-existence of a breach or default, or any event, circumstance, act, or omission which with the giving of notice, the passage of time, or both would constitute a breach, default or give rise to the termination of this Agreement, the Authority agrees to disburse the Award to the Grantee in accordance with the provisions of Article III [*Disbursement and Funding*].
- 2.2. Acceptance of Award. Grantee hereby accepts the Award under the terms and conditions of this Agreement, and agrees to execute and return this Agreement to the Authority within thirty (30)

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calendar days of receipt unless Grantee receives a written waiver of this requirement by the Authority.

- 2.3. Purpose and Use of Award. Grantee agrees to undertake and complete the Scope of Work in a timely manner, and to receive and expend the Award in accordance with this Agreement. Grantee agrees to utilize the Award only for the purpose of implementing the Scope of Work. Any expenditure deviating from the Scope of Work shall require the Authority's prior written approval. Supporting documents and attachments from the Application are incorporated herein by reference. If content in the Application differs from or conflicts with terms presented elsewhere in this Agreement, this Agreement takes precedence.
- 2.4. Prior Costs Incurred. The Award may be used for costs incurred prior to the Effective Date of this Agreement, but may not be used for costs incurred or for which commitment was made before July 6, 2022.
- 2.5. Time of Performance. Grantee may use the Award for costs incurred and activities performed between July 6, 2022, and June 30, 2026.
 - 2.5.1. Grantee shall complete the Scope of Work no later than June 30, 2026.
 - 2.5.2. Grantee shall make sufficient progress on the Scope of Work, in good faith and in manner acceptable to the Authority. For purposes of this section, unless otherwise agreed to by the Authority in writing, "sufficient progress" means the Grantee has, at a minimum, complied with all schedules and deadlines listed in the Scope of Work.
 - 2.5.3. Grantee may submit to the Authority a written request to amend a Scope of Work's schedule, which the Authority may, but is not required to approve. The written request shall detail: (1) the nature of the delay(s); (2) the amended schedule dates; and (3) any efforts to be implemented to adhere to the amended schedule.
- 2.6. Benchmarks. Failure to adhere to the benchmarks listed below shall constitute a breach of this Agreement and may result in the loss of all or part of the Award. In addition to any schedule or deadline identified in the Scope of Work, Grantee shall, at a minimum, comply with the following benchmarks:
 - 2.6.1. Expend 5% of the Award by December 2, 2024.
 - 2.6.2. Expend 50% of the Award by December 31, 2025.
 - 2.6.3. Expend 75% of the Award by March 31, 2026.
- 2.7. Term of Agreement. This Agreement remains in effect until all reporting requirements described in this Agreement have been fulfilled by the Grantee and accepted by the Authority (the "**Term**").
- 2.8. Grantee Obligations. This Agreement constitutes the valid and binding obligations of the Grantee, enforceable in accordance with its terms. The obligation and utilization of the Award provided through this Agreement are subject to the proper observation of the Agreement and any requirements incorporated by reference.

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- 2.8.1. Assignments. The Grantee agrees not to transfer, assign, or pledge any right or interest in any payment or advance due pursuant to this Agreement, or any of the other benefits thereof, without the prior written consent of the Authority. Any such assignment made or attempted by the Grantee without the prior written consent of the Authority shall be void and of no effect. No consent by the Authority to an assignment by the Grantee shall release the Grantee as the party primarily obligated and liable under the terms of this Agreement, unless the Authority specifically releases the Grantee in writing.
- 2.8.2. Compliance with Applicable Laws. The Grantee shall perform all activities under this Agreement in accordance with all applicable (whether present or future) laws, ordinances, rules, regulations, requirements and orders of any governmental or administrative authority having or claiming jurisdiction over the Grantee's activities. The Parties further agree to cooperate in all ways reasonable and necessary to comply with the applicable statutes, including amending this Agreement as needed in the future and making any refunds or payments that might be required to bring the Parties into full compliance with applicable law.
- 2.8.3. Subcontractors. Grantee shall require any subcontracting entities to observe and follow all provisions of this Agreement.
- 2.9. Exhibits. The terms and conditions of this Agreement include the terms and conditions set forth in the Exhibits, which are part of this Agreement.
- 2.10. Fund Availability. Any action by the Parties under this Agreement requiring the expenditure of funds is conditioned upon the availability of funds appropriated, assigned, and allocated for the payment of such obligation. If funds are not appropriated, assigned, allocated, and available or if the appropriation is changed by the legislature or the Governor's Office resulting in funds no longer being available for the continuance of this Agreement, this Agreement may be terminated by the Parties at the end of the period for which funds are available. No liability shall accrue to the Parties in the event this provision is exercised, and the Parties shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.
- 2.11. Notices. All notices required or permitted under this Agreement, including technical correspondence, invoices, and reports from Grantee, or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered, mailed by registered or certified mail, or emailed to Grantee or the Authority at the following addresses:

WIFA Project Manager

Laurie Gehlsen, Grants Coordinator
Water Infrastructure Finance Authority of Arizona
100 N 7th Ave, Suite 130
Phoenix, AZ 85007
Direct: (480) 647-4462
LGehlsen@azwifa.gov

Grantee Project Manager

Amber Hughes, Water Conservation Coordinator

Avondale Public Works

399 E. Lower Buckeye Rd.

Avondale, AZ 85323

623.333.4422

ahughes@avondaleaz.gov

Either Party may designate any further or different addresses to which subsequent notices or other communications shall be sent, by notice in writing given to the other Party.

ARTICLE III - Disbursement and Funding

- 3.1. **Reimbursement Basis.** The Authority shall disburse the Award on a reimbursement basis, upon presentation of accurate and complete claims to the Authority. Except as hereinafter provided, disbursements shall be made only:
- 3.1.1. For reimbursement of expenses incurred in accordance with this Agreement; and
 - 3.1.2. When a request for reimbursement is submitted in substantially the form provided by the Authority and is accompanied by the necessary certifications and documentation as required by the Authority; and
 - 3.1.3. When an Authorized Officer of the Authority has determined that such disbursement is proper.
- 3.2. **Request for Reimbursement.** Grantee shall submit requests for reimbursement to the Authority using forms provided by the Authority on a monthly basis, unless otherwise approved by the Authority in writing. Requests for reimbursement shall be submitted to the Authority no later than the fifteenth (15th) day of each month. The Authority shall not distribute the Award to the Grantee until the Authority has received and processed a request for reimbursement. The Authority shall verify the request and claimed expenses against the reports required in this Agreement. To receive payment, requests for reimbursement for work performed during the term of this Agreement must be submitted no later than June 15, 2026, unless otherwise approved by the Authority in writing. A request for reimbursement must contain:
- 3.2.1. An itemized accounting of grant expenses incurred;
 - 3.2.2. Receipts, vendor invoices, documentation of in-kind labor, and other documentation of costs incurred;
 - 3.2.3. Certification that: the reimbursement amount requested is a proper cost as evidenced by attached invoices;
 - 3.2.4. Certification that the signatory is duly authorized to submit the reimbursement request; and
 - 3.2.5. Any additional documents or information deemed necessary by the Authority.
- 3.3. **Method of Disbursement.** The Authority may disburse the Award by check, electronic means, warrant, or other transfer medium basis within thirty (30) calendar days of the Authority's receipt

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of the request for reimbursement, subject to funding availability. An Authorized Officer of the Authority shall approve disbursements directly to Grantee and shall provide Grantee with a copy of the approval and the date approved.

- 3.4. Affirmation of Representations and Warranties. Each request for reimbursement, disbursement, or the receipt of the Award funds requested by the Grantee, shall constitute Grantee's affirmation that all representations and warranties of the Grantee as described in this Agreement or any Exhibit therein, are true and correct as of the date thereof and throughout the Term of the Agreement, unless the Grantee notifies the Authority to the contrary in writing prior to the request for reimbursement or release of the disbursement.
- 3.5. Withholding Disbursements. The Authority may elect in its sole discretion to withhold payment of the Award in whole or in part if Grantee breaches any provision of this Agreement or any Exhibit therein.
- 3.6. Required Notice. Grantee shall provide the Authority with immediate written notification:
- 3.6.1. Of any inability to expend the Award in accordance with the Scope of Work; and
- 3.6.2. Prior to any expenditure of the Award deviating from the Scope of Work.
- 3.7. Inspections – Expenses and Operations. Subject and pursuant to the provisions of Section 2.2 of the General Terms and Conditions included in Exhibit D, the Authority shall have the option to undertake an inspection of the Grantee's expenses and operations at any time to verify the information included in and with any and/or all requests for reimbursements under this Agreement.

ARTICLE IV - Representations and Warranties

- 4.1. Grantee hereby represents and warrants that it is a: (check appropriate)

- | | |
|---|---|
| ☒ Municipal water delivery system as defined in A.R.S. § 42-5301. | ☐ Natural resource conservation district. |
| ☐ County water augmentation authority established under A.R.S. Title 45, Chapter 11. | ☒ City, town, county, district, commission, authority or other public entity that is organized and that exists under the statutory law of this state or under a voter-approved charter or initiative of Arizona. |
| ☐ County water authority established under A.R.S. Title 45, Chapter 13. | ☐ Nongovernment organization that focuses on water conservation or environmental protection who has partnered with _____, an eligible entity as defined under A.R.S. § 49-1301. <i>If selected, Grantee must submit a completed Partnership Certification with this Agreement.</i> |
| ☐ An Indian Tribe. | |
| ☐ Community facilities district as established by A.R.S. Title 48, Chapter 4. | |
| ☒ Public water system as prescribed in A.R.S. § 49-352. | |

- 4.2. Conflicts of Interest. The Parties each represent that, as of the date of execution of this Agreement, they are not aware of any facts or circumstances which would give rise to a cancellation right in

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- favor of any Party pursuant to A.R.S. § 38-511. Grantee represents and warrants that there exists no actual or potential conflict of interest between the Grantee's performance under this Agreement and the Grantee's engagement or involvement in any other personal or professional activities. In the event such conflict or potential conflict arises during the Term of this Agreement, or any extension thereof, the Grantee shall immediately notify the Authority in writing.
- 4.3. Adverse Proceedings. Grantee represents and warrants that there are no proceedings pending or, so far as the Grantee knows, threatened, before any court or administrative agency that will materially adversely affect the Grantee's ability to fully perform the Scope of Work. During the Term of this Agreement, should proceedings arise that will materially adversely affect Grantee's ability to fully perform the Scope of Work, the Grantee shall promptly notify the Authority in writing.
- 4.4. Authority to Sign. Grantee represents and warrants that the Grantee and the person signing on behalf of the Grantee have the full power and authority to enter into and execute this Agreement, to legally bind the Grantee and to perform and comply with the terms and conditions set forth herein.
- 4.5. Debarment, Suspension, U.S. Government Restricted Party Lists. Grantee warrants that it is not, and its contractors or subcontractors are not, on the U.S. government's Denied Parties List, the Unverified List, the Entities List, the Specifically Designated Nationals and Blocked Parties List, and neither the Grantee nor any contractors or subcontractors are presently debarred, suspended, proposed for debarment or otherwise declared ineligible for award of federal contracts or participation in federal assistance programs or activities.
- 4.6. Grantee Matching. Pursuant to A.R.S. § 49-1333(B)(4), at least a twenty-five percent (25%) match is required for each water conservation program or project.
- 4.6.1. Funds provided under one federal program may not be used to meet a non-federal match or cost-share requirements of another federal program. 2 CFR 200.306(b)(5).
- 4.6.2. As stated in the Treasury's SLFRF Final Rule, Grantees may fund a program or project "with both SLFRF funds and other sources of funding provided that the costs are eligible costs under each source program and are compliant with all other related statutory and regulatory requirements and policies."
- 4.6.3. Grantee's match requirement under this Agreement is a state requirement; matching is not required by ARPA. Grantee represents and warrants that Grantee has satisfied or will satisfy the state match requirement using permissible funding sources. Grantee's matching contribution may include cash contributions or in-kind contributions. Grantee's matching contribution may not include any monies provided by the Authority.
- 4.6.4. Failure to adhere to the state matching requirement under A.R.S. § 49-1333(B)(4) shall constitute a breach of this Agreement and may result in the loss of all or part of the Award.
- 4.7. Indemnification. Grantee shall protect, defend, indemnify, and hold harmless the Authority and its board and committees, the State of Arizona, its elected and appointed officials, its agents, commissions, officers, directors, employees, volunteers and affiliates and each of them from any and all claims, demands, causes of action, damages, costs, expenses, attorney's fees, consultant's fees, expert fees, losses or liability, in law or in equity, of every kind and nature whatsoever arising out of or in connection with this Agreement, Grantee's performance hereunder, Grantee's or Grantee's subcontractor's negligence including active or passive, or strict liability including but not

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limited to bodily injury, emotional injury, sickness or disease, or death to persons and/or damage to property of anyone, including loss of use thereof, caused or alleged to be caused by any act or omission of Grantee, or any subcontractor, or anyone directly or indirectly employed by any of them or anyone for the full period of time allowed by the law, regardless of any limitation of coverage by insurance, with the exception of the sole negligence or willful misconduct of the Authority. The provisions of this section shall survive the expiration or termination of this Agreement.

- 4.8. Liability. Failure on the part of the Authority in any instance or under any circumstance to observe or perform fully any obligation assumed by or imposed upon the Authority by this Agreement or by law shall not make the Authority liable in damages to Grantee or relieve Grantee from fully performing any other obligation required of it under this Agreement; provided, however, that Grantee may have and pursue any and all other remedies provided by law for compelling performance by the Authority of such obligation assumed by or imposed upon the Authority. Neither the Authority nor its board or committees, the State of Arizona, its elected and appointed officials, its agents, commissions, officers, directors, employees, volunteers or affiliates shall in any event be liable for damages, if any, for the nonperformance of any obligation or agreement of any kind whatsoever set forth in this Agreement.
- 4.9. Permits. Grantee represents and warrants that all permits necessary or required in connection with the award have been or will be obtained, and all fees and bonds required in connection therewith have been or will be paid and/or posted as the circumstances may require.

ARTICLE V – Records and Reports

- 5.1. Financial Records. Grantee shall maintain satisfactory financial accounts, books, records, documents, and other evidence sufficient to properly reflect the amount, receipt, and expenditure of the Award and to comply with section 602(c) of the Act and Treasury's regulations implementing that section and guidance regarding the eligible uses of funds. Records shall be maintained by the Grantee for a period of five years after the Award funds have been expended or returned to Treasury, whichever is later. Failure to maintain proper financial records required under this Agreement as required is cause for termination of this Agreement or withholding of future disbursements.
- 5.2. Reporting Requirements. Grantee shall provide reports of all activities related to this Agreement both as identified in the Agreement and as requested by the Authority. Grantee shall also provide to the Authority any additional written information requested by the Authority in a timely manner and within reasonable deadlines as shall be set by the Authority.
- 5.2.1. All financial reports required under this Agreement shall be prepared in accordance with GAAP standards, and shall be in form and substance satisfactory to the Authority and as may be required by the United States Department of Treasury.
- 5.2.2. If there is any amount of the Award remaining after the Scope of Work is completed, Grantee shall report the remaining balance to the Authority.
- 5.2.3. Grantee shall comply with and abide by the U.S. Department of the Treasury's Project and Expenditure Report User Guide – State and Local Fiscal Recovery Funds, available at <https://home.treasury.gov/system/files/136/Apr-2023-PE-Report-User-Guide.pdf>.
- 5.2.4. Grantee shall provide the following performance metrics required for water-related infrastructure projects:

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- Projected/actual construction start date (month/year);
- Projected/actual initiation of operations date (month/year);
- Location;
- Whether the project prioritizes local hires;
- Whether the project has a Community Benefit Agreement, with a description of any such agreement;
- National Pollutant Discharge Elimination System (NPDES) Permit Number (if applicable; for projects aligned with the Clean Water State Revolving Fund);
- Public Water System (PWS) ID number (if applicable; for projects aligned with the Drinking Water State Revolving Fund);
- Median Household Income of service area; and
- Lowest Quintile Income of the service area.

5.2.5. Failure to provide reports required under this Agreement as required is cause for termination of this Agreement or withholding of future disbursements.

5.3. Monthly Reports. Grantee shall report to the Authority on Grantee's expenditure of the Grant and the status of the Scope of Work on the fifteenth (15th) day of each month following the date of this Agreement, and on the fifteenth (15th) day of every month thereafter until Grantee expends the entire Award or completes the Scope of Work, whichever is first. Monthly reports shall be in a form acceptable to the Authority. The Authority may revise the form of the monthly report from time to time. The Authority reserves the right to request additional reports relating to the expenditure of the Award or additional information as needed for ARPA reporting requirements.

5.4. Final Report. Audit. Grantee shall provide a final report (the "**Final Report**") in a form acceptable to the Authority.

5.4.1. The Final Report shall be submitted to the Authority within thirty (30) calendar days of one of the following occurrences: (1) the Award funds have been expended; (2) the Scope of Work has been completed; or (3) the Agreement has otherwise been terminated. Notwithstanding the foregoing, the Final Report shall be submitted to the Authority no later than June 15, 2026.

5.4.2. The Final Report shall contain the information deemed necessary by the Authority.

5.4.3. Following the receipt and approval of the Final Report, the Authority will notify Grantee in writing that the Agreement is administratively closed.

5.4.4. After the project is administratively closed, Grantee shall submit all required audits to the Authority. All audits for fiscal years in which Grantee received Award funds from the Authority must be received, reviewed, and found to be satisfactory by the Authority.

5.4.5. In the event that the Authority determines that any project costs described in a post-funding audit are unjustified or describe ineligible activities, Grantee shall refund such monies back to the Authority.

ARTICLE VI - Enforcement & Remedies

- 6.1. **Breach.** The Parties agree that all conditions set forth herein are material to this and the occurrence of any of the following events is a Grantee breach under this Agreement:
- 6.1.1. Any certification, statement, representation, or warranty contained in this Agreement or report required under this Agreement, the Application, or any other document related to the award which the Authority determines at any time to be incorrect or misleading in any material respect either on the date when made or on the date when reaffirmed.
 - 6.1.2. The Grantee's failure to comply with each and every term, covenant, condition, and/or agreement contained in this Agreement.
 - 6.1.3. The Grantee's failure to make sufficient progress on the Scope of Work, in good faith and in manner acceptable to the Authority in accordance with sections 2.5 and 2.6 of this Agreement.
 - 6.1.4. The Grantee's use of the Award proceeds for any purpose other than as authorized under the provisions of this Agreement.
 - 6.1.5. The Grantee fails to comply with any law, ordinance, code, order, rule, or regulation of any governmental or administrative authority having jurisdiction over the Scope of Work within thirty (30) calendar days after notice in writing of such failure to comply has been given to the Grantee from such governmental or administrative authority.
- 6.2. **Notice of Breach. Cure Period.** Upon the occurrence of a breach, the Authority shall issue a written notice of breach, identifying the nature of the breach and providing thirty (30) calendar days (or a lesser or additional time as may be agreed to by the Parties) in which the Grantee shall have an opportunity to cure the breach. Time allowed for cure does not diminish or eliminate Grantee's liability for damages.
- 6.3. **Default.** If Grantee fails to cure a breach within the period specified in the written notice, Grantee is in default of its obligations, and the Authority may exercise any or all of the following remedies:
- 6.3.1. Withhold applicable payment until the default is remedied;
 - 6.3.2. Terminate this Agreement, in whole or in part;
 - 6.3.3. Recapture Award funds provided to Grantee under this Agreement, in whole or in part;
 - 6.3.4. Suspend or de-obligate the Grantee's authority to receive any undisbursed proceeds of the award; and/or;
 - 6.3.5. Proceed at any time, or from time to time, to protect and enforce all rights and remedies available to the Authority, including demanding repayment of Award funds, by suit or other appropriate proceedings, whether for specific performance of any covenant, term, or condition set forth in this Agreement, or for damages or other relief, or proceed to take any action authorized or permitted under applicable law, regulation, or in equity.

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- 6.4. Good Faith. The Parties will attempt in good faith to resolve all disputes, disagreements, or claims relating to this Agreement.
- 6.5. De-obligation. The Authority may de-obligate Award funds under this Agreement upon written notice to Grantee. The Authority may de-obligate and reduce Award funds under the following circumstances:
- 6.5.1. Grantee has completed performance under the Scope of Work without using all of the Award provided by the Authority under this Agreement;
 - 6.5.2. This Agreement expires and all Award funds have not been expended;
 - 6.5.3. Grantee, with the consent of the Authority, cancelled or changed an activity required under the Scope of Work for reasons other than nonperformance;
 - 6.5.4. This Agreement has otherwise been terminated in whole or in part; or
 - 6.5.5. Mutual consent by the Parties.
- 6.6. Disallowed Costs. An expenditure that is reimbursed under this Agreement and that does not comply with this Agreement shall constitute a disallowed cost and be subject to recapture by the Authority and repayment to the Authority. Within fourteen (14) calendar days of the date of the Authority's written notice to Grantee, unless a longer period is approved by the Authority in writing, Grantee shall repay the Authority any portion of the Award paid by the Authority which the Authority has in its sole discretion determined constitutes a disallowed cost.
- 6.7. Repayment. Grantee agrees to repay the Award in whole or in part if the Authority determines that Grantee has failed to use the Award in compliance with the terms of this Agreement or the requirements of applicable laws and regulations. The Authority may specify, in writing, the terms of the repayment or alternative terms in lieu of repayment, however, in no such case shall repayment or alternative terms be accomplished later than one hundred eighty (180) calendar days following the written determination of non-compliance by the Authority. This section does not apply to a Grantee's failure to make sufficient progress on the Scope of Work of this Agreement, provided Grantee made good faith efforts to complete the Scope of Work within the time for performance.
- 6.8. Remedies Cumulative and Concurrent. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive of any other remedies provided for in this Agreement, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder, or under this Agreement, or now or hereafter existing at law or in equity by statute. Every right, power, and remedy given to the Authority shall be concurrent and may be pursued separately, successively, or together against the Grantee, and every right, power, and remedy given the Authority may be exercised from time to time as often as may be deemed expedient by the Authority.
- 6.9. Strict Performance. No delay or omission of the Authority to exercise any right, power, or remedy accruing upon the happening of a Default shall impair any such right, power, or remedy, or shall be construed to be a waiver of any such Default or any acquiescence therein. No delay or omission on the part of the Authority to exercise any option granted to the Authority under this Agreement, in any one or more instances, shall constitute a waiver of any such Default and each such option shall remain continuously in full force and effect.

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- 6.10. Attorneys' Fees and Costs. In the event of Grantee's breach of this Agreement, Grantee agrees to pay any and all costs and expenses, including attorneys' fees, incurred by the Authority in connection with the enforcement of this Agreement. If the Authority terminates this Agreement for cause, any costs incurred shall be the Grantee's responsibility.

ARTICLE VII - Miscellaneous

- 7.1. Amendments and Modifications. This Agreement may be amended by mutual agreement in writing between Grantee and the Authority. Any request to amend this Agreement by Grantee must be in writing and state the amendment request and reason for the request. Grantee shall make requests in a timely manner and in no event less than thirty (30) calendar days before the effective date of the proposed amendment. Any amendment, modification, or extension of this Agreement must be submitted through the Sub-recipient Management Tool (SRM), eCivis, and approved by both Parties.
- 7.2. Insurance. Grantee agrees to comply with the Insurance Requirements set forth in Exhibit D [General Terms and Conditions]. Failure to maintain the required insurance at all times shall constitute a breach of this Agreement that is subject to penalties up to and including suspension of payments and/or termination of this Agreement.
- 7.3. Permits/Licenses/Authorizations. It shall be the Grantee's responsibility to obtain all permits, licenses, or authorizations required from government authorities prior to initiation of the Scope of Work or required to be obtained by the time of completion of the Scope of Work to be eligible for reimbursement funds under this Agreement.
- 7.4. No Implied Duties. This Agreement does not create a duty or responsibility unless the intention to do so is clearly and unambiguously stated in this Agreement. This Agreement shall not relieve the Parties of any obligation or responsibility imposed on it by law. This Agreement does not imply Authority to perform any tasks or accept any responsibility not expressly stated in this Agreement.
- 7.5. No Obligation of State General Appropriations Funds. Nothing herein shall be construed as obligating state general appropriation funds for payment of any debt or liability or any nature arising hereunder. The parties expressly recognize that payments to be made by the Authority under this Agreement may come from federal funds made available to the Authority for this purpose.
- 7.6. Survival. Those articles, sections, and subsections of this Agreement which by their nature are intended to survive, including, but not limited to, the Grantee's Representations and Warranties and Indemnification, shall survive the completion of the Scope of Work and the expiration or earlier termination of this Agreement.
- 7.7. Time of the Essence. Time is of the essence with regard to each provision of this Agreement as to which time is an element.
- 7.8. Acknowledgment of Funding Source. Unless otherwise agreed upon in writing between the Parties, Grantee agrees that any publications, studies, or reports which are made possible by or derived, in whole or in part, from this Agreement, and any news articles, brochures, seminars, or other promotional materials or media or events through which Grantee publicizes the Scope of Work funded in whole or in part by this Agreement will acknowledge the Authority's support in the following manner: "Funding has been provided by/contributed by the Water Infrastructure Finance Authority of Arizona."

Water Conservation Grant Fund

- 7.9. Entire Agreement. This Agreement and any attached Exhibits shall constitute the entire agreement of the Parties relating to the Award and supersedes all prior and contemporaneous agreements, understandings, and inducements, whether express or implied, oral, or written.

Exhibit A	Grant Application
Exhibit B	Board Resolution
Exhibit C	Scope of Work
Exhibit D	General Terms and Conditions
Exhibit E	Federal Provisions
Exhibit F	Affidavit
Exhibit G	Reimbursement Request & Monthly Reporting Form
Exhibit H	Partnership Certification (<i>if applicable</i>)

ARTICLE VIII - Certification & Signatures

The Grantee, CITY OF AVONDALE, hereby accepts this Agreement according to the above terms and conditions. I hereby certify that I represent a legal entity with authority to enter into this Agreement.

I further certify that the Scope of Work complies with all applicable state, local, and federal laws and regulations, and that I am authorized to enter into and sign a binding Agreement with the Authority

By: _____
Signature

Date: _____

Print Name and Title

For: CITY OF AVONDALE
Grantee Name

Tax ID No.: 86-6000233

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers or officials, all as of the date first above written.

Signature
Chuck Podolak
Printed Name
Director, Water Infrastructure Finance Authority
Title
Date

Signature
Ron Corbin
Printed Name
City Manager
Title
Date

EXHIBIT A

Application

[See attached]

Applications: Enhanced Water Efficiency Audits for Avondale Municipal Properties

Profile

ahughes@avondaleaz.gov

Entity Name:

City of Avondale Public Works

I. General Information**1. Title of Project:**

Enhanced Water Efficiency Audits for Avondale Municipal Properties

2.Type of Conservation Activity (A.R.S. § 49-1332(B)):

Programs and projects that reduce water use Per A.R.S. 49-1332(B)(2)

Note: for the purpose of the application, the term project and program will be referred to as “conservation activity”

3. Is this for an individual Water Conservation Project or a general Water Conservation Program?

Water Conservation Program

Please describe the specific components that make it a program.

This proposal is for a Water Conservation Program. Components include water efficiency audits and improvements for 25 City of Avondale facilities.

In addition, each of these enhanced water audit campaigns will include the following components:

- Pre-audit analysis based on historic water use, remote sensing, other factors
- Audit site visit, deployment of instruments
- Analysis and report with findings and recommendations
- Installation and retrofit of water-saving infrastructure and/or repair of leaks
- Follow-up comparison of pre- and post-audit water demand to measure water savings

4. What is the location of conservation activity?

City

Avondale

County

Maricopa

Program/Project Congressional District (check all that apply)

7

Program/Project Legislative District (check all that apply)

22, 23

Watershed

Salt and Verde River watersheds and the West Salt River Valley Sub-Basin

Active Management Area (if applicable):

Phoenix

Irrigation Non-Expansion area (if applicable):

N/A

5.Conservation Activity Cost

Amount requested from the WCGF for this activity:

\$52,500.00

Amount of matching funds:

\$17,500.00

Total conservation activity cost:

\$70,000.00

When applying for the grant, note that a single water conservation program grant may not exceed \$3,000,000. A single water conservation project grant may not exceed \$250,000. The WCGF requires at least a twenty-five percent match for each water conservation program or project.

6. What is the estimated water savings in acre-feet per year?

9

Explain calculation:

The estimated water savings is based on four water efficiency audits previously performed in our service area. These included two city facilities and two HOA common areas in Avondale. We are basing our estimate of water savings in part on these audits, as well the savings achieved in over 250 similar audits conducted for municipal facilities in other cities, including: 56 audits of City of Scottsdale sites, over 60 audits of HOA common areas and City of Tucson sites, over 25 audits of city facilities and HOAs in various Arizona Water Company service areas, 13 audits of Scottsdale USD sites, over 15 audits of Tucson USD sites, over 15 audits of HOAs and Chandler sites, over 10 additional municipal properties in Maricopa County, over 10 additional school district properties in Pima County, over 40 additional HOA common area audits performed across Maricopa and Pima Counties. Based on findings from these audits, the proposed audits are expected to identify a minimum of 15% water savings. In 2022, annual water deliveries to Avondale's municipal facilities was approximately 19,770,000 gallons. Therefore, the projected annual water savings is 2,965,500 million gallons or 9.1 acre-feet per year.

7. What is the expected duration of the conservation activity?

Pre-audit analyses will begin upon receipt of funding.

Audits and reports for all 25 facilities will be complete within 18 months of receipt of funding.

Repairs and retrofits will be complete within 6 months of receiving the final audit and reports.

Comparison of pre- and post-audit water demand will be completed by December 2026.

II. Conservation Activity Benefits and Results

8. What is the water conservation activity you propose to fund with grant monies? Describe in detail.

We propose performing water efficiency audits at 25 city-owned facilities, which include fire and police stations, libraries, the Visitor and Conference Center, the Avondale Resource Center, etc. Each audit will include the following steps:

- Perform preliminary analysis on all sites based on historic billing records, remote sensing, downloaded Encoder Receiver Transmitter (ERT) hourly data from meters, and other information sources;
- Establish communications with the City Facilities Management Department, schedule initial site visits, and administer a questionnaire on water uses;
- Visit each site to visually inspect water-using infrastructure, including irrigation systems, cooling towers, on-site water treatment and filtration systems, restrooms and food preparation areas, laundry facilities, boilers, and sterilizers; deploy high-frequency (5-second) meter loggers and ultrasonic meters; test conductivity of water in cooling tower and pool sumps and in water features; and discuss water use patterns and known issues with on-site facilities managers;
- Perform analysis and write reports containing detailed findings presented as text, tables, graphs, and photos; present recommendations, including leaks discovered and conservation opportunities, with estimated water savings, costs, and pay-back periods;
- Meet with Facilities Management Department and water conservation office to review results and map out a plan for repairs and infrastructure upgrades;
- Implement efficiency upgrades; and
- Measure demand reductions based on comparing pre-audit and post-upgrade water usage, as well as how many recommendations were adopted, and how quickly.

This process mirrors that used for similar audit programs conducted over the past seven years for Scottsdale, Tucson and other Arizona cities. The main difference is that the cost sharing with WIFA will allow for more audits to be conducted and quicker implementation of the highest-priority recommendations, which are anticipated to include upgrades in cooling towers and irrigation systems. For example, smart irrigation controllers may be selected and installed.

9. What is the source of the water that will be conserved? If it is mainstem Colorado River water or Colorado River water delivered through the Central Arizona Project, please clearly indicate so.

The water source for the City of Avondale's customers is a combination of different water sources and the water conserved will include Colorado River water, Salt & Verde River water, groundwater and reclaimed water. We expect to see water savings across all our different sources of supply, including Colorado River water delivered through the Central Arizona Project.

10. Describe the community (population size, demographics, principal economic activities, etc.) impacted by the conserved water.

Avondale's water department supplies an average of 12.5 million gallons of drinking water each day to customers across 47.4 square miles through 5 water treatment plants and 358 miles of potable water lines. The city maintains 3,016 fire hydrants, nearly 26,500 meters, 243 miles of wastewater lines and operates one wastewater treatment plant. Avondale also delivers more than 2.34 billion gallons of recycled water for irrigation, groundwater recharge, and wildlife habitat through 6 miles of reclaimed water lines.

The entire City of Avondale would benefit from the conserved water. Avondale has a population of 92,324 (56% Hispanic, 26% white, 10% black, 16% 2+ races). The median home value is \$265,817 with 60% of homes in Avondale being owner occupied. The median income is \$70,083 and 95% of the households have a computer.

The City has a wide variety of economic activities, including three specialty districts: the Avondale Health Tech Corridor, The BLVD, and Old Town Avondale. The Avondale Health Tech Corridor is a growing center for specialty healthcare and technology organizations in the Greater Phoenix region. The BLVD is a mixed-use destination designed to host a wide variety of boutique retail and dining opportunities. Old Town Avondale is the historic core of Avondale featuring locally owned small businesses, and unique restaurants. Avondale also boasts many certified green businesses in all sectors including food and drink, retail, hospitality, and industry.

11. What is the extent to which your water conservation activity achieves one or more of the following (select all that apply):

Long-term reductions in water use, Improvements in water use efficiency

Describe:

The overall goal of the conservation program is to produce long-term reductions in water use by identifying cost-effective opportunities to increase water use efficiency. By repairing and upgrading the infrastructure, water wastage due to leaks can be significantly reduced. Additionally, upgraded infrastructure may incorporate advanced technologies like smart meters, pressure management systems, and leak detection sensors that will allow the city to address inefficiencies promptly. Upgrading water infrastructure sets the stage for long-term reductions in water use by providing the foundation for a more efficient and sustainable water management system.

12. What is the extent to which your water conservation activity addresses one or more of the following:

Water supply shortages

Describe:

Upgrading water infrastructure is a crucial step in addressing water supply shortages. Auditing the city facilities and improving water use efficiency has many benefits including reducing water loss, enhancing monitoring and management, and promoting sustainable water use practices. Additionally, the city plans to use the findings of the audit and upgrades to encourage other commercial utility customers to invest in facility upgrades to increase water use efficiency.

By increasing efficiency at city facilities, we can create long-term durable reductions in demand for Colorado River water, Salt & Verde River water (SRP) and groundwater.

13. How will your water conservation activity align with a local, regional, or statewide water plan or integrated resource management plan?

Avondale published its Drought Preparedness Plan in October of 2022. In February 2023, Avondale joined many Phoenix Metropolitan cities by launching Stage 1 of their Drought Preparedness Plan. The purpose of this stage is for the city to continue to engage in water conservation efforts through an "education first" approach that promotes wise water use and water-efficient practices. The proposed program is aligned with Arizona Department of Water Resources' (ADWR) conservation mandates for municipal providers in the Phoenix AMA and is in alignment with Avondale's Municipal and Community Sustainability Plans.

References: <https://www.avondaleaz.gov/home/showpublisheddocument/17363/638042091650030000>

<https://www.avondaleaz.gov/home/showpublisheddocument/2035/636203524260430000>

<https://www.avondaleaz.gov/home/showpublisheddocument/17255/638013581734030000>

14. What are the costs and benefits of your water conservation activity, including any environmental impacts?

The costs associated with this water conservation activity include the initial audit and program administration, leak repair, infrastructure upgrades, design services and labor.

Benefits include reduced water use (estimated at 15%) and reductions in maintenance costs. Based on previous audit campaigns, the pay-back period for recommended system improvements averages 7 months.

Broader benefits include reducing costs and demand for Avondale's water and wastewater systems, demonstration of water-efficient practices for Avondale's water utility customers, and easing pressure on the CAP's ongoing water supply challenges and uncertainties.

15. How will you measure the effectiveness of the conservation activity?

Program effectiveness will be measured in terms of long-term water demand reductions, to be calculated in 2026 as the ratio of annual water use of audited facilities during the 12 months following implementation of recommendations to annual water use during the 12 months prior to the audits.

III. Funding Sources

16. If your water conservation activity is eligible for funding from WIFA's Long-Term Water Augmentation Fund or Water Supply Development Fund, does the nature of your conservation activity make funding from those funds impractical, and why?

The proposed conservation program is not eligible for funding from WIFA's Long-Term Water Augmentation Fund or Water Supply Development Fund.

17. Would the conservation activity be otherwise implemented without this grant funding? Explain.

With Avondale's current water conservation budget, at most four city facilities could be audited and leaks repaired. The WIFA funding will support significantly more audits and repairs, allowing all remaining 25 city facilities to be audited. Equally important, WIFA funding will provide critical additional funds to quickly implement far more recommended repairs and upgrades to water-using fixtures and appliances.

18. To what extent will your water conservation activity maximize or leverage multiple available funding sources, including federal funding?

This is yet to be determined. The City of Avondale is researching additional funding and results of the audit will dictate the funding level required to make all recommended repairs.

The proposed program leverages Avondale's conservation funding as well as funds budgeted for facilities repair and maintenance. Funding comes from Avondale Enterprise Water Operations Fund which collects revenues from City residents and business the various water services it provides.

19. Are there cost-sharing opportunities with other applicants or other parties? Explain.

While the proposed program does not include any cost-sharing with other applicants, it should be noted that this proposal was developed with input from several other major municipal water providers in the Phoenix and Tucson metropolitan areas. We anticipate that if this proposal is successful, it will be used as a model or template for future programs.

20. What is the source and amount of the match (including in-kind match)?

The match consists of the following: The Avondale Enterprise Water Operations Fund will be the funding source for the matching funds.

IV. Capacity, Feasibility, & Public Comment

21. What qualifications and capacity do you have for completing your proposed water conservation activity? Include any past managerial deficiencies and provide the name(s) and qualifications of the individual(s) or entities who will be managing this activity.

The consultant selected for the water efficiency audits will be determined through a competitive bid process. Avondale will consider applicants with proven experience completing water efficiency audits of large, complex customers. Amber Hughes, Avondale's Water Conservation Coordinator, will assume primary management responsibility for the selection process and for the audits. Amber has a Masters of Natural Science degree in Plant Biology from Arizona State University. She is a Master Gardener and is SmartScape trained. Amber has considerable water audit experience through her previous work with Arizona Project WET. In this role, she implemented programing to west valley high schools that included the addition of school water audits.

Avondale has previously implemented facility water audits and efficiency upgrades at the Avondale City Hall and Municipal Operations Service Center. We are confident with the additional funding provided by the Water Conservation Grant Fund that Avondale will be able to successfully complete this conservation program by performing audits and upgrades to the remaining 25 facilities.

22. Will there be significant management impacts as the result of the proposed conservation activity, or any technology associated with the conservation activity? (For example: additional costs or staffing requirements)

Based on previous water efficiency audits conducted, no significant management impacts are anticipated. The main staff requirements will include providing data for the pre-analysis audits, and assistance during the audit site visits. Based on the audit results, staff will also manage repairs and installation of water saving technology such as “smart” irrigation controllers and cooling tower controllers. Additionally, water conservation staff will be involved in the post-audit water demand to measure water savings and ongoing monitoring as recommended by the water audits.

23. Will the proposed conservation activity promote collaborative partnerships to address water-related issues? Explain.

Avondale’s water conservation staff will use the information learned to work collaboratively with many of our larger irrigation, commercial, and institutional customers to address local water conservation objectives.

24. What is the stakeholder involvement in the conservation activity planning process?

Avondale’s conservation office will be the primary party responsible for scheduling site visits, presenting findings and recommendations, and distributing Water Conservation Grant Funds to assure that upgrades are made.

25. Will the proposed conservation activity include public outreach and opportunities for the public to learn about the conservation activity? Explain.

The City of Avondale aspires to be a model of water use efficiency to its customers. These water audits and their findings will be used by Avondale Water Utility to encourage other commercial customers to invest in facility upgrades to increase water use efficiency.

26. Is there community and/or sector support for the conservation activity? Explain.

This proposal was developed with input from other Arizona Municipal Water Users Association (AMWUA) municipalities and written in conjunction with water-use-it wisely practices and principles. The proposal, and conservation efforts in general, enjoy support across Avondale’s city government, from the mayor and council through the department level as demonstrated in the city Sustainability Plans.

27. How feasible is it to complete your water conservation activity? Explain.

Previously, the City of Avondale had two city facilities audited, the Avondale City Hall and Municipal Operations Service Center. As a result of these audits several toilets and urinals were fixed and converted to low flush. The proposed team’s proven track record in successful water campaigns and Avondale’s recent audits suggests that the proposed conservation program is highly feasible.

28. If the conservation activity is a continuation of ongoing activities, has the activity been shown to be effective? If a new activity, has the proposed project, technology, or technique previously been implemented?

As stated above, Avondale conservation staff has considerable water audit experience and we will team with water conservation professionals who have proven experience completing water efficiency audits of large, complex customers. Audits from surrounding communities produced findings of unknown leaks in the majority of the audits, and potential water savings of 12%, with an average pay-back period of seven months. After implementing enhanced pre-audit analysis, the incidence of finding leaks rose to over 80% of audits, and the average potential water savings exceeded 15%. The effectiveness of this audit approach led to significant financial support from ADWR and the Central Arizona Groundwater Replenishment District (CAGRDR).

29. Will the proposed conservation activity implement an established Best Management Practice? Explain.

There do not appear to be any Best Management Practices in ADWR’s current commercial conservation guidance, but the Alliance for Water Efficiency provides guidance on commercial water efficiency. The audit procedures are informed by, and are consistent with, those BMPs.

Additional Supporting Documentation (pdf, jpg, word, excel)

Budget Worksheet - Water Conservation Grant Fund.xlsx

Additional Supporting Documentation (pdf, jpg, word, excel)

WIFA Application Avondale_Signed.pdf

Additional Supporting Documentation (pdf, jpg, word, excel)

Additional Supporting Documentation (pdf, jpg, word, excel)

Additional Supporting Documentation (pdf, jpg, word, excel)

Average Score

of Reviews

0

of Denials

0

Please use the following link to view the Budget

Budget Worksheet

View Budget Worksheet

<https://portal.ecivis.com/#!/peerBudget/F6A82016-C8AF-4529-B5C7-5233FD6C0977>

Application Goals

View Application Goals

<https://portal.ecivis.com/#!/peerGoals/854043B9-C02F-4EB3-84A7-55866A004A15>

Did you include indirect costs in your budget?

No

EXHIBIT B

Board Resolution

[See attached]

Grant Resolution 2024-202 – City of Avondale

Water Infrastructure Finance Authority of Arizona

Section 1: Resolution

WHEREAS, the Water Infrastructure Finance Authority of Arizona (the “*Authority*”) has received from the City of Avondale (the “*Local Grantee*”) a request (the “*Grant Application*”) for the Water Conservation Grant Fund (the “*Grant*”); and

WHEREAS, the Authority has determined that the Local Grantee has met the applicable requirements of the American Rescue Plan Act (“ARPA”), and Arizona Revised Statutes §§ 41-2702 et seq. and 49-1331 et. seq.; and

WHEREAS the terms and conditions under which the Grant will be made, and the obligations of the Local Grantee will be set forth in a grant agreement (the “*Grant Agreement*”) to be executed by the Local Grantee and the Authority.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE AUTHORITY AS FOLLOWS:

The Board approves the Grant Application.

The Director of the Authority is hereby authorized and directed to execute the Grant Agreement with the Local Grantee to evidence a Grant in accordance with all applicable laws, the Grant Application, and the Summary detailed in Section 2 of this Grant Resolution.

The Director and other Authority officials, as appropriate, are authorized and directed to sign any document and take such actions as necessary and appropriate to consummate the transactions contemplated by this Resolution.

This Resolution shall take effect immediately.

PASSED AND ADOPTED by the Board of Directors for the Water Infrastructure Finance Authority of Arizona on this 17th day of April 2024.

The Chairman of the Board of Directors certifies that the above is a true and correct copy of the resolution that was duly adopted at a public meeting of the Water Infrastructure Finance Authority on the date referenced above.

By: David Beckham
David Beckham (Apr 18, 2024 14:19 PDT)
Signature of Chairman

Grant Resolution 2024-202 – City of Avondale

Water Infrastructure Finance Authority of Arizona

Section 2: Summary

2.1 Grant Number

WC5-204-2024

2.2 Description

The water conservation activity involves performing water efficiency audits and efficiency upgrades at 25 city-owned facilities, including fire and police stations, libraries, the Visitor and Conference Center, the Avondale Resource Center, etc.

2.3 Grant Amount Requested

\$52,500.00

EXHIBIT C

Scope of Work

Program/Project Title:	Enhanced Water Efficiency Audits for Avondale Municipal Properties
Grant Award:	\$52,500.00
Match Amount and Source of Match (Cash and/or In-kind):	<i>(Breakdown the amount of cash and/or in-kind match being provided)</i> Match: \$17,500.00 CASH: IN-KIND:
Scope of Work:	
The City of Avondale will select a contractor to conduct comprehensive water efficiency audits at 25 city-owned facilities. This may involve pre-audit analysis of historic water use data, site visits to inspect all water-using infrastructure like irrigation systems and cooling towers, and deployment of data loggers. Detailed analysis will be supplied by the contractor with reports generated containing findings, recommendations, estimated savings, costs, and payback periods. The City will then utilize the allocated grant funding to implement recommendations. If there is not sufficient grant funding to perform all recommended repairs and upgrades, the City will strategically invest the grant funds into the projects deemed most impactful and feasible.	
Purpose of project/program:	
The water conservation activity involves performing water efficiency audits and efficiency upgrades at 25 city-owned facilities, including fire and police stations, libraries, the Visitor and Conference Center, the Avondale Resource Center, etc.	

Scope of Work Schedule

Estimated grant draws by month for the fiscal period beginning November 2023 and ending June 2026

Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
N/A	N/A	N/A	N/A	\$	\$
Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
\$	\$	\$	\$	\$	\$

Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
\$	\$	\$	\$	\$ 8,000	\$ 8,000
Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
\$ 8,000	\$ 8,000	\$ 8,000	\$	\$	\$

Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
\$ 10,000	\$ 10,000	\$ 10,000	\$	\$	\$
Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
\$	\$	\$	\$	\$	\$

Total \$ -

Note all grants must adhere to the following benchmarks as described in section 2.6.3 of this grant agreement.

- *Expend 5% of the Award by December 2, 2024.*
- *Expend 50% of the Award by December 31, 2025.*
- *Expend 75% of the Award by March 31, 2026.*

Scope of Work Schedule Narrative:
<i>(Describe timelines, expectations of when projects will start/complete, etc.)</i>
Audit Phase - Select contractor by September 2024 and begin audits October 2024. It is estimated that the auditor will complete 5 audits a month, and the audits will take place October 2024 - March 2025. Each building is estimated to cost \$1,600, with a total budget of \$40,000. A final report by the contractor is expected in April 2025.
Repair Phase - Building repairs are expected to take place July 2025 - September 2025 and total \$30,000.

EXHIBIT D

General Terms and Conditions

All defined terms used herein that are not otherwise defined or described herein, shall have the meanings ascribed to them in the Agreement attached hereto.

1. Agreement Interpretation.

- 1.1. Captions and Headings. The captions and headings contained in this Agreement are included for convenience of reference only and are not intended to limit or enlarge the terms of this Agreement.
- 1.2. Choice of Law. The substantive laws of Arizona shall govern the interpretation, validity, performance and enforcement of this Agreement. A tribal government, by executing this Agreement, hereby waives any defense it may have of tribal sovereign immunity for the limited purpose of providing for the enforcement of this Agreement in accordance with its terms.
- 1.3. Date Calculation. If the last day of any time stated herein shall fall on a Saturday, Sunday, or legal holiday in the State of Arizona, then the duration of such time shall be extended so that it shall end on the next succeeding day which is not a Saturday, Sunday, or legal holiday.
- 1.4. Implied Agreement Terms. Each provision of law and any terms required by law to be in this Agreement are a part of this Agreement as if fully stated in it.
- 1.5. Order of Precedence. In the event of a conflict in the provisions of the Agreement, as accepted by the Grantee and the Authority, and as they may be amended from time to time, the following shall prevail in the order set forth below:
 - 1.5.1. Federal provisions;
 - 1.5.2. Agreement Amendments;
 - 1.5.3. Agreement; then
 - 1.5.4. General Terms and Conditions.
- 1.6. Relationship of Parties. Neither Party to this Agreement shall be deemed to be the employee or agent of the other Party to the Agreement.
- 1.7. Severability. If any provision of this Agreement or the application thereof is held invalid, that invalidity shall not affect other provisions or applications of this Agreement which can be given effect without the invalid provision or application, and to this end the provisions of this Agreement are severable.
- 1.8. Third-Party Rights. Nothing in this Agreement is intended to create any third-party beneficiary rights; and Grantee and the Authority expressly state that this Agreement does not create any third-party rights of enforcement.
- 1.9. Waivers. No term or provision hereof will be considered waived by either Party, and no breach is excused or consented to by either Party, unless such waiver or consent is in writing and signed on behalf of the Party against whom the waiver is asserted. No express or implied consent by either Party to, waiver of, or failure of a Party to enforce its rights with respect to a breach by the other Party shall constitute consent to or, waiver of any subsequent or other breach by the other Party. Neither the failure nor the delay of the Authority to exercise any right, power or privilege under this Agreement

shall operate as a waiver thereof or shall any single or partial exercise of any right, power or privilege preclude any further exercise of any other right, power or privilege.

2. Agreement Administration and Operation.

- 2.1. Accounting. Grantee shall maintain for the purposes of this Agreement an accounting system or procedures and practices that conforms to generally accepted accounting procedures.
 - 2.2. Audits and Inspections. The Authority shall have the right of access to records of the Grantee in order to conduct audits or other investigations. Upon request, the Authority's authorized representatives shall be provided with access and shall have the right to examine all documents, financial records, facilities, and activities related to Grantee's performance of this Agreement and to the receipt and expenditure of the Award. Grantee agrees to rectify issues identified in audits within the Authority prescribed time periods. Failure to comply with the request for audit or inspection, or a lack of documentation and records, is cause for termination of this Agreement or withholding of future disbursements.
 - 2.3. Audit Exceptions. If federal or state audit exceptions are made relating to this Agreement, Grantee shall reimburse all costs incurred by the State of Arizona and the Authority associated with defending against the audit exception or performing an audit or follow-up audit including but not limited to: audit fees, court costs, attorney's fees, travel costs, penalty assessments, and all other costs of whatever nature. Immediately upon notification from the Authority, Grantee shall reimburse the amount of the audit exception and any other related costs directly to the Authority as specified by the Authority in the notification.
 - 2.4. Procurement. Procurement of labor, services, supplies, materials, and equipment shall be conducted according to applicable federal, state, and local statutes. The Authority may review any procurement solicitations that Grantee issues. The Authority's review and comments will not constitute an approval of the solicitation. Regardless of the Authority's review, the Grantee remains bound by all applicable laws, regulations, and Agreement terms. If during its review, the Authority identifies any deficiencies, then the Authority shall communicate those deficiencies to the Grantee within seven (7) business days.
 - 2.5. Retention. Pursuant to A.R.S. § 35-214 and 35-215, Grantee shall retain all records relating to this Agreement for a period of five years from the date of final payment to Grantee or as required by applicable law, whichever is longer.
3. Insurance. Grantee and its subcontractors shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Agreement, insurance against claims for injury to persons or damage to property arising from, or in connection with, the performance of the work hereunder by the Grantee, its agents, representatives, employees or subcontractors.
- 3.1. The Insurance Requirements herein are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Grantee from liabilities that arise out of the performance of the work under this Agreement by the Grantee, its agents, representatives, employees or subcontractors, and the Grantee is free to purchase additional insurance.
 - 3.2. Minimum Scope and Limits of Insurance. Grantee shall provide coverage with limits of liability not less than those stated below.

3.2.1. Commercial General Liability (CGL) – 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

3.2.1.1. 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 Grantee.

3.2.1.2. The 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 Grantee.

3.2.2. 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
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3.2.2.1. 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 Grantee involving automobiles owned, hired and/or non- owned by the Grantee.

3.2.2.2. The 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 Grantee.

3.2.3. Workers' Compensation and Employers' Liability.

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

3.2.3.1. The 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 Grantee.

3.2.3.2. This requirement shall not apply to any entity that is exempt under A.R.S. § 23-901, and when such entity executes the appropriate waiver form (Sole Proprietor or Independent Contractor).

- 3.3. Additional Insurance Requirements. The policies shall include, or be endorsed to include, as required by this written agreement, the following provisions:
- 3.3.1. The Grantee's policies, as applicable, shall stipulate that the insurance afforded the Grantee shall be primary and that any insurance carried by the Authority, 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).
- 3.3.2. Insurance provided by the Grantee shall not limit the Grantee's liability assumed under the indemnification provisions of this Agreement.
- 3.4. Notice of Cancellation. Applicable to all insurance policies required within the Insurance Requirements of this Agreement, Grantee'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, Grantee 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).
- 3.5. Acceptability of Insurers. Grantee's 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. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Grantee from potential insurer insolvency.
- 3.6. Verification of Coverage. Contractor shall furnish the Authority with certificates of insurance (valid ACORD form or equivalent approved by the State of Arizona) evidencing that Grantee has the insurance as required by this Contract. An authorized representative of the insurer shall sign the certificates. All such certificates of insurance and policy endorsements must be received by the State before work commences. The Authority's receipt of any certificates of insurance or policy endorsements that do not comply with this written agreement shall not waive or otherwise affect the requirements of this agreement. Each insurance policy required by this Agreement must be in effect at, or prior to, commencement of work under this Agreement. Failure to maintain the insurance policies as required by this Agreement, or to provide evidence of renewal, is a material breach of the Agreement. All certificates required by this Agreement shall be sent directly to the Authority. The State of Arizona project/Agreement number and project description shall be noted on the certificate of insurance. The Authority reserves the right to require complete copies of all insurance policies required by this Agreement at any time.
- 3.7. Subcontractors. Grantee's certificate(s) shall include all subcontractors as insureds under its policies or Grantee shall be responsible for ensuring and/or verifying that all subcontractors have valid and collectable insurance as evidenced by the certificates of insurance and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum Insurance Requirements identified above. The Authority reserves the right to require, at any time throughout the life of this contract, proof from the Grantee that its subcontractors have the required coverage.
- 3.8. Exceptions. In the event the Grantee or subcontractor(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 Grantee or subcontractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

4. Certifications Required by State Law.

- 4.1. If the Grantee is a Company as defined in A.R.S. § 35-393, the Grantee certifies that it is not currently engaged in a boycott of Israel as described in A.R.S. § 35-393 and will refrain from any such boycott for the duration of this Agreement.
- 4.2. The Grantee further certifies that it shall comply with A.R.S. § 35-394, regarding use of the forced labor of ethnic Uyghurs, as applicable.
- 4.3. Immigration Laws. Grantee certifies and warrants that it is in compliance with A.R.S. § 41-4401 and further acknowledges that any contractor or subcontractor who is contracted by Grantee to perform work related to this Agreement shall warrant its compliance with all federal immigration laws and regulations that relate to its employees and its compliance with A.R.S. § 23-214(A). Any breach of this warranty shall be deemed a material breach of this Agreement that is subject to penalties up to and including termination of this Agreement. The Authority retains the legal right to inspect the employment records of any employee of any contractor or subcontractor who performs work related to this Agreement to ensure that the contractor or subcontractor is complying with the warranty in this paragraph and that the contractor agrees to make all employment records of said employee available during normal working hours to facilitate such an inspection.
- 4.4. Non-Discrimination. Grantee certifies and warrants that it shall comply with the provisions of State Executive Order 2009-9. In performing this Agreement, Grantee shall not, and shall ensure that any and all contractors, subcontractors, employees, agents, volunteers, officers, officials, directors, volunteers, and affiliates, also shall not discriminate, harass, or allow harassment against any person on the basis of sex, race, color, ancestry, religious cred, national origin, physical disability, mental disability, medical condition, age, marital status, or any other basis prohibited under law. Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.
5. Reversion of Remaining Funds. Upon expiration or termination of this Agreement, Grantee shall transfer to the Authority any unexpended funds provided to Grantee by the Authority under this Agreement.

Acknowledgment

The Grantee, **CITY OF AVONDALE**, hereby acknowledges and accepts the above terms and conditions. I hereby certify that I represent a legal entity with authority to enter into this Agreement.

By: _____
Signature

Date: _____

Ron Corbin, City Manager

Print Name and Title

For: **CITY OF AVONDALE**

Grantee Name

Tax ID No.: **86-6000233**

EXHIBIT E

Federal Provisions

As a condition of receipt of federal financial assistance from the Department of the Treasury, the Grantee provides the assurances stated herein. The federal financial assistance may include federal grants, loans and contracts to provide assistance to the Grantee's beneficiaries, the use or rent of Federal land or property at below market value, Federal training, a loan of Federal personnel, subsidies, and other arrangements with the intention of providing assistance.

Federal financial assistance does not encompass contracts of guarantee or insurance, regulated programs, licenses, procurement contracts by the Federal government at market value, or programs that provide direct benefits. The assurances apply to all federal financial assistance from, or funds made available through the Department of the Treasury, including any assistance that the Grantee may request in the future. The Civil Rights Restoration Act of 1987 provides that the provisions of the assurances apply to all of the operations of the Grantee's program(s) and activity(ies), so long as any portion of the Grantee's program(s) or activity(ies) is federally assisted in the manner prescribed above.

All defined terms used herein that are not otherwise defined or described herein, shall have the meanings ascribed to them in the Agreement attached hereto.

ARTICLE I - ARPA Terms and Conditions

- 1.1. **Accounting.** Grantee shall maintain for the purposes of this Agreement an accounting system or procedures and practices that conforms to Generally Accepted Accounting Principles. As defined by 2 C.F.R. Part 200, Subpart A, GAAP "has the meaning specified in accounting standards issued by the Government Accounting Standards Board and the Financial Accounting Standards Board.
- 1.2. **Use of Funds.** Grantee understands and agrees that the funds disbursed under this award may only be used in compliance with section 603(c) of the Social Security Act (the Act), Treasury's regulations implementing that section, and guidance issued by Treasury regarding the foregoing.
- 1.3. **Capabilities.** Grantee will determine prior to engaging in any project using this assistance that it has the institutional, managerial, and financial capability to ensure proper planning, management, and completion of such project.
- 1.4. **Reporting.** The Grantee agrees to comply with any reporting obligations established by Treasury as they relate to this award.
- 1.5. **Maintenance of and Access to Records.** Grantee shall maintain records and financial documents sufficient to evidence compliance with section 603(c) of the Act, Treasury's regulations implementing that section, and guidance issued by Treasury regarding the foregoing. The Treasury Office of the Inspector General and the Government Accountability Office, or their authorized representatives, shall have the right of access to records (electronic and otherwise) of Grantee in order to conduct audits or other investigations. Records shall be maintained by Grantee for a period of five (5) years after all funds have been expended or returned to Treasury, whichever is later.
- 1.6. **Pre-Award Costs.** Pre-award costs are allowable only to the extent permitted in 2 C.F.R. § 200.458. Pursuant to the Treasury's SLFRF FAQ, Section 2.6, the ARPA final rule permits funds to be used to cover costs incurred beginning on March 3, 2021. Pre-award costs shall be allowable subject to the terms and conditions of the Agreement.

- 1.7. Administrative Costs. Grantee may use funds provided under this award to cover both direct and indirect costs.
- 1.8. Compliance with Applicable Law and Regulations. Grantee agrees to comply with the requirements of section 603 of the Act, regulations adopted by Treasury pursuant to section 603(f) of the Act, and guidance issued by Treasury regarding the foregoing. Grantee also agrees to comply with all other applicable federal statutes, regulations, and executive orders, and Grantee shall provide for such compliance by other parties in any agreements it enters into with other parties relating to this award. Federal regulations applicable to this award include, without limitation, the following:
 - 1.8.1. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200, other than such provisions as Treasury may determine are inapplicable to this Award and subject to such exceptions as may be otherwise provided by Treasury. Subpart F – Audit Requirements of the Uniform Guidance, implementing the Single Audit Act, shall apply to this award.
 - 1.8.2. Universal Identifier and System for Award Management (SAM), 2 C.F.R. Part 25, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 25 is hereby incorporated by reference.
 - 1.8.3. Reporting Subaward and Executive Compensation Information, 2 C.F.R. Part 170, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 170 is hereby incorporated by reference.
 - 1.8.4. OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement), 2 C.F.R. Part 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 C.F.R. Part 180, subpart B) that the award is subject to 2 C.F.R. Part 180 and Treasury's implementing regulation at 31 C.F.R. Part 19.
 - 1.8.5. Grantee Integrity and Performance Matters, pursuant to which the award term set forth in 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference.
 - 1.8.6. Governmentwide Requirements for Drug-Free Workplace, 31 C.F.R. Part 20.
 - 1.8.7. New Restrictions on Lobbying, 31 C.F.R. Part 21.
 - 1.8.8. Generally applicable federal environmental laws and regulations.
- 1.9. Statutes and regulations prohibiting discrimination applicable to this award include, without limitation, the following:
 - 1.9.1. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) and Treasury's implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance.
 - 1.9.2. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance;

- 1.9.3. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), and Treasury's implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance;
 - 1.9.4. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto; and
 - 1.9.5. The Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328), which limit certain political activities of State or local government employees whose principal employment is in connection with an activity financed in whole or in part by this federal assistance.
- 1.10. Remedial Actions. In the event of Grantee's noncompliance with section 603 of the Act, other applicable laws, Treasury's implementing regulations, guidance, or any reporting or other program requirements, Treasury may impose additional conditions on the receipt of a subsequent tranche of future award funds, if any, or take other available remedies as set forth in 2 C.F.R. § 200.339. In the case of a violation of section 603(c) of the Act regarding the use of funds, previous payments shall be subject to recoupment as provided in section 603(e) of the Act.
 - 1.11. False Statements. Grantee understands that making false statements or claims in connection with this award is a violation of federal law and may result in criminal, civil, or administrative sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in federal awards or contracts, and/or any other remedy available by law.
 - 1.12. Publications. Any publications produced with funds from this award must display the following language: "This project [is being] [was] supported, in whole or in part, by federal award number [enter project FAIN] awarded to [name of Grantee] by the U.S. Department of the Treasury."
 - 1.13. Debts Owed the Federal Government. Any funds paid to Grantee: (1) in excess of the amount to which Grantee is finally determined to be authorized to retain under the terms of this award; (2) that are determined by the Treasury Office of Inspector General to have been misused; or (3) that are determined by Treasury to be subject to a repayment obligation pursuant to section 603(e) of the Act and have not been repaid by Grantee shall constitute a debt to the federal government. Any debts determined to be owed the federal government must be paid promptly by Grantee. A debt is delinquent if it has not been paid by the date specified in Treasury's initial written demand for payment, unless other satisfactory arrangements have been made or if the Grantee knowingly or improperly retains funds that are a debt as defined in paragraph 14(a). Treasury will take any actions available to it to collect such a debt.
 - 1.14. Disclaimer. The United States expressly disclaims all responsibility or liability to Grantee or third persons for the actions of Grantee or third persons resulting in death, bodily injury, property damages, or any other losses resulting in any way from the performance of this award or any other losses resulting in any way from the performance of this award or any contract, or subcontract under this award. The acceptance of this award by Grantee does not in any way establish an agency relationship between the United States and Grantee.
 - 1.15. Protections for Whistleblowers. In accordance with 41 U.S.C. § 4712, Grantee may not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of persons or entities provided below, information that the employee reasonably believes is evidence of

gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant. The list of persons and entities referenced in the paragraph above includes the following:

- 1.15.1. A member of Congress or a representative of a committee of Congress.
 - 1.15.2. An Inspector General.
 - 1.15.3. The Government Accountability Office.
 - 1.15.4. A Treasury employee responsible for contract or grant oversight or management. An authorized official of the Department of Justice or other law enforcement agency;
 - 1.15.5. A court or grand jury; or
 - 1.15.6. A management official or other employee of Grantee, contractor, or subcontractor who has the responsibility to investigate, discover, or address misconduct.
 - 1.15.7. Grantee shall inform its employees in writing of the rights and remedies provided under this section, in the predominant native language of the workforce.
- 1.16. Increasing Seat Belt Use in the United States. Pursuant to Executive Order 13043, 62 FR 19217 (Apr. 18, 1997), Grantee should encourage its contractors to adopt and enforce on-the job seat belt policies and programs for their employees when operating company-owned, rented or personally owned vehicles.
- 1.17. Reducing Text Messaging While Driving. Pursuant to Executive Order 13513, 74 FR 51225 (Oct. 6, 2009), Grantee should encourage its employees, subrecipients, and contractors to adopt and enforce policies that ban text messaging while driving, and Grantee should establish workplace safety policies to decrease accidents caused by distracted drivers.

ARTICLE II – Civil Rights Compliance

- 2.1. Grantee ensures its current and future compliance with Title VI of the Civil Rights Act of 1964, as amended, which prohibits exclusion from participation, denial of the benefits of, or subjection to discrimination under programs and activities receiving federal financial assistance, of any person in the United States on the ground of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury Title VI regulations at 31 CFR Part 22 and other pertinent executive orders such as Executive Order 13166, directives, circulars, policies, memoranda, and/or guidance documents.
- 2.2. Grantee acknowledges that Executive Order 13166, “Improving Access to Services for Persons with Limited English Proficiency,” seeks to improve access to federally assisted programs and activities for individuals who, because of national origin, have Limited English proficiency (LEP). Grantee understands that denying a person access to its programs, services, and activities because of LEP is a form of national origin discrimination prohibited under Title VI of the Civil Rights Act of 1964 and the Department of the Treasury’s implementing regulations. Accordingly, Grantee shall initiate reasonable steps, or comply with the Department of the Treasury’s directives, to ensure that LEP persons have meaningful access to its programs, services, and activities. Grantee understands and

- agrees that meaningful access may entail providing language assistance services, including oral interpretation and written translation where necessary, to ensure effective communication in the Grantee's programs, services, and activities.
- 2.3. Grantee agrees to consider the need for language services for LEP persons when Grantee develops applicable budgets and conducts programs, services, and activities. As a resource, the Department of the Treasury has published its LEP guidance at 70 FR 6067. For more information on taking reasonable steps to provide meaningful access for LEP persons, please visit <http://www.lep.gov>. OMB Approved No. 1505-0271 Expiration Date: April 30, 2025.
 - 2.4. Grantee acknowledges and agrees that compliance with the assurances constitutes a condition of continued receipt of federal financial assistance and is binding upon Grantee and Grantee's successors, transferees, and assignees for the period in which such assistance is provided.
 - 2.5. Grantee acknowledges and agrees that it must require any sub-grantees, contractors, subcontractors, successors, transferees, and assignees to comply with assurances 1-4 above, and agrees to incorporate the following language in every contract or agreement subject to Title VI and its regulations between the Grantee and the Grantee's sub-grantees, contractors, subcontractors, successors, transferees, and assignees: The sub-grantee, contractor, subcontractor, successor, transferee, and assignee shall comply with Title VI of the Civil Rights Act of 1964, which prohibits Grantees of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this contract (or agreement). Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this contract or agreement.
 - 2.6. Grantee understands and agrees that if any real property or structure is provided or improved with the aid of federal financial assistance by the Department of the Treasury, this assurance obligates the Grantee, or in the case of a subsequent transfer, the transferee, for the period during which the real property or structure is used for a purpose for which the federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any personal property is provided, this assurance obligates the Grantee for the period during which it retains ownership or possession of the property.
 - 2.7. Grantee shall cooperate in any enforcement or compliance review activities by the Department of the Treasury of the aforementioned obligations. Enforcement may include investigation, arbitration, mediation, litigation, and monitoring of any settlement agreements that may result from these actions. The Grantee shall comply with information requests, on-site compliance reviews and reporting requirements.
 - 2.8. Grantee shall maintain a complaint log and inform the Department of the Treasury of any complaints of discrimination on the grounds of race, color, or national origin, and limited English proficiency covered by Title VI of the Civil Rights Act of 1964 and implementing regulations and provide, upon request, a list of all such reviews or proceedings based on the complaint, pending or completed, including outcome. Grantee also must inform the Department of the Treasury if Grantee has received no complaints under Title VI.
 - 2.9. Grantee must provide documentation of an administrative agency or court's findings of non-

compliance of Title VI and efforts to address the non-compliance, including any voluntary compliance or other OMB Approved No. 1505-0271 Expiration Date: April 30, 2025, agreements between the Grantee and the administrative agency that made the finding. If the Grantee settles a case or matter alleging such discrimination, the Grantee must provide documentation of the settlement. If Grantee has not been the subject of any court or administrative agency finding of discrimination, please so state.

- 2.10. If the Grantee makes sub-awards to other agencies or other entities, the Grantee is responsible for ensuring that sub-recipients also comply with Title VI and other applicable authorities covered in this document. State agencies that make sub-awards must have in place standard grant assurances and review procedures to demonstrate that they are effectively monitoring the civil rights compliance of subrecipients. The United States of America has the right to seek judicial enforcement of the terms of this assurances document and nothing in this document alters or limits the federal enforcement measures that the United States may take in order to address violations of this document or applicable federal law. Under penalty of perjury, the undersigned official(s) certifies that official(s) has read and understood the Grantee's obligations as herein described, that any information submitted in conjunction with this assurances document is accurate and complete, and that the Grantee is in compliance with the aforementioned nondiscrimination requirements.

ARTICLE III - Conflicts of Interest Acknowledgment

- 3.1. Conflicts of Interest. Grantee understands and agrees it must maintain a conflict of interest policy consistent with 2 C.F.R. § 200.318(c) and that such conflict of interest policy is applicable to each activity (program or project) funded under this award. Grantee must disclose in writing to the Authority, as appropriate, any potential conflict of interest affecting the awarded funds in accordance with 2 C.F.R. § 200.112.
 - 3.1.1. The Grantee must maintain standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of contracts. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the Grantee.
 - 3.1.2. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.
 - 3.1.3. The officers, employees, and agents of the Grantee may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. However, Grantees may set standards for situations in which the financial interest is not substantial, or the gift is an unsolicited item of nominal value.

ARTICLE IV - Debarment and SAM.GOV Certification

- 4.1. The Grantee certifies that, neither the Grantee nor any owner, partner, director, officer, or principal of the Grantee, nor any person in a position with management responsibility or responsibility for the administration of federal funds:
 - 4.1.1. Is presently debarred, suspended, proposed for debarment, and declared ineligible or

voluntarily excluded from covered transactions by any federal or state department/agency;

- 4.1.2. Has within a three-year period preceding this certification been convicted of or had a civil judgment rendered against it for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public transaction or contract (federal, state, or local); violation of federal or state antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- 4.1.3. Is presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (b) above; or
- 4.1.4. Has within a three-year period preceding this certification had one or more public transactions or contracts (federal, state, or local) terminated for cause or default.
- 4.2. The Grantee is “Actively” registered with SAMS (Service for Award Management) and has been assigned the following UEI Number: GDTNM5BLN9Y4 found at www.sam.gov. Include date SAM.GOV registration begins and ends 10/13/23 - 10/11/24.
- 4.3. The Grantee further certifies that it shall not knowingly enter into any transaction with any subcontractor, material supplier, or vendor who is debarred, suspended, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department/agency.

ARTICLE V - Lobbying Certificate Disclosure

- 5.1. For each bid, request for reimbursement, or offer, that exceeds \$100,000, the Grantee certifies, to the best of his or her knowledge and belief, that:
- 5.1.1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the Grantee, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- 5.1.2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the Grantee shall complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions.
- 5.1.3. The Grantee shall require that the language paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
- 5.2. This certification is a material representation of the fact upon which reliance was placed when this

transaction was made or entered into. Submission of this certification is a prerequisite for making or entering this transaction imposed by 31 CFR Part 21.

ARTICLE VI - Audit Statement

- 6.1. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR Part 200, other than such provisions as Treasury may determine are inapplicable to this Award and subject to such exceptions as may be otherwise provided by Treasury. [Subpart F – Audit Requirements](#) of the Uniform Guidance, implementing the Single Audit Act, shall apply to this award.
- 6.2. If Grantee expends more than seven hundred and fifty thousand dollars (\$750,000) in federal awards during a fiscal year, Grantee will be subject to an audit under the Single Audit Act and its implementing regulation at 2 C.F.R. Part 200, Subpart F regarding audit requirements and Grantee must:
 - 6.2.1. Provide a copy of Grantee’s single audit in the eCivis file reporting area; and
 - 6.2.2. Upload a copy of Grantee’s alternative audit or financial budget audit in the eCivis file reporting area.

ARTICLE VII – Non-supplanting Certification

- 7.1. Supplanting. Federal funds must be used to supplement existing funds for program activities and must not replace those funds that have been appropriated for the same purpose. Supplanting shall be the subject of application review, as well as pre-award review, post-award monitoring, and audit. If the Authority has reason to believe supplanting has or will occur, the Grantee shall supply documentation demonstrating that the reduction in non-federal resources occurred for reasons other than the receipt or expected receipt of federal funds.
- 7.2. Certification. By signing this Agreement, the Grantee certifies that any funds awarded under this Agreement shall be used to supplement existing funds for activities contemplated under this Agreement and will not supplant or replace nonfederal funds that have been appropriated for the purposes and goals of the Agreement.
- 7.3. Penalties. The Grantee understands that supplanting violations may result in a range of penalties, including but not limited to suspension of future funds awarded under the Agreement, suspension or debarment from federal grants, recoupment of monies provided under this Agreement, and civil and/or criminal penalties.

ARTICLE VIII – Miscellaneous

- 8.1. Small and Minority Businesses, Women’s Business Enterprises, and Labor Surplus Area Firms. Grantee shall take affirmative steps to solicit and include small, minority, and women owned businesses, when possible, in an effort to encourage participation and fair competition in providing supplies/services described in this solicitation. As set forth in 2 C.F.R. § 200.321(b)(1)-(5), such affirmative steps must include: (1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists; (2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources; (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum

participation by small and minority businesses, and women's business enterprises; (4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises; and (5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce. If subcontracts are to be let, Grantee shall take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used as required by 2 C.F.R. § 200.321.

ARTICLE IX - Acknowledgment

The Grantee, CITY OF AVONDALE, hereby acknowledges and accepts the above terms and conditions. I hereby certify that I represent a legal entity with authority to enter into this Agreement.

By: _____

Signature

Date: _____

Ron Corbin, City Manager

Print Name and Title

For: CITY OF AVONDALE

Grantee Name

Tax ID No.: 86-6000233

EXHIBIT F

Affidavit

AUTHORIZED REPRESENTATIVE

I HEREBY AFFIRM THAT:

I am the [title] City Manager and the duly authorized representative of the Grantee and that I possess the legal authority to make this Affidavit on behalf of myself and the Grantee for which I am acting.

AFFIRMATION REGARDING BRIBERY CONVICTIONS

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the Grantee, nor any of its officers, directors, partners, or any of its employees, if any and as applicable, directly involved in obtaining or performing under agreements, contracts, loans, grants, or awards with public bodies, has been convicted of, or has had probation before judgment imposed, or has pleaded nolo contendere to a charge or bribery, attempted bribery, or conspiracy to bribe in violation of Arizona law, or the law of any other state, or federal law, except as follows *[indicate the reasons why the affirmation cannot be given and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of person(s) involved, and their current positions and responsibilities with the Grantee]:*

AFFIRMATION REGARDING OTHER CONVICTIONS

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the Grantee, nor any of its officers, directors, partners, or any of its employees, if any and as applicable, directly involved in obtaining or performing under agreements, contracts, loans, grants, or awards with public bodies, has:

1. Been convicted under state or federal statute of a criminal offense incident to obtaining, attempting to obtain, or performing a public or private contract, fraud, embezzlement, theft, forgery, falsification or destruction of records, or receiving stolen property.
2. Been convicted of any criminal violation of a state or federal antitrust statute.
3. Been convicted under the provisions of Title 18 of the United States Code for violation of the Racketeer Influenced and Corrupt Organization Act, 18 U.S.C. § 1961, et seq., or the Mail Fraud Act, 18 U.S.C. § 1341, et seq., for acts arising out of the submission of bids or proposals for a public or private contract.

Water Conservation Grant Fund

4. Been convicted of conspiracy to commit any act or omission that would constitute grounds for conviction or liability under any law or statute described in subsection (1), (2), or (3) above.
5. Been found civilly liable under a state or federal antitrust statute for acts or omissions in connection with the submission of bids or proposals for a public or private contract.
6. Admitted in writing or under oath, during the course of an official investigation or other proceedings, acts, or omissions that would constitute grounds for conviction or liability under any law or statute described above, except as follows ***[list each debarment or suspension, providing the dates of the suspension or debarment, the name of the public entity and the status of the proceeding, the name(s) of the person(s) involved and their current positions and responsibilities with the Grantee, and the status of any debarment]:***

AFFIRMATION REGARDING DEBARMENT

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the Grantee, nor any of its officers, directors, partners, or any of its employees, if any and as applicable, directly involved in obtaining or performing under agreements, contracts, loans, grants, or awards with public bodies, has ever been suspended or debarred (including being issued a limited denial of participation) by any public entity, except as follows ***[indicate reasons why the affirmations cannot be given, and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of the person(s) involved and their current positions and responsibilities with the Grantee, the grounds of the debarment or suspension, and the details of each person's involvement in any activity that formed the grounds of the debarment or suspension]:***

SUBCONTRACT AFFIRMATION

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the Grantee, has knowingly entered into a contract with a public body under which a person debarred or suspended will provide, directly or indirectly, supplies, services, architectural services, construction related services, leases of real property, or construction.

AFFIRMATION REGARDING COLLUSION

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the Grantee, nor any of its officers, directors, partners, or any of its employees, if any and as applicable, have in any way:

1. Agreed, conspired, connived, or colluded to produce a deceptive show of competition in the compilation of the award that is being entered into with the Authority.
2. In any manner, directly or indirectly, entered into any agreement of any kind to fix the bid price or price proposal of the Grantee or of any competitor, or otherwise take any action in restraint of free competitive bidding in connection with the award that is being entered into with the Authority.
3. Colluded with anyone to obtain information concerning the award that would give the Grantee an unfair advantage over others.

ACKNOWLEDGMENT

I ACKNOWLEDGE THAT this Affidavit is to be furnished to the Authority and may be distributed to units of the State of Arizona and the federal government. I further acknowledge that this Affidavit is subject to applicable laws of the United States and the State of Arizona, both criminal and civil, and that nothing in this Affidavit or any contract resulting from the submission of this application for an award shall be construed to supersede, amend, modify, or waive the exercise of any statutory right or remedy conferred by the Constitution and the laws of Arizona with respect to any misrepresentation made or any violation of the obligations, terms, and covenants undertaken by the Grantee with respect to this Affidavit, the award, and other Affidavits comprising part of this Agreement.

I DECLARE AND AFFIRM UNDER THE PENALTY OF PERJURY, UNDER THE LAWS OF THE STATE OF ARIZONA, THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Date: _____

By: _____

Name:

Title:

(Authorized Representative and Affiant)

EXHIBIT G

Reimbursement Request & Monthly Reporting Form

This Reimbursement Request & Monthly Reporting Form is included as an example of the type of report Grantee should expect to submit on a monthly basis. The Authority reserves the right to request additional information and to modify this form.

Grantee Information (Subrecipient)			
Organization		Grant No.	
Contact Person		Contact Title	
Physical Address		City, State, Zip	
Phone Number		Email	
Sam.Gov UEI #			
Organization Internal Account Number:			
Median Household Income of service area			
Lowest Quintile Income of the service area			
Project/Program Information			
Grant Amount			
Match Amount			
Total Project Cost			
Since the previous disbursement request have total project/program cost estimates changed by 5% or more due to a Change Order or other project/program event? If Yes, explain		☐ Yes ☐ No	
Projected/actual construction start date (month/year)			
Projected/actual initiation of operations date (month/year)			
Project/Program Location (address, City, and zipcode)			
Does the project/program prioritize local hires?		☐ Yes ☐ No	
Does the project/program have a Community Benefit Agreement? If yes include a description of any such agreement		☐ Yes ☐ No	
Is this project aligned with another federal award? If yes, provide the federal award information and the PWS # for drinking water projects or the NPDES # for clean water projects		☐ Yes ☐ No	
		Federal Grant: PWS: NPDES:	
Award Information (Subaward) – One per vendor			
Obligated Amount/Contract Amount			
Date Obligated/Contract Executed Date			
Vendor Name			
Vendor Physical Address			
Vendor City, State, Zip			
Vendor Sam.Gov UEI #			
Vendor Debarment Statement Y or N			
Expenditure during this reporting period (attach invoices for payment)			
Remaining contract amount			

All procurement documentation of Award expenditures has been maintained and can be produced upon request?	☐ Yes ☐ No	
Invoices, Receipts, and other Payment Tracking – One per receipt / invoice / request for funds		
List of each contractor, subcontractor, or vendor that provided supplies, equipment, construction, or other goods or services included in this disbursement request.		
List of each invoice number and invoice date		
The amount being requested from grant proceeds		
The amount the grantee will provide as part of the 25% match requirement and the source of the match		
The total invoice amount (the amount requested, plus the match amount must equal the total invoice amount)		
Performance Measures & Outcomes		
Have you started the program/project?	☐ Yes ☐ No	
If you answered Yes, what date did program/project start?		
Is the program/project 25% complete?	☐ Yes ☐ No	
Is the program/project 50% complete?	☐ Yes ☐ No	
Is the program/project 75% complete?	☐ Yes ☐ No	
Is the program/project on schedule to complete the Scope of Work as described in the grant agreement? <i>If no, please note an amended Scope of Work Schedule must be submitted</i>	☐ Yes ☐ No	
Actual water savings in acre-feet associated with this grant award (as available)		
Projected water savings in acre- feet associated with this grant award (if changed from original application)		
Most recent reported system deliveries:		
Narrative – Description of how the funds were used and what was accomplished.		

To receive reimbursement:

- **Grantee must attach invoices for costs incurred;**
- **Vendors must be registered through SAM.GOV and have an active Unique Entity Identifier (UEI) Number.**

Grantee Representative Signature

Printed Name			
Title			
Signature		Date	

ITEM NUMBER: 4.e.

SUBJECT: Resolution 1052-0624 - Designation of Chief Fiscal Officer for the Annual Expenditure Limitation Report (AELR)

MEETING DATE: 6/3/2024

TO: Mayor and Council

FROM: Renee Weatherless, Finance and Budget Director

THROUGH: Ron Corbin, City Manager

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

This agenda item supports the following strategic outcome area:

Innovative program and service delivery - Avondale will continue to serve as a model of innovative, efficient, and responsive government.

PURPOSE:

City Council will consider a request to adopt Resolution 1052-0624, designating Renee Weatherless as the Chief Fiscal Officer for the submittal of the AELR and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

The city is required (A.R.S. § 41-1279.07) to complete an annual expenditure limitation report (AELR) using the Arizona Auditor General's uniform expenditure reporting system. This reporting system demonstrates the city's compliance with the statutory expenditure limitation.

DISCUSSION:

The city is required to designate an individual as the Chief Fiscal Officer who is responsible for the submission of the required reports to the Auditor General's Office. This action names Renee Weatherless as the Chief Fiscal Officer for these purposes.

BUDGET IMPACT:

There is no budgetary impact associated with this action.

RECOMMENDATION:

Staff recommends Council adopt a Resolution designating the Chief Fiscal Officer for the submission of the AELR.

Contact person for document distribution: Rob Baer

RESOLUTION NO. 1052-0624

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, DESIGNATING THE CHIEF FISCAL OFFICER FOR OFFICIALLY SUBMITTING THE FISCAL YEAR 2025 EXPENDITURE LIMITATION REPORT TO THE ARIZONA AUDITOR GENERAL.

WHEREAS, ARIZ. REV. STAT. § 41-1279.07(E) requires each county, city, town, and community college district to annually provide to the Arizona Auditor General by July 31 the name of the Chief Fiscal Officer the governing body designated to officially submit the current year's annual expenditure limitation report (AELR) on the governing body's behalf; and

WHEREAS, the City of Avondale (the "City") Council desires to designate Renee Weatherless, as the City's Chief Fiscal Officer; and

WHEREAS, entities must submit an updated form and documentation for any changes in the individuals designated to file the AELR.

NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONALE as follows:

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

SECTION 2. Renee Weatherless is hereby designated as the City's Chief Fiscal Officer for purposes of submitting the fiscal year 2025 AELR to the Arizona Auditor General on the City's behalf.

SECTION 3. The Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Resolution.

[SIGNATURES ON FOLLOWING PAGE]

PASSED AND ADOPTED by the Council of the City of Avondale, Arizona,
June 3, 2024.

Kenneth N. Weise, Mayor

ATTEST:

Marcella Sarmiento, City Clerk

REVIEWED BY:

Ron Corbin, City Manager

APPROVED AS TO FORM:

Nicholle Harris, City Attorney

ITEM NUMBER: 4.f.

SUBJECT: Resolution 1053-0624 - Comprehensive Financial Policies

MEETING DATE: 6/3/2024

TO: Mayor and Council

FROM: Renee Weatherless, Finance and Budget Director

THROUGH: Ron Corbin, City Manager

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

Adopted Financial Policies support all of the elements of the Strategic Plan, ensuring staff has guidance to manage the city's budget and allocate resources to the highest priorities of the city.

PURPOSE:

City Council will consider a request to adopt Resolution 1053-0624, adopting Comprehensive Financial Policies and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

The financial policies provide guidance and direction for staff to manage the city's resources. The policies are published in the annual budget document to inform and provide context to the city's budget development process. In accordance with these policies and best practice, staff reviews the policies annually and recommends revisions. These policies were last adopted formally by City Council on June 5, 2023.

DISCUSSION:

Best practices recognized by the Government Finance Officers Association (GFOA) include the adoption of formalized financial policies as a central element to a government's effective long-term financial planning. Effective financial policies provide the guidance and policy framework for both the governing body and staff to address recurring issues and challenges in a consistent manner. The adoption of strong and thoughtful financial policies demonstrates to stakeholders that the city takes this responsibility seriously and is favorably viewed by outside rating agencies as a commitment of the city's leadership in this important area. While the policies express the city's present approach to challenges and strategic financial goals, the policies should be reviewed and updated periodically. This year's updated policies include:

- Added fund balance requirements for the two dedicated one-half cent sales tax funds
- Added authorization to budget vacancy savings and transfer vacancy savings from department budgets
- Added a capital assets section establishing capitalization thresholds
- Grammatical/typographical corrections

The proposed Financial Policies are included as an exhibit to the resolution and a redline of the current policies is also attached.

BUDGET IMPACT:

There is no direct budget impact to adopting these policies. The policies will provide guidance in the development of the annual budget, as well as provide guidance in a number of areas that impact the city's financials.

RECOMMENDATION:

Staff recommends City Council adopt a resolution adopting the Comprehensive Financial Policies.

Contact person for document distribution:

City of Avondale Comprehensive Financial Policies

Amended, June 53, 20232024

Introduction

Comprehensive financial, budgetary and accounting principles help create a resilient structure for the city's strong, long-term financial planning. Financial policies contribute to increased stakeholder confidence and trust and provide clear direction to city staff concerning the diligence and stewardship with which public monies are to be managed. Policies that are formally adopted show our residents, visitors, businesses, credit rating agencies, and bond investors the city's commitment to financial resiliency and thoughtful management.

Avondale incorporates the following short and long-term financial policies and guidelines for managing revenues, expenditures, fund balance, capital planning, and debt management in its annual budget planning and in ongoing operations throughout each year. In addition, proper accounting practices complement budget development and internal controls to enable the implementation of the city's long-term objectives.

Importantly, the responsibility for applying these policies does not rest solely with Finance and Budget Department staff, but involves the entire city organization of staff, management, and elected officials to ensure Avondale adheres to, and collaborates in, the application of these policies.

To be effective over ~~athe~~ long_er-term, these policies must be re-evaluated and updated on a regular basis to ensure the goals and objectives are applicable and achievable ~~over the long term~~.

Fiscal Planning

Fiscal planning is a key element in ensuring that positive financial outcomes can be achieved and will be sustained over ~~a long-term period~~time. The city expresses its planning objectives through the adoption and monitoring of the annual budget. These policies will aid in developing the annual budget and related controls, but more importantly, should provide a ~~longer-term~~ perspective to the city's financial position and planning.

The City Council conducts budget planning in public meetings to communicate policy direction for ~~the~~ development of the annual budget and other fiscal priorities and goals. Staff incorporates these policy directions into the annual budget development process.

Staff identifies the city's revenue sources and provides their best estimates of the anticipated level of funding during the forecast period. Staff also prepares realistic estimates of the likely costs of current and proposed city programs, costs of city staffing and benefit ~~costs~~, and related operational costs. The principles outlined ~~below~~ within this policy help to ensure these goals can be operationalized and sustained from year to year.

Staff evaluate revenue sources to determine if they should be considered on-going or one-time in nature. Revenues that are determined to be on-going may be used to fund the city's on-going operations and one-time needs. However, one-time revenues shall not be ~~used~~ budgeted to fund on-going expenses or debt.

Management prepares recommendations to create a balanced budget and sets priorities for the planning period to accomplish the Council's policy direction.

Fund Balance and Reserves

Maintaining reserves is a prudent financial practice, and fund balance is an important indicator of the city's financial health and stability. Fund balances and reserves are maintained to allow the city to continue providing services to the community in case of unexpected emergencies, unfunded mandates from other governments, and/or economic downturns.

The city classifies and reports fund balances in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. The Council has the authority to set aside funds for a specific purpose. Any funds set aside as committed fund balance requires a simple majority vote of the Council prior to the conclusion of the annual audit for the applicable fiscal year.

The Finance and Budget Department Director has the authority to assign funds that are not otherwise assigned by Council action for specific purposes. Any funds set aside as assigned fund balance in this manner must be documented in writing to the City Manager. Such assignments will be identified and incorporated in the city's annual budget planning process.

The city utilizes a two-tier stabilization arrangement as committed fund balance in the General Fund of no less than 35 percent (35%) of adopted budgeted General Fund expenditures from the prior fiscal year, excluding interfund transfers, expenditures on capital projects, and contingency appropriation, to provide a comfortable margin of safety to address potential natural disasters, unexpected economic events, revenue shortfalls, or other budget contingencies.

The first-tier commitment consists of a 25% emergency reserve that may only be used for the following reasons:

- Mitigate damage and expenditures caused by a declared disaster or declared state of emergency for which no reasonable budget adjustments are available to continue or restore essential services.
- Address emergency events that jeopardize the public safety.
- Provide and maintain essential services to the public during natural disasters or emergency events.

The second-tier commitment consists of a 10% Rainy-Day Reserve that may only be used under the following circumstances:

- The city experiences sudden and/or unexpected declines in revenues that is greater than 10% of General Fund operating revenues from the prior year.
- The city experiences sudden and/or unexpected declines in state-shared revenues that is greater than 10% of General Fund operating expenditures from the prior year.
- Provide and maintain essential services to the public during natural disasters or emergency events.

Once the City Manager, or their designee, has determined that it is necessary to spend down stabilization reserves, the City Manager shall provide written communication to the Council explaining the nature of the event/occurrence necessitating their use for Council approval. If the reserves are reduced below the minimum required levels, the city staff shall develop a plan for Council approval to restore the reserves to the appropriate balances.

The city shall replenish the emergency and rainy-day reserves within two (2) fiscal years and five (5) fiscal years following the fiscal year of the event, respectively. If the depletion occurs during an ongoing economic downturn, the city shall restore the funds within two (2) years of revenue meeting or exceeding pre-economic downturn amounts, as applicable. The progress of replenishment shall be reported in the city's annual budget.

The city has established two dedicated one-half cent sales tax funds for designated purposes approved by Avondale voters. These funds ~~are~~will be recorded and expended separately in accordance with their enabling ordinances. The city ~~shall develop guidelines and monitoring mechanisms to ensure~~s the funds are sustainable and can address the city's funding requirements for the approved uses over the city's forecasting period by maintaining a forecasted budgeted fund balance of no less than 16 percent (16%) of budgeted ongoing operating expenditures to provide a comfortable margin of safety to address potential natural disasters, unexpected economic events, revenue shortfalls, or other budget contingencies.

A. The city maintains a separate one half-cent sales tax fund to fund capital improvement projects related to street maintenance, sidewalk improvements, constructing and maintaining residential streets, constructing traffic signals and installing streetlights, construction of water infrastructure and wastewater treatment infrastructure to increase capacity, and transportation projects and services. ~~The city utilizes a stabilization arrangement as committed fund balance in this fund of no less than 16 percent (36%) of adopted operating budgeted expenditures in this fund from the prior fiscal year, excluding interfund transfers, expenditures on capital projects, and contingency appropriation, to provide a comfortable margin of safety to address potential natural disasters, unexpected economic events, revenue shortfalls, or other budget contingencies.~~

B. The city maintains a separate one half-cent sales tax fund to fund needs of its public safety operations above the fiscal year 2003 amount, including: sworn personnel, command ~~staff, and~~ support staff, ~~and~~ support costs; code enforcement personnel and support costs; and personnel and/or services to support the City Court.

The following table details the historical reserve fund balance policies.

<u>Fund</u>	<u>FY2025</u>	<u>FY2024</u>	<u>FY2023</u>	<u>FY2021</u>
	<u>General Fund</u>			
<u>General Fund Reserve Total</u>	<u>35% budgeted expenditures of prior fiscal year</u>	<u>35% budgeted expenditures of prior fiscal year</u>	<u>35% budgeted expenditures of prior fiscal year</u>	<u>35% budgeted expenditures of prior fiscal year</u>
<u>Tier 1: Emergency Reserve</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
<u>Tier 2: Rainy Day Reserve</u>	<u>10%</u>	<u>10%</u>	<u>10%</u>	<u>10%</u>
	<u>Enterprise Funds</u>			
<u>Water and Sewer</u>	<u>6 months of prior year budget expenses, including debt service but excluding</u>	<u>6 months of prior year budget expenses, including debt service but</u>	<u>6 months operating expenditures including debt service</u>	<u>6 months operating expenditures including debt service</u>

<u>Operating Reserve Funds</u>	<u>depreciation, capital, and contingency</u>	<u>excluding depreciation, capital, and contingency</u>	<u>but excluding depreciation</u>	<u>but excluding depreciation</u>
<u>Solid Waste Reserve Funds</u>	<u>4 months of prior year budget expenses, including debt service but excluding depreciation, capital, and contingency</u>	<u>4 months of prior year budget expenses, including debt service but excluding depreciation, capital, and contingency</u>	<u>4 months operating expenditures + annual debt service</u>	<u>4 months operating expenditures + annual debt service</u>
	<u>Other Funds</u>			
<u>Dedicated Sales Tax</u>	<u>16% of budgeted ongoing operating expenditures</u>	<u>None</u>	<u>None</u>	<u>None</u>
<u>Public Safety Sales Tax</u>	<u>16% of budgeted ongoing operating expenditures</u>	<u>None</u>	<u>None</u>	<u>None</u>

The city utilizes a stabilization arrangement as committed fund balance in this fund of no less than 16 percent (36%) of adopted operating budgeted expenditures in this fund from the prior fiscal year, excluding interfund transfers, expenditures on capital projects, and contingency appropriation, to provide a comfortable margin of safety to address potential natural disasters, unexpected economic events, revenue shortfalls, or other budget contingencies.

Revenues, Collections and Fees

Management will strive to develop a diverse and sustainable revenue base to support city operations and future objectives.

The combined primary and secondary city property tax rates will be set at an amount that will not be more than \$2.00 per \$100 of assessed valuation. Tax rates set by Community Facility Districts (CFDs) or Maintenance Improvement Districts (MIDs) within the city are excluded from the rate ceiling.

When appropriate, and in the determination by the Finance and Budget Department Director, user fees will be considered for adoption by City Council to reflect the costs of delivering services to customers who directly benefit. Services provided for the community's general welfare may be provided without user service fees for the general good and not be included in the user fees.

Rates and fees that are not set within the Avondale Municipal Code or state statute will be reviewed and approved annually and may be adopted or amended through Council action during the annual budget process.

Staff will contract with licensed professionals to assess the appropriate level of development impact fees to provide a funding source for necessary public infrastructure that will benefit future city growth. These fees will be adopted, managed, and accounted for in compliance with Arizona Revised Statutes (A.R.S.) §9-463.05. These fees will be updated as needed or as required by state statute.

The city may accept payments for fees and other charges by credit or debit card but shall not accept credit or debit card payments for less than one dollar (\$1.00) or greater than fifteen thousand dollars (15,000.00).

Expenditure and Budget Control

Management must ensure compliance with the legally adopted budget and establish policies and procedures that provide for appropriate controls in the application and monitoring of the city's fiscal operations. Purchases and expenditures must comply with legal requirements and policies and procedures set forth by the state and the city.

A balanced operating and capital budget will be presented annually for Council review and adoption no later than July 1st of the fiscal year and in accordance with the requirements of A.R.S. §42-17105. These budgets should reflect the priorities of Council and reflect the city's current needs, strategic goals, and priorities.

The city will budget and track expenses and revenues by fund. Each fund is considered a separate fiscal entity accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/net position, revenues and expenditures/expenses. Funds are segregated for the purpose of carrying specific activities or attaining certain objectives in accordance to special regulations, restrictions, or limitations. Staff may add additional administrative funds for tracking of specific expenses and revenues.

The budget shall be considered balanced when all sources of funds (revenue, transfers in, and fund balances) are greater than or equal to all uses of funds (expenditures, transfers out, and contingencies) for each fund.

As part of the budget, staff will develop forecasts of the city's major funds over a five-year period.

Requests during the budget process for new or expanded on-going services shall be made through supplemental requests. Appropriations from supplemental requests approved during the budget process will be used only for the purposes authorized by the approved supplemental request. The Finance and Budget Department will monitor the utilization of these amounts to ensure timely expenditure. If the funding is not utilized for the stated purpose in a reasonable timeframe, funds may be reverted with the authorization of the City Manager. If the funds are no longer needed for the purpose, the City Manager may reallocate the funds according to the budget transfer guidelines. Funds not identified for a specific use may be used for [its/their](#) highest and best use as determined by the department director and the City Manager and according to any legal restrictions on the funds being used.

A system will be used to manage position control that coordinates human resource information with budgeted position information. City positions will be characterized as full-time-equivalent (FTE) positions and pooled positions. FTE positions are full-time and part-time positions that are not seasonal or temporary and will be controlled by the FTE approved in the budget. Part-time FTE will be based on 2080 compensated hours per year. Pooled positions are seasonal, temporary, or positions with irregular hours and are controlled by the dollar amount budgeted for this purpose.

The City Manager and Human Resources Director may authorize Public Safety, Police, and Fire and Medical to hire critical public safety employees without budgeted positions on a temporary basis as those employees go through training. The requesting department will identify the funding

source for these training positions prior to authorization from the City Manager and Human Resources Department.

Mid-year budget requests that require commitment of on-going resources will be kept to a minimum to minimize the impact on future budgets. If unexpected resources are secured after budget adoption, departments ~~must~~ may not expend any of the funds without appropriation.

All departments are responsible for ensuring that expenditures do not exceed their approved budget. Department heads are obligated to communicate potential over-expenditures of their amended budgets to the Finance and Budget Department as soon as they become known.

The budget is adopted by the City Council by department and by fund. The budget may be further allocated by management to divisions and expenditure categories. Budget amendments may be executed throughout the year when the adopted purpose varies from operational needs identified during the fiscal year pursuant to the following guidelines. Amendments must be fully executed before the authorization ~~of~~ expenditure of funds.

The city may budget for a reasonable amount of vacancy savings by fund in the non-departmental budget. The amount of budgeted vacancy savings shall consider prior year amounts, the economy, and any new recruiting or retention efforts. ~~if such savings has been realized in prior fiscal years. Finance and Budget staff may sweep realized vacancy savings from department budgets in the current fiscal year and that vacancy savings may be reallocated to fund other priorities in the budget in accordance with the operating budget transfer guidelines outlined in this policy.~~

Operating Budget Transfer Guidelines:

- Use of contingency fund appropriation requires City Council approval.
- Transfers of appropriation between funds require City Council approval. Administrative funds shall be treated as belonging to their parent funds for the purpose of this provision.
- Transfers of appropriation between departments require City Council approval.
- Transfers needed to appropriate previously accepted grants or private donations may be approved by Finance and Budget.
- Transfers of appropriation to / from personal services (salaries, wages, and benefits) line items within the same department and fund require City Manager approval and must be one-time in nature so as not to impact the department's authorized FTE counts. Savings in personal services will not be used to offset deficits in department operating budgets without written authorization from the City Manager.
- Finance and Budget staff may transfer realized vacancy savings from department budgets to the non-departmental budget to satisfy the budgeted vacancy savings. Such realized savings may be reallocated in accordance with this policy.
- Department heads are authorized for all other transfer types between divisions and category of expenditures within the same fund.

Continuation of one-time appropriations (carryover) into the next fiscal year may be included in the adopted annual budget. Departments will identify these anticipated amounts as part of the annual budget process. Finance and Budget Department staff will evaluate and recommend requests for consideration as part of the budget adoption process. Appropriations from carryover

approved during the budget process will be used only for the purposes authorized by the approved carryover. Finance and Budget Department staff may adjust carryover amounts after the budget is adopted if items with carryover appropriation were received or completed in the prior year.

The city will maintain a purchasing system that provides needed commodities and services in a timely manner to avoid interruptions in the delivery of services. All purchases shall be made in accordance with the city's procurement code, purchasing policies, guidelines, procedures, and applicable state and federal laws. The city will endeavor to obtain supplies, equipment, and services that provide the best value through cooperative purchase agreements and competitive selections.

A system of appropriate internal controls and procedures using best practices shall be maintained for the city's payment processes to ensure vendor and contractor invoices are paid in a timely manner and in accordance with A.R.S. §34-221.

The State of Arizona sets a limit on the expenditures of local jurisdictions. The city will comply with these expenditure limitations and will submit an audited expenditure limitation report as defined by the Uniform Expenditure Reporting System (A.R.S. §41-1279.07) along with audited financial statements to the State Auditor General within the prescribed timelines.

The City Council will pursue an alternative expenditure limitation or an adjustment to the State expenditure limitation as provided by Article IX, Section 20 of the State Constitution if the projected expenditures within two years are anticipated to exceed the expenditure limitation.

City staff will develop policies for the administration of grant awards. The city will evaluate potential grants to ensure that they further the goals and objectives of the city without unduly obligating or leveraging current or future city funds. Grants will be reviewed and approved by the Finance & Budget Department Director or their designee prior to their application.

All grant awards require the approval of City Manager or their designee for acceptance before appropriation of funds. Finance and Budget staff may transfer appropriations as necessary for accepted grants or private donations. Grant funding may not be obligated in advance of acceptance by the City Manager or their designee. The stability of the funding source along with potential funding alternatives, should the grant or donation diminish or cease, shall be considered prior to funding personnel or other ongoing expenses in-whole or in-part from grants or donations,

Capital Planning and Asset Management

The city will manage and plan for capital assets and infrastructure improvements. A capital project is defined as a one-time, long-term project to build upon, add to, or improve a capital asset. Capital projects should generally cost more than \$100,000 and the infrastructure improvement resulting from a completed capital project should have a lifespan of more than three years. Replacement of existing assets may also be tracked as a capital project to ensure proper long-term planning. Long-term capital planning documents such as infrastructure master plans should also be tracked as a capital project.

Management will plan and manage the city's capital infrastructure and assets in a fiscally sound and sustainable manner to ensure they support city operations, goals for quality of life, and future growth.

A balanced Capital Improvement Plan (CIP), which supports city operations and goals for quality of life and future growth, shall be developed for a five-year period to allow for appropriate planning. The CIP shall be considered balanced when all sources of funds (revenue, transfers in, and fund balances) are greater than or equal to all uses of funds (expenditures, transfers out, and contingencies) by year for each fund in the capital program-. The CIP documents planned capital projects for each of the five years, but only the first year of the five-year CIP will be adopted by City Council as part of the annual budget.

Capital projects will only be approved with funding from designated sources that are known – or considered reasonably likely during the project's plan – and meet the project's estimated development costs and costs to support.

Capital project budgets often span multiple fiscal years and appropriation often needs to carryover from one fiscal year to the next to ensure adequate appropriation for the project. Carryover of a project budget shall not increase or decrease the total approved budget for a project. The budget of an approved capital project shall be managed at both the total project budget level (regardless of fiscal year) and also the approved fiscal year appropriation. Finance and Budget Department staff may adjust carryover appropriation for a capital project if the adjustment does not increase or decrease the total project budget.

Changes to capital projects within the approved CIP in terms of material individual capital project changes in scope and, proposed transfers of funds between approved capital projects greater than \$50,000 require City Council review and authorization. Mid-year capital project additions to the approved CIP will be kept to a minimum to minimize the impact on future budgets and require City Council review and authorization. The council report must indicate the reason for the mid-year change, the impact on the overall CIP including future capital projects, and why the change needs to occur mid-year and cannot wait for the annual budget process.

Transfers of available appropriation in the CIP of under \$50,000 within capital projects of the same department and fund may be approved by the City Manager or designee. Such amendments will be communicated to the Council as needed.

The performance and continued use of capital infrastructure is essential to delivering public services. Deferring essential maintenance and/or asset replacement can negatively impact service delivery and increase long term costs. As such, the city will periodically assess the condition of assets and infrastructure and appropriately plan for required major maintenance and replacement needs. Efforts will be made to allocate sufficient funds in the CIP and operating budgets for condition assessment, preventative and major maintenance, and repair and replacement of critical infrastructure assets.

~~The city will record the acquisition and disposition of capital assets in a timely manner and in accordance with accepted accounting practices and will maintain appropriate control over their location and condition. Finance and Budget Department staff will establish a system of controls that ensures departments maintain stewardship and control of their non-capital assets.~~ Capital Assets

Capital assets are real, intangible, or personal property that have a value equal to or greater than the capitalization threshold and have an estimated useful life of greater than one year. A capital asset shall be reported and with certain exceptions, using the straight-line method over the estimated useful life based on the depreciation schedule.

Capital assets shall be recorded at their acquisition, construction or historical cost and include all costs associated with placing the asset in service including but not limited to insurance during transit, freight, and installation costs. In the absence of historical cost information, an estimated historical cost may be used. All capital assets shall be assigned an asset number and entered into the asset management system by the Finance and Budget Department for tracking, reporting, and depreciation purposes.

The City shall capitalize assets whose individual costs are \$10,000 or ~~abovemore~~ or groups of assets with an ~~less than the threshold for an individual asset if those assets in the aggregate value of \$1.0 million or more, which is equals to meet or exceed~~ ~~\$100,000~~ **1% of the City's total capital asset value net of accumulated depreciation.** For example, replacing ~~4500~~ computers valued at \$2,000 would be capitalized because the aggregate value is more than ~~the threshold. \$100,000.~~

Construction in progress is the economic construction activity status of buildings, infrastructure, and improvements that are substantially incomplete. Construction in progress assets shall be capitalized but not depreciated until the earliest occurrence of substantial completion or the asset is placed in service. Payroll costs are not capitalized for projects completed by City staff.

GASB 87 requires that property and equipment leases that convey control of the right to use another entity's financial asset in an exchange or exchange-like transaction must be reported as a capital lease/financing lease. Where the City is the Lessee, a lease liability and intangible asset shall be recognized. Where the City is the Lessor, a lease receivable and deferred inflow of resources shall be recognized. The City shall recognize GASB 87 lease receivable or lease liability with an initial, individual value of \$100,000 or more.

GASB 96 requires the city to recognize a right-to-use subscription as an intangible asset and a corresponding subscription as liability. The city should recognize the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. This Statement provides an exception for short-term subscription-based IT arrangements (SBITA). Short-term SBITAs have a maximum possible term under the SBITA contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. The City shall recognize SBITA intangible asset with an initial, individual value of \$100,000 or more.

The city will record the acquisition and disposition of capital assets in a timely manner and in accordance with accepted accounting practices and will maintain appropriate control over their location and condition. Finance and Budget Department staff will establish a system of controls that ensures departments maintain stewardship and control of their non-capital assets.

To ensure the safeguarding of capital assets, a physical inventory of capital assets shall be performed annually.

Debt Management

The city will prudently utilize debt to fund long-term objectives without over-committing the city's current or future resources.

Long-term debt shall not be issued to finance ongoing operations. Short-term borrowing or lease purchase contracts should only be considered for financing major operating capital equipment when it is determined to be in the city's best financial interest as determined by the Finance and Budget Department Director or their designee.

The city's capacity to issue new General Obligation (G.O.) debt will be projected annually with the budget process. General obligation debt will not be issued if the secondary property tax rate when combined with the primary rate ~~will exceed~~ is projected to exceed \$2.00 per hundred dollars of assessed valuation.

Bonds which pledge excise taxes will be issued only when actual annual excise tax collections are at least three (3) times the maximum annual debt service.

Unfunded pension liabilities, or pension debt, are often a significant portion of a city's debt. Consequently, the city shall maintain and comply with a written pension funding policy for its Public Safety Personnel Retirement System plan that has been approved by the City Council. The city will ensure that the plan has sufficient assets to meet actuarial requirements. In funding the plan, the city will balance member pension benefits and taxpayer funds in an equitable manner.

Accounting, Auditing & Reporting

The city will conform to general accepted accounting principles (GAAP) adopted by the Governmental Accounting Standards Board (GASB) and will remain abreast of current policies and changes in approaches. Staff will apply best practices and authoritative standards for local governments to ensure ease of understanding and financial transparency.

The city will prepare and publish an Annual Comprehensive Financial Report to provide accurate and meaningful information on the city's financial condition as prescribed by the Government Finance Officers Association (GFOA).

Management will ensure appropriate internal controls are in place across the city to ensure funds are safeguarded and utilized according to stated objectives and governing policies. Finance and Budget Department staff may develop guidance or policies to assist departments with proper internal control protocols and procedures.

All city bank accounts shall be reconciled and reviewed on a monthly basis and no later than 45 days after the end of the calendar month.

Bond funds will be managed to facilitate arbitrage and accounting requirements.

Enterprise and Internal Service Funds

The city's enterprise funds are established to provide services to the community and are to be self-supporting from the revenues generated by their user charges and fees. These funds will pay an appropriate amount of overhead costs for services received from central service departments. Revenues from ratepayers will not be used to subsidize the operations of non-enterprise functions.

The water and sewer operating funds will maintain an operating reserve as assigned fund balance equal to six (6) months of the previous year's adopted budgeted expenditures that includes debt service payments but excludes depreciation expense, capital expenditures, and contingency appropriation. The solid waste fund and any additional enterprise funds the city may add in the future will maintain an operating reserve as assigned fund balance equal to four (4) months of the previous year's adopted budgeted expenditures plus the amount required to meet the annual debt service requirements, but excludes depreciation expense, capital expenditures, and contingency appropriation.

Enterprise funds may have separate administrative funds for the separate tracking of capital development and equipment replacement. The water, sewer, and solid waste development and equipment replacement funds are not considered part of the operating funds for the reserve calculations, but the funds may reserve separate amounts for capital replacements in accordance with any bond covenant requirements.

The water, sewer, and solid waste funds will maintain operating debt coverage ratios that are at least 1.5 times the fund's maximum annual debt service requirement over a prospective five-year period. The operating debt coverage ratio represents the utilities' revenues less operating and maintenance expense (without debt service) compared to annual debt service obligations.

User rates and fees for enterprise operations will be reviewed and recommendations on user rates and fees will be presented to City Council for adoption periodically to ensure they recover the costs of operations, capital investments, debt obligations, and required reserve requirements to ensure stability and financial sustainability. The city will endeavor to set charges that are competitive, as affordable as possible, and recognize customer value. Enterprise funds will pay appropriate internal service costs for central city functions using the same allocation methodology as other city funds. These will be separate from any assessments to the city's water and sewer utilities for payments-in-lieu-of-property tax (PILOT) and franchise fee-in-lieu interfund transfers.

Internal service funds may be established for activities that provide goods and services to other areas of the city on a cost-reimbursement basis. Internal service funds will also be used in areas the city finds it advantageous to be self-insured.

Internal service funds should operate on a cost-recovery basis. User fees will be established and updated annually to ensure the full cost of providing services, including the cost of capital assets (depreciation, related debt services or estimated replacement cost) will be recovered. Surplus or deficit fund balances in these funds will be monitored to ensure they are compatible with the cost-reimbursement character of the fund type.

Fund Balance and Reserves Policy

The following table details the historical reserve fund balance policies for the General Fund and Enterprise Funds. The General Fund total reserve fund balance is 35%, divided into two tiers detailed below. Each tier has its unique policies.

Fund			FY2022	FY2021
	General Fund			
General Fund Reserve Total		35% budgeted expenditures of prior fiscal year	35% budgeted expenditures of prior fiscal year	35% budgeted expenditures of prior fiscal year
Tier 1: Emergency Reserve			25%	25%
Tier 2: Rainy Day Reserve			10%	10%
	Enterprise Funds			
Water and Sewer Operating Reserve Funds		6 months of prior year budget expenses, including debt service but excluding depreciation, capital, and contingency	6 months operating expenditures including debt service but excluding depreciation	6 months operating expenditures including debt service but excluding depreciation
Solid Waste Reserve Funds		4 months of prior year budget expenses, including debt service but excluding depreciation, capital, and contingency	4 months operating expenditures + annual debt service	4 months operating expenditures + annual debt service

Accounting Principles and Budget

Annually, the City of Avondale Finance and Budget Department publishes a financial document related to the city budget called an Annual Comprehensive Financial Report (ACFR). It provides a fair representation of the status of the City's financial position, changes in financial position, and changes in cash flow, as applicable, of the city's governmental funds, proprietary funds and fiduciary funds in accordance with U.S. "generally accepted accounting principles" (GAAP) adopted by the Governmental Accounting Standards Board (GASB). The GASB is the recognized standard-setting body for establishing governmental accounting and reporting principles.

In accordance with GASB, the governmental fund types (General, Special Revenue, Debt Service, and Capital Project Funds) are prepared on a modified accrual basis and focus on near-term liquidity. In these funds, expenditures are recorded when the related fund liability is incurred, and revenues are recognized only when they are measurable and available. The proprietary fund types (Internal Service and Enterprise Funds) are prepared on a full accrual basis of accounting and have an economic resources measurement focus. In these funds, expenses are recognized when they are incurred and revenues are recognized when they are earned by the City (e.g., water user fees are recognized as revenue when service is provided). The ACFR includes a budgetary comparison for all major governmental funds.

The City of Avondale uses a fund-based budget, meaning that the accounts of the city are organized on the basis of funds. Each fund is considered a separate entity accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/net position, revenues and expenditures/expenses. Funds are segregated for the purpose of carrying specific activities or attaining certain objectives in accordance to special regulations, restrictions,

or limitations. For all funds, the budget, or appropriations, lapse on June 30th. Any unspent appropriations required in the subsequent fiscal year are estimated and re-appropriated as carryover budgets in each respective fund.

In most cases, the city conforms to GASB principles when preparing its budget. Exceptions are made where it would be impractical or inappropriate to budget using accounting requirements. Some of the more significant differences follow:

- Compensated absence liabilities (e.g., sick and vacation leave) are recorded as expenses within the Enterprise Funds when earned by employees (GAAP) as opposed to being expensed when paid (Budget).
- Claims incurred but not reported (IBNR) expense isare recorded for GAAP basis but excluded on a budget basis.
- Capital outlays within the Enterprise Funds are recorded as assets on a GAAP basis and expenses on a budget basis.
- Principal payments on debt obligations of the Enterprise funds are recorded as a reduction of liability on a GAAP basis and expensed on a budget basis.
- Depreciation expense is recorded on a GAAP basis only.

Investment Policy

I. Introduction

The city receives significant revenue over the course of a year, and it is important that cash balances are prudently invested so that they not only provide an adequate return to the city, but invested monies are returned intact without any loss in principal balance. This investment policy is established to ensure the safety of city monies while at the same time providing the required liquidity to operate city programs.

II. Scope And Intent

- A. This policy is designed to apply to the investment program of the city.
- B. The city will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment management pricing, safekeeping costs and administration costs. Cash in certain restricted and/or trust funds with investment restrictions may be kept separate.
- C. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.
- D. The city operates under Arizona Revised Statute (A.R.S.) Title 35, Chapter 2, Article 2.1 entitled Money Management, and other investment guidelines mandated by statute. Investments that need to restrict yield for purposes of the Internal Revenue Service's Arbitrage Bond Regulations (Treasury Regulation Section 1.148-1 et seq.) will be deposited into a separate account and invested in a manner that meets arbitrage guidelines permitted by the IRS.

III. Objectives

- A. The primary objectives, in order of priority, of the city's investment activities are:

1. **Safety.** Safety of principal is the foremost objective of the investment program. The city will seek to ensure preservation of principal in the overall portfolio.

The objective will be to prudently mitigate credit risk and interest rate risk. It is understood by the city that no investment is completely free of risk.

2. **Liquidity.** The investment pools and funds will remain sufficiently liquid to enable the City to meet all operating requirements that might be reasonably anticipated. This is to be accomplished by structuring the portfolio so that securities mature concurrent with anticipated cash flow needs. The portfolio should consist of securities for which there exist active secondary markets.
3. **Return on Investment.** The investment pools and funds shall be managed with the objective of attaining a competitive rate of return given the constraints of the safety and liquidity objectives. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

IV. Standards of Care

A. Prudence

The standard of prudence to be used by investment officials shall be the "uniform prudent investor act" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

B. Ethics and Conflict of Interest

Officers and employees of the City involved in the investment process shall adhere to the conflict-of-interest laws as set forth in A.R.S. §38-501 through 38-511. They shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

C. Delegation of Authority

Authority to manage internally or to delegate the management of the investment program of the City to an external SEC-registered investment advisor(s) is granted to the City Manager, Assistant City Manager, and Finance & Budget Director. If authority to manage all or a part of the investment program of the City is delegated to an external advisor(s):

1. The advisor(s) shall comply with this Policy and other written instructions provided by the Finance & Budget Director.
2. The Finance & Budget Director will be responsible for:
 - a. Periodic investment portfolio reporting;
 - b. Evaluating the performance of the externally managed portfolio;
 - c. Monitoring manager compliance with the investment policy;
 - d. Conveying the investment needs of the city to the external manager/Investment

Advisor(s);

- e. Developing investment strategy with the external manager/Investment Advisor(s).

V. Authorized Financial Institutions, Depositories, and Broker/Dealers

- A. A list will be maintained of financial institutions and depositories authorized to provide investment services.
- B. All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:
 - 1. Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines.
 - 2. Proof of Financial Industry Regulatory Authority (FINRA) certification (not applicable to Certificate of Deposit counterparties).
 - 3. Proof of state registration.
 - 4. Completed broker/dealer questionnaire (not applicable to Certificate of Deposit counterparties).
 - 5. Certification of having read and understood and agreeing to comply with the City's investment policy.
 - 6. Evidence of adequate insurance coverage.
- C. An annual review of the financial condition and registration of all qualified financial institutions and broker/dealers will be conducted by the Finance & Budget Department.
- D. If the city chooses to retain an investment advisor, then their approved Broker/Dealer list may be used in lieu of the requirements listed above.

VI. Safekeeping and Custody

A. Delivery vs. Payment

- 1. All security transactions entered into by the City shall be conducted on a delivery versus payment basis.
- 2. Securities shall be held by a custodian designated by the City and evidenced by custodial reports.

B. Safekeeping

- 1. Securities will be held by an independent third-party custodian selected by the entity as with all securities held in the City's name.
- 2. The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards No. 70, or SAS 70).

C. Internal Controls

- 1. The City shall establish written internal controls to regulate the activities of investment personnel, which shall include:
 - a. **Control of Collusion:** Collusion is a situation where two or more employees are working in conjunction to defraud their employer.

- b. **Segregation of duties:** By separating the person who authorizes or performs the transaction, a good separation of duties is achieved.
 - c. **Custodial Safekeeping:** Securities purchased from any bank or dealer, including appropriate collateral, shall be placed into an independent third-party institution for custodial safekeeping.
 - d. **Avoidance of physical delivery securities:** Book entry securities are much easier to transfer and account for since actual delivery is never taken. Physical delivery securities must be properly safeguarded as are any valuable documents. The potential of fraud and loss increases with physical delivery securities. Bearer-form securities are much easier to convert to personal use than securities that are registered in the name of the government.
 - e. **Clear delegation of authority to subordinate staff members:** Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid any improper actions. Clear delegation of authority also preserves the internal control structure that is built around the various staff positions and their respective responsibilities.
 - f. **Written Confirmation of all transactions (transfer, fax, internet) for investments and wire transfers:** Due to potential for errors and improprieties arising from telephone/electronic transactions, these shall be documented in writing and approved by the appropriate person.
 - g. **Development of an electronic funds transfer agreement with banks:** This agreement should outline the various controls and security provisions for making and receiving electronic funds transfers.
 - 1) Authorization representing the government shall be in compliance with the policy for all transfers.
 - 2) Financial institutions will have written instructions regarding government authorizations for wire transfers, restrictions on accounts where funds can be wired, and other procedures that will mitigate unauthorized movement of funds (e.g., call-back to independent person, written confirmation, etc.)
2. **Insurance may be secured at appropriate levels to bond employees charged with investment and cash handling responsibilities.**

VII. Permitted Investments

- A. Consistent with the City's investment policy objectives and A.R.S. §35-323A, the following investments will be permitted by this policy:
 - 1. Certificates of deposit in eligible depositories-50% sector limit, must be insured or fully collateralized.
 - 2. Negotiable or brokered certificates of deposit issued by a nationally or state-chartered bank or savings and loan association; that are rated "A" (long-term) or A-1 (short-term) or the equivalent or better by a NRSRO-50% sector limit, 5% issuer limit.
 - 3. Commercial paper, of prime quality that is rated within the top two ratings by a nationally recognized rating agency. All commercial paper must be issued by corporations organized and doing business in the United States-50% sector limit,

5% issuer limit.

4. Interest bearing savings accounts in banks and savings and loan institutions doing business in this state whose accounts are insured by federal deposit insurance for their industry. Deposits in excess of the insured amount are secured by collateral as outlined in A.R.S. §35-323.
 5. The pooled investment funds established by the state treasurer pursuant to A.R.S. §35-326.
 6. Obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations or instrumentalities.
 7. Bonds or other evidence of indebtedness of this state or any of its counties, incorporated cities or school districts-40% sector limit, 5% issuer limit.
 8. Bonds, notes or evidence of indebtedness issued by any county improvement district or municipal improvement district of any state to finance local improvements authorized by law, if the principal and interest of the obligations are payable from assessments on real property within the improvement district-40% sector limit, 5% issuer limit. An investment shall not be made if:
 - a. The face value of all such obligations, and similar obligations outstanding, exceeds fifty percent of the market value of the real property, and if improvements on which the bonds or the assessments for the payment of principal and interest on the bonds are liens inferior only to the liens for general ad valorem taxes.
 - b. A default in payment of principal or interest on the obligations to be purchased has occurred within five years of the date of investment, or, if the obligations were issued less than five years before the date of investment, a default in the payment of principal or interest has occurred on the obligations to be purchased or on any other obligation of the issuer within five years of the investment.
 9. Bonds, debentures, notes or other evidence of indebtedness that are denominated in United States dollars and that carry at a minimum an "A" or better rating, at the time of purchase, from at least two nationally recognized rating agencies-50% sector limit, 5% issuer limit.
 10. Repurchase agreements with a maximum maturity of one hundred eighty days-40% sector limit, 20% issuer limit.
- B. Unless part of the above lists of permitted investments, all other investments instruments are hereby prohibited from consideration.
- C. The City shall invest trust and restricted funds in accordance with A.R.S. §35-324, A.R.S. §35-328 and the terms of the trust or controlling documents, if any.

Table of Permitted Investments

Item	Investment Type	Sector Limit	Issuer Limit
1	Certificates of Deposit (CDs)	50%	
2	Negotiable/Brokered CDs	50%	5%
3	Commercial Paper	50%	5%

4	Cash Funds/Money Market Accounts	100%	
5	Local Government Investment Pool (LGIP)	100%	
6	U.S. Treasury, U.S. Gov. Agency Obligations/Instrumentalities	100%	
7-8	State or Local Government Agency Obligations	40%	5%
9	Corporate Notes, Asset-backed securities	50%	5%
10	Repurchase Agreements	40%	20%

VIII. Investment Diversification & Constraints

- A. Following the primary objective of preservation of capital, investments shall be actively managed to take advantage of market opportunities. In so doing, negotiable securities may be sold prior to their maturity to provide liquid funds as needed for cash flow purposes, to enhance portfolio returns, or to restructure maturities to increase yield and/or reduce risk.
- B. The city recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. Portfolio diversification is employed as a way to control risk. The Finance & Budget Director will display prudence in the selection of securities as a way to minimize default risk. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio. In the event of a default by a specific issuer, the Finance & Budget Director shall review, and if appropriate, proceed to liquidate securities having comparable risks.
- C. The Finance & Budget Director shall periodically adjust guidelines and strategies to control risks of default, market price changes and illiquidity.
 1. Portfolio Diversification
 - a. It is the policy of the City to diversify its investment portfolio.
 - b. Investment funds shall be diversified to minimize the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, or a specific class of securities.
 - c. Diversification strategies shall be periodically reviewed by the Investment Advisory Committee.
 2. Maximum Maturities
 - a. The city, to the extent possible, will attempt to match investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five years from the date of purchase or in accordance with governing legislation.
 - b. Reserve funds may be invested in securities exceeding five years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.
 - c. Maturity decisions will be made based on a variety of factors, including the following:
 - 1) Internal factors, such as cash flow projections, debt service, potential

CIP outlays, etc.

- 2) The yield curve at various maturity sectors of the market.
- 3) Federal Reserve Bank policy and the financing plans of the U.S. Treasury and Agencies.

3. Competitive Bidding

- a. Competitive bidding strengthens the investment program in terms of level and consistency of performance. In general, all purchases of investments will be bid competitively and to the extent practical, all purchases will be awarded to vendors yielding the highest returns to the City. The City reserves the right to reject the bid yielding the highest return if the transaction is deemed to be inconsistent with City policy, i.e., maturity, risk, liquidity, etc.
- b. For every investment transaction the City shall conduct a competitive "bid" process, securing quotes from at least three (3) qualified broker/dealer institutions. If the City utilizes an outside investment advisor, the advisor shall follow the same process of securing a minimum of three (3) bids from their list of approved broker/dealers.

IX. Performance Evaluation and Reporting

- A. Evaluation and monitoring of investment performance are the responsibility of the Finance & Budget Director.
 1. The following report related to liquidity investments such as LGIP, overnight balances, money market funds, and short-term certificates of deposit will be provided to the Finance & Budget Director on a monthly basis.
 - a. Balance and yield information.
 2. The following reports related to third party managed investment securities will be provided to the Finance & Budget Director.
 - a. Monthly
 - 1) Month end Investment Summary. The month-end investments are summarized by type of investment. The report summarizes original cost and market values of investments in the pools and funds.
 - 2) Earned investment yield for period, year-to-date, and comparison to prior year.
 - 3) Interest distributed for period.
 - b. Quarterly
 - 1) Monthly average rate of return on the portfolio.
 - 2) Average days to maturity.
 - 3) Monthly portfolio composition.
 3. At a minimum, a report shall be presented annually to the City Manager and Council to update administration on securities held, maturities, investment returns, unrealized gains (losses), and comparisons to established benchmarks, market conditions, prevailing investment strategy, and adherence to the investment policy.

- a. Securities will be reported on a mark to market basis as defined by the Governmental Accounting Standards Board (GASB).

B. Custodian Reconciliation

1. The report of investment holdings shall be reconciled to the City's custodian bank within thirty (30) days of the close of each month and any discrepancies shall be reported to the Finance & Budget Director.

Capital Assets

Capital assets are real, intangible, or personal property that have a value equal to or greater than the capitalization threshold and have an estimated useful life of greater than one year. A capital asset shall be reported and with certain exceptions, using the straight-line method over the estimated useful life based on the depreciation schedule.

Capital assets shall be recorded at their acquisition, construction or historical cost and include all costs associated with placing the asset in service including but not limited to insurance during transit, freight, and installation costs. In the absence of historical cost information, an estimated historical cost may be used. All capital assets shall be assigned an asset number and entered into the asset management system by the Finance and Budget Department for tracking, reporting, and depreciation purposes.

The City shall capitalize assets whose individual costs are \$10,000 or above or less than the threshold for an individual asset if those assets in the aggregate meet or exceed \$100,000.

Construction in progress is the economic construction activity status of buildings, infrastructure, and improvements that are substantially incomplete. Construction in progress assets shall be capitalized but not depreciated until the earliest occurrence of substantial completion or the asset is placed in service. Payroll costs are not capitalized for projects completed by City staff.

GASB 87 requires that property and equipment leases that convey control of the right to use another entity's financial asset in an exchange or exchange-like transaction must be reported as a capital lease/financing lease. Where the City is the Lessee, a lease liability and intangible asset shall be recognized. Where the City is the Lessor, a lease receivable and deferred inflow of resources shall be recognized. The City shall recognize GASB 87 lease receivable or lease liability with an initial, individual value of \$100,000 or more.

GASB 96 requires the city to recognize a right-to-use subscription as an intangible asset and a corresponding subscription as liability. The city should recognize the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. This Statement provides an exception for short-term subscription-based IT arrangements (SBITA). Short-term SBITAs have a maximum possible term under the SBITA contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. The City shall recognize SBITA intangible asset with an initial, individual value of \$100,000 or more.

To ensure the safeguarding of capital assets, a physical inventory of capital assets shall be performed annually. Finance and Budget department shall provide an asset list to each department head. Department Head or his/her designee shall locate and confirm every asset

listed. Assets that have been transferred to another department, cannot be located or are confirmed as being disposed shall be indicated as such on the list.

Changes to Financial Policies

The city's Comprehensive Financial Policies are reviewed annually, and the entire policy document, with any recommended changes, is generally adopted by City Council at the same time as the annual budget. In June 2020, the city's Comprehensive Financial Policies were overhauled. In June 2021, mMinor changes have been made were made each subsequent year. The table below details the notable changes over in the past three five years.

Date of Update	Notable Changes
<u>June 3, 2024</u>	•<u>Added fund balance requirements for the two dedicated one-half cent sales tax funds</u> •<u>Added authorization to budget vacancy savings and transfer vacancy savings from department budgets</u> •<u>Added a capital assets section establishing capitalization thresholds</u>
June 5, 2023	•Added the Investment Policy. This policy was previously approved by council separately. •Reduced the limit for credit/debit card payments accepted for payment of fees and charges from \$25,000 to \$15,000. •Licensed professionals are to be used to assess development impact fees •Defines fund and allows for administrative funds to be used to track specific revenues and expenditures •Defines FTE and pooled positions •Defines capital projects •Delegates carryforward adjustments for capital projects to the Finance & Budget Department
June 6, 2022	•Added limits for credit card payments accepted for payment of fees and charges. •Added the Public Safety Department to the list of departments allowed to request the hiring of unbudgeted critical public safety positions •Clarified that part time FTE positions represent 2080 compensated hours during the fiscal year •Clarified that the assigned reserve balance is equal six or four months of operating expenditures •Updated technical accounting language to reflect current GFOA Blue Book guidance. •Updated the name of the annual financial report from Comprehensive Annual Financial Report to Annual Comprehensive Financial Report
June 7, 2021	•Added clarification on hiring of unbudgeted critical public safety positions •Removed reference to Capital Improvement Plan Citizen Committee
June 15, 2020	•New Comprehensive Financial Policies Adopted •Added General Fund Tier 1 and Tier 2 fund balance reserve designations ○ Tier 1: 25% emergency reserve ○ Tier 2: 10% rainy day reserve •Water and Sewer fund balance requirements amended ○ Reduced from 9 months operating expenditures plus 5% asset value excluding accumulated depreciation to 6 months operating expenditures including debt service but excluding depreciation

RESOLUTION NO. 1053-0624

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, AMENDING THE CITY OF AVONDALE COMPREHENSIVE FINANCIAL POLICIES.

WHEREAS, on June 5, 2023, by Resolution No. 1028-0623, the Council of City of Avondale (the “City Council”) adopted the City of Avondale Comprehensive Financial Policies (the “Financial Policies”); and

WHEREAS, City Council desires to amend the Financial Policies to update the fund balance and financial policies contained therein to provide more comprehensive direction in financial matters and policies; and

WHEREAS, the National Government Finance Officers Association (GFOA) has recommended that municipalities formally adopt financial policies as a central component to strategic, long-term financial management.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

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

SECTION 2. The June 3, 2024, Amended City of Avondale Comprehensive Financial Policies (the “Amended Financial Policies”) are hereby adopted in the form attached thereto as Exhibit A and incorporated herein by reference.

SECTION 3. If any section, subsection, sentence, clause, phrase or portion of this Resolution or any part of the Amended Financial Policies adopted herein is for any reason held to be invalid or unconditional by the decision of any court or competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

SECTION 4. The Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to execute all documents and take all steps necessary to carry out the purpose and intent of this Resolution.

[SIGNATURES ON FOLLOWING PAGE]

PASSED AND ADOPTED by the Council of the City of Avondale, Arizona,
June 3, 2024.

Kenneth N. Weise, Mayor

ATTEST:

Marcella Sarmiento, City Clerk

APPROVED AS TO FORM:

Nicholle Harris, City Attorney

EXHIBIT A
TO
RESOLUTION NO. 1053-0624

[June 3, 2024, City of Avondale Amended Comprehensive Financial Policies]

See following pages.

City of Avondale Comprehensive Financial Policies

Amended, June 3, 2024

Introduction

Comprehensive financial, budgetary and accounting principles help create a resilient structure for the city's strong, long-term financial planning. Financial policies contribute to increased stakeholder confidence and trust and provide clear direction to city staff concerning the diligence and stewardship with which public monies are to be managed. Policies that are formally adopted show our residents, visitors, businesses, credit rating agencies, and bond investors the city's commitment to financial resiliency and thoughtful management.

Avondale incorporates the following short and long-term financial policies and guidelines for managing revenues, expenditures, fund balance, capital planning, and debt management in its annual budget planning and in ongoing operations throughout each year. In addition, proper accounting practices complement budget development and internal controls to enable the implementation of the city's long-term objectives.

Importantly, the responsibility for applying these policies does not rest solely with Finance and Budget Department staff, but involves the entire city organization of staff, management, and elected officials to ensure Avondale adheres to, and collaborates in, the application of these policies.

To be effective over the long term, these policies must be re-evaluated and updated on a regular basis to ensure the goals and objectives are applicable and achievable.

Fiscal Planning

Fiscal planning is a key element in ensuring that positive financial outcomes can be achieved and will be sustained over time. The city expresses its planning objectives through the adoption and monitoring of the annual budget. These policies will aid in developing the annual budget and related controls, but more importantly, should provide a longer-term perspective to the city's financial position and planning.

The City Council conducts budget planning in public meetings to communicate policy direction for the development of the annual budget and other fiscal priorities and goals. Staff incorporates these policy directions into the annual budget development process.

Staff identifies the city's revenue sources and provides their best estimates of the anticipated level of funding during the forecast period. Staff also prepares realistic estimates of the likely costs of current and proposed city programs, costs of city staffing and benefits, and related operational costs. The principles outlined within this policy help to ensure these goals can be operationalized and sustained from year to year.

Staff evaluate revenue sources to determine if they should be considered on-going or one-time in nature. Revenues that are determined to be on-going may be used to fund the city's on-going operations and one-time needs. However, one-time revenues shall not be budgeted to fund on-going expenses or debt.

Management prepares recommendations to create a balanced budget and sets priorities for the planning period to accomplish the Council's policy direction.

Fund Balance and Reserves

Maintaining reserves is a prudent financial practice, and fund balance is an important indicator of the city's financial health and stability. Fund balances and reserves are maintained to allow the city to continue providing services to the community in case of unexpected emergencies, unfunded mandates from other governments, and/or economic downturns.

The city classifies and reports fund balances in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. The Council has the authority to set aside funds for a specific purpose. Any funds set aside as committed fund balance requires a simple majority vote of the Council prior to the conclusion of the annual audit for the applicable fiscal year.

The Finance and Budget Department Director has the authority to assign funds that are not otherwise assigned by Council action for specific purposes. Any funds set aside as assigned fund balance in this manner must be documented in writing to the City Manager. Such assignments will be identified and incorporated in the city's annual budget planning process.

The city utilizes a two-tier stabilization arrangement as committed fund balance in the General Fund of no less than 35 percent (35%) of adopted budgeted General Fund expenditures from the prior fiscal year, excluding interfund transfers, expenditures on capital projects, and contingency appropriation, to provide a comfortable margin of safety to address potential natural disasters, unexpected economic events, revenue shortfalls, or other budget contingencies.

The first-tier commitment consists of a 25% emergency reserve that may only be used for the following reasons:

- Mitigate damage and expenditures caused by a declared disaster or declared state of emergency for which no reasonable budget adjustments are available to continue or restore essential services.
- Address emergency events that jeopardize the public safety.
- Provide and maintain essential services to the public during natural disasters or emergency events.

The second-tier commitment consists of a 10% Rainy-Day Reserve that may only be used under the following circumstances:

- The city experiences sudden and/or unexpected declines in revenues that are greater than 10% of General Fund operating revenues from the prior year.
- The city experiences sudden and/or unexpected declines in state-shared revenues that are greater than 10% of General Fund operating expenditures from the prior year.
- Provide and maintain essential services to the public during natural disasters or emergency events.

Once the City Manager, or their designee, has determined that it is necessary to spend down stabilization reserves, the City Manager shall provide written communication to the Council explaining the nature of the event/occurrence necessitating their use for Council approval. If the reserves are reduced below the minimum required levels, the city staff shall develop a plan for Council approval to restore the reserves to the appropriate balances.

The city shall replenish the emergency and rainy-day reserves within two (2) fiscal years and five (5) fiscal years following the fiscal year of the event, respectively. If the depletion occurs during an ongoing economic downturn, the city shall restore the funds within two (2) years of revenue

meeting or exceeding pre-economic downturn amounts, as applicable. The progress of replenishment shall be reported in the city's annual budget.

The city has established two dedicated one-half cent sales tax funds for designated purposes approved by Avondale voters. These funds are recorded and expended separately in accordance with their enabling ordinances. The city ensures the funds are sustainable and can address the city's funding requirements for the approved uses over the city's forecasting period by maintaining a forecasted budgeted fund balance of no less than 16 percent (16%) of budgeted ongoing operating expenditures to provide a comfortable margin of safety to address potential natural disasters, unexpected economic events, revenue shortfalls, or other budget contingencies.

- A. The city maintains a separate one half-cent sales tax fund to fund capital improvement projects related to street maintenance, sidewalk improvements, constructing and maintaining residential streets, constructing traffic signals and installing streetlights, construction of water infrastructure and wastewater treatment infrastructure to increase capacity, and transportation projects and services.
- B. The city maintains a separate one half-cent sales tax fund to fund needs of its public safety operations above the fiscal year 2003 amount, including: sworn personnel, command staff, support staff, and support costs; code enforcement personnel and support costs; and personnel and/or services to support the City Court.

The following table details the historical reserve fund balance policies.

Fund	FY2025	FY2024	FY2022	FY2021
	General Fund			
General Fund Reserve Total	35% budgeted expenditures of prior fiscal year	35% budgeted expenditures of prior fiscal year	35% budgeted expenditures of prior fiscal year	35% budgeted expenditures of prior fiscal year
Tier 1: Emergency Reserve	25%	25%	25%	25%
Tier 2: Rainy Day Reserve	10%	10%	10%	10%
	Enterprise Funds			
Water and Sewer Operating Reserve Funds	6 months of prior year budget expenses, including debt service but excluding depreciation, capital, and contingency	6 months of prior year budget expenses, including debt service but excluding depreciation, capital, and contingency	6 months operating expenditures including debt service but excluding depreciation	6 months operating expenditures including debt service but excluding depreciation
Solid Waste Reserve Funds	4 months of prior year budget expenses, including debt service but excluding depreciation, capital, and contingency	4 months of prior year budget expenses, including debt service but excluding depreciation, capital, and contingency	4 months operating expenditures + annual debt service	4 months operating expenditures + annual debt service
	Other Funds			
Dedicated Sales Tax	16% of budgeted ongoing operating expenditures	None	None	None
Public Safety Sales Tax	16% of budgeted ongoing operating expenditures	None	None	None

Revenues, Collections and Fees

Management will strive to develop a diverse and sustainable revenue base to support city operations and future objectives.

The combined primary and secondary city property tax rates will be set at an amount that will not be more than \$2.00 per \$100 of assessed valuation. Tax rates set by Community Facility Districts (CFDs) or Maintenance Improvement Districts (MIDs) within the city are excluded from the rate ceiling.

When appropriate, and in the determination by the Finance and Budget Department Director, user fees will be considered for adoption by the City Council to reflect the costs of delivering services to customers who directly benefit. Services provided for the community's general welfare may be provided without user service fees.

Rates and fees that are not set within the Avondale Municipal Code or state statute will be reviewed and approved annually and may be adopted or amended through Council action during the annual budget process.

Staff will contract with licensed professionals to assess the appropriate level of development impact fees to provide a funding source for necessary public infrastructure that will benefit future city growth. These fees will be adopted, managed, and accounted for in compliance with Arizona Revised Statutes (A.R.S.) §9-463.05. These fees will be updated as needed or as required by state statute.

The city may accept payments for fees and other charges by credit or debit card but shall not accept credit or debit card payments for less than one dollar (\$1.00) or greater than fifteen thousand dollars (15,000.00).

Expenditure and Budget Control

Management must ensure compliance with the legally adopted budget and establish policies and procedures that provide for appropriate controls in the application and monitoring of the city's fiscal operations. Purchases and expenditures must comply with legal requirements and policies and procedures set forth by the state and the city.

A balanced operating and capital budget will be presented annually for Council review and adoption no later than July 1st of the fiscal year and in accordance with the requirements of A.R.S. §42-17105. These budgets should reflect the priorities of Council and reflect the city's current needs, strategic goals, and priorities.

The city will budget and track expenses and revenues by fund. Each fund is considered a separate fiscal entity accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/net position, revenues and expenditures/expenses. Funds are segregated for the purpose of carrying specific activities or attaining certain objectives in accordance to special regulations, restrictions, or limitations. Staff may add additional administrative funds for tracking of specific expenses and revenues.

The budget shall be considered balanced when all sources of funds (revenue, transfers in, and fund balances) are greater than or equal to all uses of funds (expenditures, transfers out, and contingencies) for each fund.

As part of the budget, staff will develop forecasts of the city's major funds over a five-year period.

Requests during the budget process for new or expanded on-going services shall be made through supplemental requests. Appropriations from supplemental requests approved during the budget process will be used only for the purposes authorized by the approved supplemental request. The Finance and Budget Department will monitor the utilization of these amounts to ensure timely expenditure. If the funding is not utilized for the stated purpose in a reasonable timeframe, funds may be reverted with the authorization of the City Manager. If the funds are no longer needed for the purpose, the City Manager may reallocate the funds according to the budget transfer guidelines. Funds not identified for a specific use may be used for their highest and best use as determined by the department director and the City Manager and according to any legal restrictions on the funds being used.

A system will be used to manage position control that coordinates human resource information with budgeted position information. City positions will be characterized as full-time-equivalent (FTE) positions and pooled positions. FTE positions are full-time and part-time positions that are not seasonal or temporary and will be controlled by the FTE approved in the budget. Part-time FTE will be based on 2080 compensated hours per year. Pooled positions are seasonal, temporary, or positions with irregular hours and are controlled by the dollar amount budgeted for this purpose.

The City Manager and Human Resources Director may authorize Public Safety, Police, and Fire and Medical to hire critical public safety employees without budgeted positions on a temporary basis as those employees go through training. The requesting department will identify the funding source for these training positions prior to authorization from the City Manager and Human Resources Department.

Mid-year budget requests that require commitment of on-going resources will be kept to a minimum to minimize the impact on future budgets. If unexpected resources are secured after budget adoption, departments may not expend any of the funds without appropriation.

All departments are responsible for ensuring that expenditures do not exceed their approved budget. Department heads are obligated to communicate potential over-expenditures of their amended budgets to the Finance and Budget Department as soon as they become known.

The budget is adopted by the City Council by department and by fund. The budget may be further allocated by management to divisions and expenditure categories. Budget amendments may be executed throughout the year when the adopted purpose varies from operational needs identified during the fiscal year pursuant to the following guidelines. Amendments must be fully executed before the authorization or expenditure of funds.

The city may budget for a reasonable amount of vacancy savings by fund in the non-departmental budget. The amount of budgeted vacancy savings shall consider prior year amounts, the economy, and any new recruiting or retention efforts.

Operating Budget Transfer Guidelines:

- Use of contingency fund appropriation requires City Council approval.
- Transfers of appropriation between funds require City Council approval. Administrative funds shall be treated as belonging to their parent funds for the purpose of this provision.
- Transfers of appropriation between departments require City Council approval.

- Transfers needed to appropriate previously accepted grants or private donations may be approved by Finance and Budget.
- Transfers of appropriation to / from personal services (salaries, wages, and benefits) line items within the same department and fund require City Manager approval and must be one-time in nature so as not to impact the department's authorized FTE counts. Savings in personal services will not be used to offset deficits in department operating budgets without written authorization from the City Manager.
- Finance and Budget staff may transfer realized vacancy savings from department budgets to the non-departmental budget to satisfy the budgeted vacancy savings.
- Department heads are authorized for all other transfer types between divisions and category of expenditures within the same fund.

Continuation of one-time appropriations (carryover) into the next fiscal year may be included in the adopted annual budget. Departments will identify these anticipated amounts as part of the annual budget process. Finance and Budget Department staff will evaluate and recommend requests for consideration as part of the budget adoption process. Appropriations from carryover approved during the budget process will be used only for the purposes authorized by the approved carryover. Finance and Budget Department staff may adjust carryover amounts after the budget is adopted if items with carryover appropriation were received or completed in the prior year.

The city will maintain a purchasing system that provides needed commodities and services in a timely manner to avoid interruptions in the delivery of services. All purchases shall be made in accordance with the city's procurement code, purchasing policies, guidelines, procedures, and applicable state and federal laws. The city will endeavor to obtain supplies, equipment, and services that provide the best value through cooperative purchase agreements and competitive selections.

A system of appropriate internal controls and procedures using best practices shall be maintained for the city's payment processes to ensure vendor and contractor invoices are paid in a timely manner and in accordance with A.R.S. §34-221.

The State of Arizona sets a limit on the expenditures of local jurisdictions. The city will comply with these expenditure limitations and will submit an audited expenditure limitation report as defined by the Uniform Expenditure Reporting System (A.R.S. §41-1279.07) along with audited financial statements to the State Auditor General within the prescribed timelines.

The City Council will pursue an alternative expenditure limitation or an adjustment to the State expenditure limitation as provided by Article IX, Section 20 of the State Constitution if the projected expenditures within two years are anticipated to exceed the expenditure limitation.

City staff will develop policies for the administration of grant awards. The city will evaluate potential grants to ensure that they further the goals and objectives of the city without unduly obligating or leveraging current or future city funds. Grants will be reviewed and approved by the Finance & Budget Department Director or their designee prior to their application.

All grant awards require the approval of City Manager or their designee for acceptance before appropriation of funds. Finance and Budget staff may transfer appropriations as necessary for accepted grants or private donations. Grant funding may not be obligated in advance of acceptance by the City Manager or their designee. The stability of the funding source along with potential funding alternatives, should the grant or donation diminish or cease, shall be considered prior to funding personnel or other ongoing expenses in-whole or in-part from grants or donations,

Capital Planning and Asset Management

The city will manage and plan for capital assets and infrastructure improvements. A capital project is defined as a one-time, long-term project to build upon, add to, or improve a capital asset. Capital projects should generally cost more than \$100,000 and the infrastructure improvement resulting from a completed capital project should have a lifespan of more than three years. Replacement of existing assets may also be tracked as a capital project to ensure proper long-term planning. Long-term capital planning documents such as infrastructure master plans should also be tracked as a capital project.

Management will plan and manage the city's capital infrastructure and assets in a fiscally sound and sustainable manner to ensure they support city operations, goals for quality of life, and future growth.

A balanced Capital Improvement Plan (CIP), which supports city operations and goals for quality of life and future growth, shall be developed for a five-year period to allow for appropriate planning. The CIP shall be considered balanced when all sources of funds (revenue, transfers in, and fund balances) are greater than or equal to all uses of funds (expenditures, transfers out, and contingencies) by year for each fund in the capital program. The CIP documents planned capital projects for each of the five years, but only the first year of the five-year CIP will be adopted by City Council as part of the annual budget.

Capital projects will only be approved with funding from designated sources that are known – or considered reasonably likely during the project's plan – and meet the project's estimated development costs and costs to support.

Capital project budgets often span multiple fiscal years and appropriation often needs to carryover from one fiscal year to the next to ensure adequate appropriation for the project. Carryover of a project budget shall not increase or decrease the total approved budget for a project. The budget of an approved capital project shall be managed at both the total project budget level (regardless of fiscal year) and also the approved fiscal year appropriation. Finance and Budget Department staff may adjust carryover appropriation for a capital project if the adjustment does not increase or decrease the total project budget.

Changes to capital projects within the approved CIP in terms of material individual capital project changes in scope and, proposed transfers of funds between approved capital projects greater than \$50,000 require City Council review and authorization. Mid-year capital project additions to the approved CIP will be kept to a minimum to minimize the impact on future budgets and require City Council review and authorization. The council report must indicate the reason for the mid-year change, the impact on the overall CIP including future capital projects, and why the change needs to occur mid-year and cannot wait for the annual budget process.

Transfers of available appropriation in the CIP of under \$50,000 within capital projects of the same department and fund may be approved by the City Manager or designee. Such amendments will be communicated to the Council as needed.

The performance and continued use of capital infrastructure is essential to delivering public services. Deferring essential maintenance and/or asset replacement can negatively impact service delivery and increase long term costs. As such, the city will periodically assess the condition of assets and infrastructure and appropriately plan for required major maintenance and replacement needs. Efforts will be made to allocate sufficient funds in the CIP and operating

budgets for condition assessment, preventative and major maintenance, and repair and replacement of critical infrastructure assets.

Capital Assets

Capital assets are real, intangible, or personal property that have a value equal to or greater than the capitalization threshold and have an estimated useful life of greater than one year. A capital asset shall be reported and with certain exceptions, using the straight-line method over the estimated useful life based on the depreciation schedule.

Capital assets shall be recorded at their acquisition, construction or historical cost and include all costs associated with placing the asset in service including but not limited to insurance during transit, freight, and installation costs. In the absence of historical cost information, an estimated historical cost may be used. All capital assets shall be assigned an asset number and entered into the asset management system by the Finance and Budget Department for tracking, reporting, and depreciation purposes.

The City shall capitalize assets whose individual costs are \$10,000 or more or groups of assets with an aggregate value of \$1.0 million or more, which is 1% of the City's total capital asset value net of accumulated depreciation. For example, replacing 500 computers valued at \$2,000 would be capitalized because the aggregate value is more than the threshold..

Construction in progress is the economic construction activity status of buildings, infrastructure, and improvements that are substantially incomplete. Construction in progress assets shall be capitalized but not depreciated until the earliest occurrence of substantial completion or the asset is placed in service. Payroll costs are not capitalized for projects completed by City staff.

GASB 87 requires that property and equipment leases that convey control of the right to use another entity's financial asset in an exchange or exchange-like transaction must be reported as a capital lease/financing lease. Where the City is the Lessee, a lease liability and intangible asset shall be recognized. Where the City is the Lessor, a lease receivable and deferred inflow of resources shall be recognized. The City shall recognize GASB 87 lease receivable or lease liability with an initial, individual value of \$100,000 or more.

GASB 96 requires the city to recognize a right-to-use subscription as an intangible asset and a corresponding subscription as liability. The city should recognize the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. This Statement provides an exception for short-term subscription-based IT arrangements (SBITA). Short-term SBITAs have a maximum possible term under the SBITA contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. The City shall recognize SBITA intangible asset with an initial, individual value of \$100,000 or more.

The city will record the acquisition and disposition of capital assets in a timely manner and in accordance with accepted accounting practices and will maintain appropriate control over their location and condition. Finance and Budget Department staff will establish a system of controls that ensures departments maintain stewardship and control of their non-capital assets.

To ensure the safeguarding of capital assets, a physical inventory of capital assets shall be performed annually.

Debt Management

The city will prudently utilize debt to fund long-term objectives without over-committing the city's current or future resources.

Long-term debt shall not be issued to finance ongoing operations. Short-term borrowing or lease purchase contracts should only be considered for financing major operating capital equipment when it is determined to be in the city's best financial interest as determined by the Finance and Budget Department Director or their designee.

The city's capacity to issue new General Obligation (G.O.) debt will be projected annually with the budget process. General obligation debt will not be issued if the secondary property tax rate when combined with the primary rate is projected to exceed \$2.00 per hundred dollars of assessed valuation.

Bonds which pledge excise taxes will be issued only when actual annual excise tax collections are at least three (3) times the maximum annual debt service.

Unfunded pension liabilities, or pension debt, are often a significant portion of a city's debt. Consequently, the city shall maintain and comply with a written pension funding policy for its Public Safety Personnel Retirement System plan that has been approved by the City Council. The city will ensure that the plan has sufficient assets to meet actuarial requirements. In funding the plan, the city will balance member pension benefits and taxpayer funds in an equitable manner.

Accounting, Auditing & Reporting

The city will conform to general accepted accounting principles (GAAP) adopted by the Governmental Accounting Standards Board (GASB) and will remain abreast of current policies and changes in approaches. Staff will apply best practices and authoritative standards for local governments to ensure ease of understanding and financial transparency.

The city will prepare and publish an Annual Comprehensive Financial Report to provide accurate and meaningful information on the city's financial condition as prescribed by the Government Finance Officers Association (GFOA).

Management will ensure appropriate internal controls are in place across the city to ensure funds are safeguarded and utilized according to stated objectives and governing policies. Finance and Budget Department staff may develop guidance or policies to assist departments with proper internal control protocols and procedures.

All city bank accounts shall be reconciled and reviewed on a monthly basis and no later than 45 days after the end of the calendar month.

Bond funds will be managed to facilitate arbitrage and accounting requirements.

Enterprise and Internal Service Funds

The city's enterprise funds are established to provide services to the community and are to be self-supporting from the revenues generated by their user charges and fees. These funds will pay an appropriate amount of overhead costs for services received from central service departments. Revenues from ratepayers will not be used to subsidize the operations of non-enterprise functions.

The water and sewer operating funds will maintain an operating reserve as assigned fund balance equal to six (6) months of the previous year's adopted budgeted expenditures that includes debt service payments but excludes depreciation expense, capital expenditures, and contingency appropriation. The solid waste fund and any additional enterprise funds the city may add in the future will maintain an operating reserve as assigned fund balance equal to four (4) months of the previous year's adopted budgeted expenditures plus the amount required to meet the annual debt service requirements, but excludes depreciation expense, capital expenditures, and contingency appropriation.

Enterprise funds may have separate administrative funds for the separate tracking of capital development and equipment replacement. The water, sewer, and solid waste development and equipment replacement funds are not considered part of the operating funds for the reserve calculations, but the funds may reserve separate amounts for capital replacements in accordance with any bond covenant requirements.

The water, sewer, and solid waste funds will maintain operating debt coverage ratios that are at least 1.5 times the fund's maximum annual debt service requirement over a prospective five-year period. The operating debt coverage ratio represents the utilities' revenues less operating and maintenance expense (without debt service) compared to annual debt service obligations.

User rates and fees for enterprise operations will be reviewed and recommendations on user rates and fees will be presented to City Council for adoption periodically to ensure they recover the costs of operations, capital investments, debt obligations, and required reserve requirements to ensure stability and financial sustainability. The city will endeavor to set charges that are competitive, as affordable as possible, and recognize customer value. Enterprise funds will pay appropriate internal service costs for central city functions using the same allocation methodology as other city funds. These will be separate from any assessments to the city's water and sewer utilities for payments-in-lieu-of-property tax (PILOT) and franchise fee-in-lieu interfund transfers.

Internal service funds may be established for activities that provide goods and services to other areas of the city on a cost-reimbursement basis. Internal service funds will also be used in areas the city finds it advantageous to be self-insured.

Internal service funds should operate on a cost-recovery basis. User fees will be established and updated annually to ensure the full cost of providing services, including the cost of capital assets (depreciation, related debt services or estimated replacement cost) will be recovered. Surplus or deficit fund balances in these funds will be monitored to ensure they are compatible with the cost-reimbursement character of the fund type.

Accounting Principles and Budget

Annually, the City of Avondale Finance and Budget Department publishes a financial document related to the city budget called an Annual Comprehensive Financial Report (ACFR). It provides a fair representation of the status of the City's financial position, changes in financial position, and changes in cash flow, as applicable, of the city's governmental funds, proprietary funds and fiduciary funds in accordance with U.S. "generally accepted accounting principles" (GAAP) adopted by the Governmental Accounting Standards Board (GASB). The GASB is the recognized standard-setting body for establishing governmental accounting and reporting principles.

In accordance with GASB, the governmental fund types (General, Special Revenue, Debt Service, and Capital Project Funds) are prepared on a modified accrual basis and focus on near-term liquidity. In these funds, expenditures are recorded when the related fund liability is incurred,

and revenues are recognized only when they are measurable and available. The proprietary fund types (Internal Service and Enterprise Funds) are prepared on a full accrual basis of accounting and have an economic resources measurement focus. In these funds, expenses are recognized when they are incurred and revenues are recognized when they are earned by the City (e.g., water user fees are recognized as revenue when service is provided). The ACFR includes a budgetary comparison for all major governmental funds.

The City of Avondale uses a fund-based budget, meaning that the accounts of the city are organized on the basis of funds. Each fund is considered a separate entity accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/net position, revenues and expenditures/expenses. Funds are segregated for the purpose of carrying specific activities or attaining certain objectives in accordance to special regulations, restrictions, or limitations. For all funds, the budget, or appropriations, lapse on June 30th. Any unspent appropriations required in the subsequent fiscal year are estimated and re-appropriated as carryover budgets in each respective fund.

In most cases, the city conforms to GASB principles when preparing its budget. Exceptions are made where it would be impractical or inappropriate to budget using accounting requirements. Some of the more significant differences follow:

- Compensated absence liabilities (e.g., sick and vacation leave) are recorded as expenses within the Enterprise Funds when earned by employees (GAAP) as opposed to being expensed when paid (Budget).
- Claims incurred but not reported (IBNR) expense are recorded for GAAP basis but excluded on a budget basis.
- Capital outlays within the Enterprise Funds are recorded as assets on a GAAP basis and expenses on a budget basis.
- Principal payments on debt obligations of the Enterprise funds are recorded as a reduction of liability on a GAAP basis and expensed on a budget basis.
- Depreciation expense is recorded on a GAAP basis only.

Investment Policy

I. Introduction

The city receives significant revenue over the course of a year, and it is important that cash balances are prudently invested so that they not only provide an adequate return to the city, but invested monies are returned intact without any loss in principal balance. This investment policy is established to ensure the safety of city monies while at the same time providing the required liquidity to operate city programs.

II. Scope And Intent

- A. This policy is designed to apply to the investment program of the city.
- B. The city will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment management pricing, safekeeping costs and administration costs. Cash in certain restricted and/or trust funds with investment restrictions may be kept separate.
- C. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.
- D. The city operates under Arizona Revised Statute (A.R.S.) Title 35, Chapter 2, Article

2.1 entitled Money Management, and other investment guidelines mandated by statute. Investments that need to restrict yield for purposes of the Internal Revenue Service's Arbitrage Bond Regulations (Treasury Regulation Section 1.148-1 et seq.) will be deposited into a separate account and invested in a manner that meets arbitrage guidelines permitted by the IRS.

III. Objectives

A. The primary objectives, in order of priority, of the city's investment activities are:

1. **Safety.** Safety of principal is the foremost objective of the investment program. The city will seek to ensure preservation of principal in the overall portfolio. The objective will be to prudently mitigate credit risk and interest rate risk. It is understood by the city that no investment is completely free of risk.
2. **Liquidity.** The investment pools and funds will remain sufficiently liquid to enable the City to meet all operating requirements that might be reasonably anticipated. This is to be accomplished by structuring the portfolio so that securities mature concurrent with anticipated cash flow needs. The portfolio should consist of securities for which there exist active secondary markets.
3. **Return on Investment.** The investment pools and funds shall be managed with the objective of attaining a competitive rate of return given the constraints of the safety and liquidity objectives. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

IV. Standards of Care

A. Prudence

The standard of prudence to be used by investment officials shall be the "uniform prudent investor act" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

B. Ethics and Conflict of Interest

Officers and employees of the City involved in the investment process shall adhere to the conflict-of-interest laws as set forth in A.R.S. §38-501 through 38-511. They shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

C. Delegation of Authority

Authority to manage internally or to delegate the management of the investment program of the City to an external SEC-registered investment advisor(s) is granted to the City Manager, Assistant City Manager, and Finance & Budget Director. If authority to manage all or a part of the investment program of the City is delegated to an external

advisor(s):

1. The advisor(s) shall comply with this Policy and other written instructions provided by the Finance & Budget Director.
2. The Finance & Budget Director will be responsible for:
 - a. Periodic investment portfolio reporting;
 - b. Evaluating the performance of the externally managed portfolio;
 - c. Monitoring manager compliance with the investment policy;
 - d. Conveying the investment needs of the city to the external manager/Investment Advisor(s);
 - e. Developing investment strategy with the external manager/Investment Advisor(s).

V. Authorized Financial Institutions, Depositories, and Broker/Dealers

- A. A list will be maintained of financial institutions and depositories authorized to provide investment services.
- B. All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:
 1. Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines.
 2. Proof of Financial Industry Regulatory Authority (FINRA) certification (not applicable to Certificate of Deposit counterparties).
 3. Proof of state registration.
 4. Completed broker/dealer questionnaire (not applicable to Certificate of Deposit counterparties).
 5. Certification of having read and understood and agreeing to comply with the City's investment policy.
 6. Evidence of adequate insurance coverage.
- C. An annual review of the financial condition and registration of all qualified financial institutions and broker/dealers will be conducted by the Finance & Budget Department.
- D. If the city chooses to retain an investment advisor, then their approved Broker/Dealer list may be used in lieu of the requirements listed above.

VI. Safekeeping and Custody

A. Delivery vs. Payment

1. All security transactions entered into by the City shall be conducted on a delivery versus payment basis.
2. Securities shall be held by a custodian designated by the City and evidenced by custodial reports.

B. Safekeeping

1. Securities will be held by an independent third-party custodian selected by the entity as with all securities held in the City's name.
2. The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards No. 70, or SAS 70).

C. Internal Controls

1. The City shall establish written internal controls to regulate the activities of investment personnel, which shall include:
 - a. **Control of Collusion:** Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
 - b. **Segregation of duties:** By separating the person who authorizes or performs the transaction, a good separation of duties is achieved.
 - c. **Custodial Safekeeping:** Securities purchased from any bank or dealer, including appropriate collateral, shall be placed into an independent third-party institution for custodial safekeeping.
 - d. **Avoidance of physical delivery securities:** Book entry securities are much easier to transfer and account for since actual delivery is never taken. Physical delivery securities must be properly safeguarded as are any valuable documents. The potential of fraud and loss increases with physical delivery securities. Bearer-form securities are much easier to convert to personal use than securities that are registered in the name of the government.
 - e. **Clear delegation of authority to subordinate staff members:** Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid any improper actions. Clear delegation of authority also preserves the internal control structure that is built around the various staff positions and their respective responsibilities.
 - f. **Written Confirmation of all transactions (transfer, fax, internet) for investments and wire transfers:** Due to potential for errors and improprieties arising from telephone/electronic transactions, these shall be documented in writing and approved by the appropriate person.
 - g. **Development of an electronic funds transfer agreement with banks:** This agreement should outline the various controls and security provisions for making and receiving electronic funds transfers.
 - 1) Authorization representing the government shall be in compliance with the policy for all transfers.
 - 2) Financial institutions will have written instructions regarding government authorizations for wire transfers, restrictions on accounts where funds can be wired, and other procedures that will mitigate unauthorized movement of funds (e.g., call-back to independent person, written confirmation, etc.)
2. **Insurance may be secured at appropriate levels to bond employees charged with investment and cash handling responsibilities.**

VII. Permitted Investments

- A. Consistent with the City's investment policy objectives and A.R.S. §35-323A, the

following investments will be permitted by this policy:

1. Certificates of deposit in eligible depositories-50% sector limit, must be insured or fully collateralized.
 2. Negotiable or brokered certificates of deposit issued by a nationally or state-chartered bank or savings and loan association; that are rated "A" (long-term) or A-1 (short-term) or the equivalent or better by a NRSRO-50% sector limit, 5% issuer limit.
 3. Commercial paper, of prime quality that is rated within the top two ratings by a nationally recognized rating agency. All commercial paper must be issued by corporations organized and doing business in the United States-50% sector limit, 5% issuer limit.
 4. Interest bearing savings accounts in banks and savings and loan institutions doing business in this state whose accounts are insured by federal deposit insurance for their industry. Deposits in excess of the insured amount are secured by collateral as outlined in A.R.S. §35-323.
 5. The pooled investment funds established by the state treasurer pursuant to A.R.S. §35-326.
 6. Obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations or instrumentalities.
 7. Bonds or other evidence of indebtedness of this state or any of its counties, incorporated cities or school districts-40% sector limit, 5% issuer limit.
 8. Bonds, notes or evidence of indebtedness issued by any county improvement district or municipal improvement district of any state to finance local improvements authorized by law, if the principal and interest of the obligations are payable from assessments on real property within the improvement district-40% sector limit, 5% issuer limit. An investment shall not be made if:
 - a. The face value of all such obligations, and similar obligations outstanding, exceeds fifty percent of the market value of the real property, and if improvements on which the bonds or the assessments for the payment of principal and interest on the bonds are liens inferior only to the liens for general ad valorem taxes.
 - b. A default in payment of principal or interest on the obligations to be purchased has occurred within five years of the date of investment, or, if the obligations were issued less than five years before the date of investment, a default in the payment of principal or interest has occurred on the obligations to be purchased or on any other obligation of the issuer within five years of the investment.
 9. Bonds, debentures, notes or other evidence of indebtedness that are denominated in United States dollars and that carry at a minimum an "A" or better rating, at the time of purchase, from at least two nationally recognized rating agencies-50% sector limit, 5% issuer limit.
 10. Repurchase agreements with a maximum maturity of one hundred eighty days-40% sector limit, 20% issuer limit.
- B. Unless part of the above lists of permitted investments, all other investments instruments are hereby prohibited from consideration.

- C. The City shall invest trust and restricted funds in accordance with A.R.S. §35-324, A.R.S. §35-328 and the terms of the trust or controlling documents, if any.

Table of Permitted Investments

Item	Investment Type	Sector Limit	Issuer Limit
1	Certificates of Deposit (CDs)	50%	
2	Negotiable/Brokered CDs	50%	5%
3	Commercial Paper	50%	5%
4	Cash Funds/Money Market Accounts	100%	
5	Local Government Investment Pool (LGIP)	100%	
6	U.S. Treasury, U.S. Gov. Agency Obligations/Instrumentalities	100%	
7-8	State or Local Government Agency Obligations	40%	5%
9	Corporate Notes, Asset-backed securities	50%	5%
10	Repurchase Agreements	40%	20%

VIII. Investment Diversification & Constraints

- A. Following the primary objective of preservation of capital, investments shall be actively managed to take advantage of market opportunities. In so doing, negotiable securities may be sold prior to their maturity to provide liquid funds as needed for cash flow purposes, to enhance portfolio returns, or to restructure maturities to increase yield and/or reduce risk.
- B. The city recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. Portfolio diversification is employed as a way to control risk. The Finance & Budget Director will display prudence in the selection of securities as a way to minimize default risk. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio. In the event of a default by a specific issuer, the Finance & Budget Director shall review, and if appropriate, proceed to liquidate securities having comparable risks.
- C. The Finance & Budget Director shall periodically adjust guidelines and strategies to control risks of default, market price changes and illiquidity.
1. Portfolio Diversification
 - a. It is the policy of the City to diversify its investment portfolio.
 - b. Investment funds shall be diversified to minimize the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, or a specific class of securities.
 - c. Diversification strategies shall be periodically reviewed by the Investment Advisory Committee.
 2. Maximum Maturities
 - a. The city, to the extent possible, will attempt to match investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not

directly invest in securities maturing more than five years from the date of purchase or in accordance with governing legislation.

- b. Reserve funds may be invested in securities exceeding five years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.
- c. Maturity decisions will be made based on a variety of factors, including the following:
 - 1) Internal factors, such as cash flow projections, debt service, potential CIP outlays, etc.
 - 2) The yield curve at various maturity sectors of the market.
 - 3) Federal Reserve Bank policy and the financing plans of the U.S. Treasury and Agencies.

3. Competitive Bidding

- a. Competitive bidding strengthens the investment program in terms of level and consistency of performance. In general, all purchases of investments will be bid competitively and to the extent practical, all purchases will be awarded to vendors yielding the highest returns to the City. The City reserves the right to reject the bid yielding the highest return if the transaction is deemed to be inconsistent with City policy, i.e., maturity, risk, liquidity, etc.
- b. For every investment transaction the City shall conduct a competitive "bid" process, securing quotes from at least three (3) qualified broker/dealer institutions. If the City utilizes an outside investment advisor, the advisor shall follow the same process of securing a minimum of three (3) bids from their list of approved broker/dealers.

IX. Performance Evaluation and Reporting

- A. Evaluation and monitoring of investment performance are the responsibility of the Finance & Budget Director.
 - 1. The following report related to liquidity investments such as LGIP, overnight balances, money market funds, and short-term certificates of deposit will be provided to the Finance & Budget Director on a monthly basis.
 - a. Balance and yield information.
 - 2. The following reports related to third party managed investment securities will be provided to the Finance & Budget Director.
 - a. Monthly
 - 1) Month end Investment Summary. The month-end investments are summarized by type of investment. The report summarizes original cost and market values of investments in the pools and funds.
 - 2) Earned investment yield for period, year-to-date, and comparison to prior year.
 - 3) Interest distributed for period.
 - b. Quarterly

- 1) Monthly average rate of return on the portfolio.
 - 2) Average days to maturity.
 - 3) Monthly portfolio composition.
3. At a minimum, a report shall be presented annually to the City Manager and Council to update administration on securities held, maturities, investment returns, unrealized gains (losses), and comparisons to established benchmarks, market conditions, prevailing investment strategy, and adherence to the investment policy.
- a. Securities will be reported on a mark to market basis as defined by the Governmental Accounting Standards Board (GASB).
- B. Custodian Reconciliation
1. The report of investment holdings shall be reconciled to the City's custodian bank within thirty (30) days of the close of each month and any discrepancies shall be reported to the Finance & Budget Director.

Changes to Financial Policies

The city's Comprehensive Financial Policies are reviewed annually, and the entire policy document, with any recommended changes, is generally adopted by City Council at the same time as the annual budget. In June 2020, the city's Comprehensive Financial Policies were overhauled. Minor changes have been made each subsequent year. The table below details the notable changes over the past five years.

Date of Update	Notable Changes
June 3, 2024	•Added fund balance requirements for the two dedicated one-half cent sales tax funds •Added authorization to budget vacancy savings and transfer vacancy savings from department budgets •Added a capital assets section establishing capitalization thresholds
June 5, 2023	•Added the Investment Policy. This policy was previously approved by council separately •Reduced the limit for credit/debit card payments accepted for payment of fees and charges from \$25,000 to \$15,000 •Licensed professionals are to be used to assess development impact fees •Defines fund and allows for administrative funds to be used to track specific revenues and expenditures •Defines FTE and pooled positions •Defines capital projects •Delegates carryforward adjustments for capital projects to the Finance & Budget Department
June 6, 2022	•Added limits for credit card payments accepted for payment of fees and charges •Added the Public Safety Department to the list of departments allowed to request the hiring of unbudgeted critical public safety positions •Clarified that part time FTE positions represent 2080 compensated hours during the fiscal year •Clarified that the assigned reserve balance is equal six or four months of operating expenditures •Updated technical accounting language to reflect current GFOA Blue Book guidance. •Updated the name of the annual financial report from Comprehensive Annual Financial Report to Annual Comprehensive Financial Report
June 7, 2021	•Added clarification on hiring of unbudgeted critical public safety positions •Removed reference to Capital Improvement Plan Citizen Committee
June 15, 2020	•New Comprehensive Financial Policies Adopted •Added General Fund Tier 1 and Tier 2 fund balance reserve designations ○ Tier 1: 25% emergency reserve ○ Tier 2: 10% rainy day reserve •Water and Sewer fund balance requirements amended ○ Reduced from 9 months operating expenditures plus 5% asset value excluding accumulated depreciation to 6 months operating expenditures including debt service but excluding depreciation

ITEM NUMBER: 4.g.

SUBJECT: Resolution 1055-0624 - Intergovernmental Agreement with the Agua Fria Union High School #216 for Transportation for Recreation Camps and Programs

MEETING DATE: 6/3/2024

TO: Mayor and Council

FROM: Bryan Hughes, Parks and Recreation Director

THROUGH: Tracy Stevens, Assistant City Manager, (623) 333-1014

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

This agenda item supports the following Avondale Strategic Outcome Area:

- Diverse Recreation and Entertainment Opportunities - Avondale provides residents with the ability to connect with amenities, businesses, and their community, enhancing the opportunity to live, work, and enjoy a healthy, active, and affordable lifestyle.
-

PURPOSE:

City Council will consider a request to adopt Resolution 1055-0624, authorizing an Intergovernmental Agreement with the Agua Fria Union High School #216 to provide transportation services for youth recreation camps and programs and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

In a continued effort to provide diverse recreation and entertainment opportunities, staff received direction from City Management to establish new day camp programs based out of the Mountain View Community Center to improve services for the youth and families in Avondale during school breaks. In efforts to develop a dynamic recreational day camp curriculum, staff coordinated a variety of onsite and offsite activities for registered participants. To fulfill transportation needs for offsite field trips, tours, activities, and visits to the Avondale Aquatic Center, staff are establishing an agreement with Agua Fria Union School District to provide transportation services at agreed-upon rates as outlined in Exhibit A of this agreement.

DISCUSSION:

The purpose of this Agreement is to provide safe transportation solutions to offsite activity locations scheduled for participants scheduled for youth recreation camps and programs.

BUDGET IMPACT:

The City shall compensate the Contractor for the Services as outlined in Exhibit A of the agreement, except

that both Parties agree the prices in Exhibit A are estimates, with final prices to be mutually agreed upon by the Parties in writing. Funding is available within the Parks and Recreation Department's operating budget.

RECOMMENDATION:

Staff is requesting that the City Council approve a resolution authorizing an Intergovernmental agreement between the City of Avondale and the Agua Fria Union High School #216 to provide transportation services for youth recreation camps and programs and authorize staff to execute the necessary documents.

Contact person for document distribution: Corey Larriva, Stacy Swainston, Bryan Hughes

RESOLUTION NO. 1055-0624

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH THE AGUA FRIA UNION HIGH SCHOOL DISTRICT #216 TO PROVIDE TRANSPORTATION SERVICES FOR CITY RECREATION PROGRAMMING.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. The Intergovernmental Agreement with the Agua Fria Union High School #216 to provide transportation services for City recreation programs (the “Agreement”) is hereby approved in substantially the form and substance attached hereto as Exhibit A and incorporated herein by reference.

SECTION 2. The Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to cause the execution of the Agreement and to take all steps necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the Council of the City of Avondale, Arizona, June 3, 2024.

Kenneth N. Weise, Mayor

ATTEST:

Marcella Sarmiento, City Clerk

APPROVED AS TO FORM:

Nicholle Harris, City Attorney

EXHIBIT A
TO
RESOLUTION NO. 1055-0624

[Agreement]

See following pages.

**SERVICES CONTRACT
BETWEEN
AGUA FRIA UNION HIGH SCHOOL DISTRICT
AND
THE CITY OF AVONDALE**

This Agreement is entered into the 1st day of June, 2024, by and between the City of Avondale, an Arizona municipal corporation (“City”) and the Agua Fria Union High School District (“Contractor”). The City and Contractor may hereinafter be referred to individually as a “Party” or collectively as the “Parties.”

In consideration of the mutual covenants between the Parties, it is agreed as follows:

1. **TERM:** This Agreement shall be effective as of the date first set forth above and shall remain in full force and effect until June 1, 2025 (the “Initial Term”), unless terminated as otherwise provided pursuant this Agreement. After the expiration of the Initial Term, this Agreement shall automatically renew for up to four successive one-year terms (each, a “Renewal Term”), unless otherwise terminated pursuant to this Agreement. Upon renewal, the terms and conditions of this Agreement shall remain in full force and effect.
2. **SCOPE OF WORK:** Contingent upon Contractor’s ability to provide such services, the Contractor shall provide transportation services on an as-requested basis for City programming (the “Services”) at times and dates to be mutually agreed upon by the Parties in writing prior to each performance of the Services.
3. **COMPENSATION:** The City shall compensate Contractor for the Services at the mutually agreed upon rates, except that both Parties agree that initial quotes are estimates, with final prices to be determined based upon actual time and mileage incurred by Contractor in providing the services.
4. **REPORTING:** At the completion of the Services, Contractor shall submit to City final invoices of the cost of Services.
5. **NON-COMPLIANCE; TERMINATION:** Either Party may terminate this Agreement upon sixty-day notice to the other Party.
6. **CONFLICT OF INTEREST:** This Agreement may be terminated by either Party pursuant to ARIZ. REV. STAT. § 38-511.
7. **INDEMNIFICATION:** Each party (as "Indemnitor") agrees to the extent allowed by law, indemnify, defend, and hold harmless the other party (as "Indemnatee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorneys' fees) (collectively referred to as "Claims") arising out of bodily injury (including death) of any person or property damage, but only to the extent that such Claims which result in vicarious/derivative liability to the

Indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers.

8. **INDEPENDENT CONTRACTOR:** Contractor agrees it is an independent contractor and not an agent or employee of the City, for all purposes including the Federal Insurance Contributions Act, the Income Tax Act, the Arizona Workman's Compensation Act, the Arizona Economic Security Act, and any and all other applicable federal or state statutes, rules, or regulations. Contractor shall supervise and direct the performance of this Agreement, using its best skill and attention.
9. **ASSIGNMENT PROHIBITED:** No right or interest in this Agreement shall be assigned a Party to this Agreement without prior, written permission of the other Party signed by the City Manager or authorized designee.
10. **NO DISCRIMINATION:** Neither Party nor its employees or agents will discriminate on the basis of race, religion, handicap, gender or national origin in providing the Services.
11. **IMMIGRATION LAW COMPLIANCE WARRANTY.** To the extent applicable under ARIZ. REV. STAT. § 41-4401, the Parties and their respective subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and compliance with the E-verify requirements under ARIZ. REV. STAT. § 23-214(A). The Parties' or a subcontractor's breach of the above-mentioned warranty shall be deemed a material breach of the Agreement and may result in the termination of the Agreement by either Party under the terms of this Agreement. The Parties each retain the legal right to randomly inspect the papers and records of the other Party and the other Party's subcontractors who work under this Agreement to ensure that the other Party and its subcontractors are complying with the above-mentioned warranty. The Parties warrant to keep their respective papers and records open for random inspection during normal business hours by the other Party.
12. **ATTORNEY'S FEES:** In the event suit is brought by either Party to this Agreement to enforce the terms of this Agreement or to collect any moneys due hereunder, or to collect money damages for breach hereof, the prevailing party shall be entitled to recover from the other party, reasonable attorney's fees, and reasonable cost and expenses determined by a court sitting with a jury.
13. **GOVERNING LAW; VENUE:** This Agreement shall be governed by and construed or enforced in accordance with the laws of the State of Arizona and suit pertaining to this Agreement may only be brought in courts in Maricopa County, Arizona.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the day and year first set forth above.

“City”

CITY OF AVONDALE, an Arizona
municipal corporation

“Contractor”

AGUA FRIA UNION HIGH SCHOOL
DISTRICT, an Arizona School District

By: Kenneth N. Weise, Mayor

By: Mark Yslas, Superintendent

Date:_____

Date:_____

ATTEST:

Marcella Sarmiento, City Clerk

In accordance with the requirements of ARIZ. REV. STAT. § 11-952(D), the undersigned attorneys acknowledge that (i) they have reviewed the above Agreement on behalf of their respective clients and that (ii) as to their respective clients only, each attorney has determined that this Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona

Attorney for the District

Nicholle Harris, City Attorney

ITEM NUMBER: 4.h.

SUBJECT: Ordinance 2014-0624 – Abandonment of Final Plats for Fleming Farms and Fleming Farms, Lot 2

MEETING DATE: 6/3/2024

TO: Mayor and Council

FROM: Kimberly Moon, Director, Engineering Department

THROUGH: Tracy Stevens, Assistant City Manager, (623) 333-1014

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

This agenda item supports the following Avondale Strategic Outcome Area:

- Creative and Sustainable Community Development - Avondale is committed to creating a sense of place, a community of residents and local businesses unified by pride and common values.
-

PURPOSE:

City Council will consider a request to adopt Ordinance 2014-0624 authorizing the abandonment of the final plats for Fleming Farms and Fleming Farms, Lot 2, and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

On April 21, 2008, City Council approved “Final Plat for Fleming Farms” which was recorded in Book of Maps 989, Page 41, and “Final Plat for Fleming Farms, Lot 2” which was recorded in Book of Maps 993, Page 41 of the Maricopa County Recorder’s Office. Fleming Farms was a proposed planned development to be located at the southwest corner of Lower Buckeye Road and Avondale Boulevard.

The Final Plat for Fleming Farms subdivided a 72.26-acre site into two lots. Lot 1, consisting of 16.63-acres, was approved for commercial development and Lot 2, consisting of 49.82-acres, was approved for residential development. The plat dedicated 65-foot half street right-of-way for Avondale Boulevard and 55-foot half street right-of-way for Lower Buckeye Road plus additional right-of-way for bus bays, turn lanes, deceleration lanes and traffic signals. The plat also dedicated public utility easements (PUE) along Lower Buckeye Road and Avondale Boulevard.

The Final Plat for Fleming Farms, Lot 2, subdivided the 49.92-acre site into 147 single family residential lots, open space tract, PUE, and created internal local public streets.

DISCUSSION:

A new development, Hermosa Ranch North, will be located at the southwest corner of Avondale Boulevard and Lower Buckeye Road. The development will consist of a data storage facility and commercial development. The approved plats for Fleming Farms and Fleming Farms, Lot 2 must be abandoned to eliminate all existing property lines and right-of-way to allow for the development of the site.

BUDGET IMPACT:

There is no impact to the budget for this action.

RECOMMENDATION:

Staff recommends City Council adopt an Ordinance authorizing the abandonment of the final plats for Fleming Farms and Fleming Farms, Lot 2, and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

Contact person for document distribution: Yulonda Moore

ORDINANCE NO. 2014-0624

AN ORDINANCE OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, AUTHORIZING THE ABANDONMENT OF FLEMING FARMS AND FLEMING FARMS, LOT 2 FINAL PLATS GENERALLY LOCATED SOUTH OF LOWER BUCKEYE ROAD AND WEST OF AVONDALE BOULEVARD.

WHEREAS, Article I, Section 3 of the Avondale City Charter authorizes the City of Avondale (the "City") to dispose of its acquired property as the City's interests may require; and

WHEREAS, through Final Plats recorded at Instrument No. 2008-0465698 on May 28, 2008 and Instrument No. 2008-0544093 on June 9, 2008 in the Maricopa County Recorder's Office, the City established Final Plats over $\pm$ 72.26 acres generally located south of Lower Buckeye Road and west of Avondale Boulevard in the City (the "Final Plats"); and

WHEREAS, the Council of the City of Avondale (the "City Council") has determined that the Final Plats are no longer needed and therefore, it is necessary and appropriate to abandon said Final Plats.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

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

SECTION 2. The Final Plats, as more particularly described and depicted in Exhibit A and Exhibit B, attached hereto and incorporated herein by reference, are hereby declared to be no longer necessary and are hereby abandoned.

SECTION 3. Upon recordation of this Ordinance in the office of the Maricopa County Recorder, the Final Plats shall be forever extinguished and all right and title to the real property described therein shall remain with the owner.

SECTION 4. The Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to take all steps and execute all documents necessary to carry out the purpose and intent of this Ordinance.

[SIGNATURES ON FOLLOWING PAGE]

PASSED AND ADOPTED by the Council of the City of Avondale, Arizona,
June 3, 2024.

Kenneth Weise, Mayor

ATTEST:

Marcella Sarmiento, City Clerk

APPROVED AS TO FORM:

Nicholle Harris, City Attorney

EXHIBIT A
TO
ORDINANCE NO. 2014-0624

[Fleming Farms Final Plat]

See following pages.

DEDICATION

STATE OF ARIZONA)
COUNTY OF MARICOPA) SS

KNOW ALL MEN BY THESE PRESENTS: THAT EVERGREEN-AVONDALE & L. BUCKEYE, L.L.C., AN ARIZONA LIMITED LIABILITY COMPANY AND FLEMING FARMS COMMERCIAL, L.L.C., AN ARIZONA LIMITED LIABILITY COMPANY, AS OWNERS, HAVE SUBDIVIDED UNDER THE NAME OF "FLEMING FARMS" A PORTION OF THE NORTHEAST QUARTER OF SECTION 24, TOWNSHIP 1 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, AS SHOWN PLATTED HEREON AND HEREBY PUBLISH THIS PLAT AS AND FOR THE PLAT OF "FLEMING FARMS" AND HEREBY DECLARE THAT SAID PLAT SETS FORTH THE LOCATION AND GIVES THE DIMENSIONS OF THE LOTS, EASEMENTS AND STREETS CONSTITUTING SAME, AND THAT EACH LOT AND STREET SHALL BE KNOWN BY THE NUMBER, LETTER OR NAME GIVEN EACH RESPECTIVELY ON SAID PLAT. EVERGREEN-AVONDALE & L. BUCKEYE, L.L.C., AN ARIZONA LIMITED LIABILITY COMPANY AND FLEMING FARMS COMMERCIAL, L.L.C., AN ARIZONA LIMITED LIABILITY COMPANY, AS OWNERS, DEDICATE TO THE PUBLIC THE STREETS AND EASEMENTS SHOWN ON SAID PLAT AND INCLUDED IN THE ABOVE PREMISES.

IN WITNESS WHEREOF: EVERGREEN-AVONDALE & L. BUCKEYE, L.L.C., AN ARIZONA LIMITED LIABILITY COMPANY, AS OWNER HAS HEREUNDER CAUSED ITS NAME TO BE SIGNED AND THE SAME ATTESTED BY THE UNDERSIGNED OFFICER THEREUNTO DULY AUTHORIZED THIS 12th DAY OF May, 2008.

EVERGREEN-AVONDALE & L. BUCKEYE, L.L.C., AN ARIZONA LIMITED LIABILITY COMPANY

BY: EVERGREEN RETAIL GROUP, LLC, AN ARIZONA LIMITED LIABILITY COMPANY

BY: [Signature], DATE 5-22-08

ITS: MANAGER

IN WITNESS WHEREOF: FLEMING FARMS COMMERCIAL, L.L.C., AN ARIZONA LIMITED LIABILITY COMPANY, AS OWNER HAS HEREUNDER CAUSED ITS NAME TO BE SIGNED AND THE SAME ATTESTED BY THE UNDERSIGNED OFFICER THEREUNTO DULY AUTHORIZED THIS 24th DAY OF May, 2008.

FLEMING FARMS COMMERCIAL, L.L.C., AN ARIZONA LIMITED LIABILITY COMPANY

BY ITS MANAGER: CIVICA DEVELOPMENT, LLC, AN ARIZONA LIMITED LIABILITY COMPANY

BY: CIVICA DEVELOPMENT, LLC, AN ARIZONA LIMITED LIABILITY COMPANY

BY: [Signature], DATE 5-22-08

ITS: SOLE MEMBER, JACK ROSE, MANAGER

ACKNOWLEDGMENT

STATE OF ARIZONA)
COUNTY OF MARICOPA) SS

BEFORE ME THIS THE 22nd DAY OF May, 2008, BEAT HERON PERSONALLY, APPEARED BEFORE ME, THE UNDERSIGNED NOTARY PUBLIC, WHO ACKNOWLEDGED HIMSELF TO BE Manager OF EVERGREEN-AVONDALE & L. BUCKEYE, L.L.C., AN ARIZONA LIMITED LIABILITY COMPANY, THE LEGAL OWNER OF THE PROPERTY PLATTED HEREON, AND ACKNOWLEDGES THAT HE BEING DULY AUTHORIZED SO TO DO, EXECUTED THE FOREGOING INSTRUMENT FOR THE PURPOSES HEREIN CONTAINED.

IN WITNESS WHEREOF, I HEREUNTO SET MY HAND AND OFFICIAL SEAL.

BY: [Signature], DATE 5.22.2008
NOTARY PUBLIC
MY COMMISSION EXPIRES: July 6, 2010



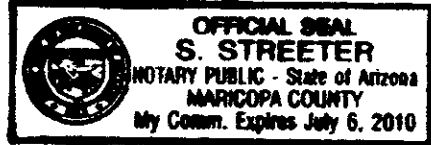
ACKNOWLEDGMENT

STATE OF ARIZONA)
COUNTY OF MARICOPA) SS

BEFORE ME THIS THE 22nd DAY OF May, 2008, JACK ROSE PERSONALLY, APPEARED BEFORE ME, THE UNDERSIGNED NOTARY PUBLIC, WHO ACKNOWLEDGED HIMSELF TO BE Manager OF CIVICA DEVELOPMENT, LLC, AN ARIZONA LIMITED LIABILITY COMPANY, THE LEGAL OWNER OF THE PROPERTY PLATTED HEREON, AND ACKNOWLEDGES THAT HE BEING DULY AUTHORIZED SO TO DO, EXECUTED THE FOREGOING INSTRUMENT FOR THE PURPOSES HEREIN CONTAINED.

IN WITNESS WHEREOF, I HEREUNTO SET MY HAND AND OFFICIAL SEAL.

BY: [Signature], DATE 5.22.2008
NOTARY PUBLIC
MY COMMISSION EXPIRES: July 6, 2010



100 YEAR ASSURED WATER SUPPLY

THE AREA PLATTED HEREON LIES WITHIN THE DOMESTIC WATER SERVICE AREAS OF THE CITY OF AVONDALE WHICH IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY PURSUANT TO SECTION 45-576 ARIZONA REVISED STATUTES.

LEGEND

—	SECTION LINE
—	SUBDIVISION BOUNDARY
- - -	CENTERLINE
MCDOT	MARICOPA COUNTY DEPARTMENT OF TRANSPORTATION
BCHH	BRASS CAP IN HANDHOLE
COR	CORNER
SEC.	SECTION
COA	CITY OF AVONDALE
BCF	BRASS CAP FLUSH
MCHD	MARICOPA COUNTY HIGHWAY DEPARTMENT
PUE	PUBLIC UTILITY EASEMENT
R/W	RIGHT OF WAY
MCR	MARICOPA COUNTY RECORDS
VNAE	VEHICULAR NON-ACCESS EASEMENT
EX.	EXISTING
◆	SECTION CORNER, AS NOTED
□	SURVEY MONUMENT
▲	CORNER OF SUBDIVISION, SURVEY MONUMENT W/CAP OR TAG RLS 21782 UNLESS NOTED OTHERWISE

SHEET INDEX

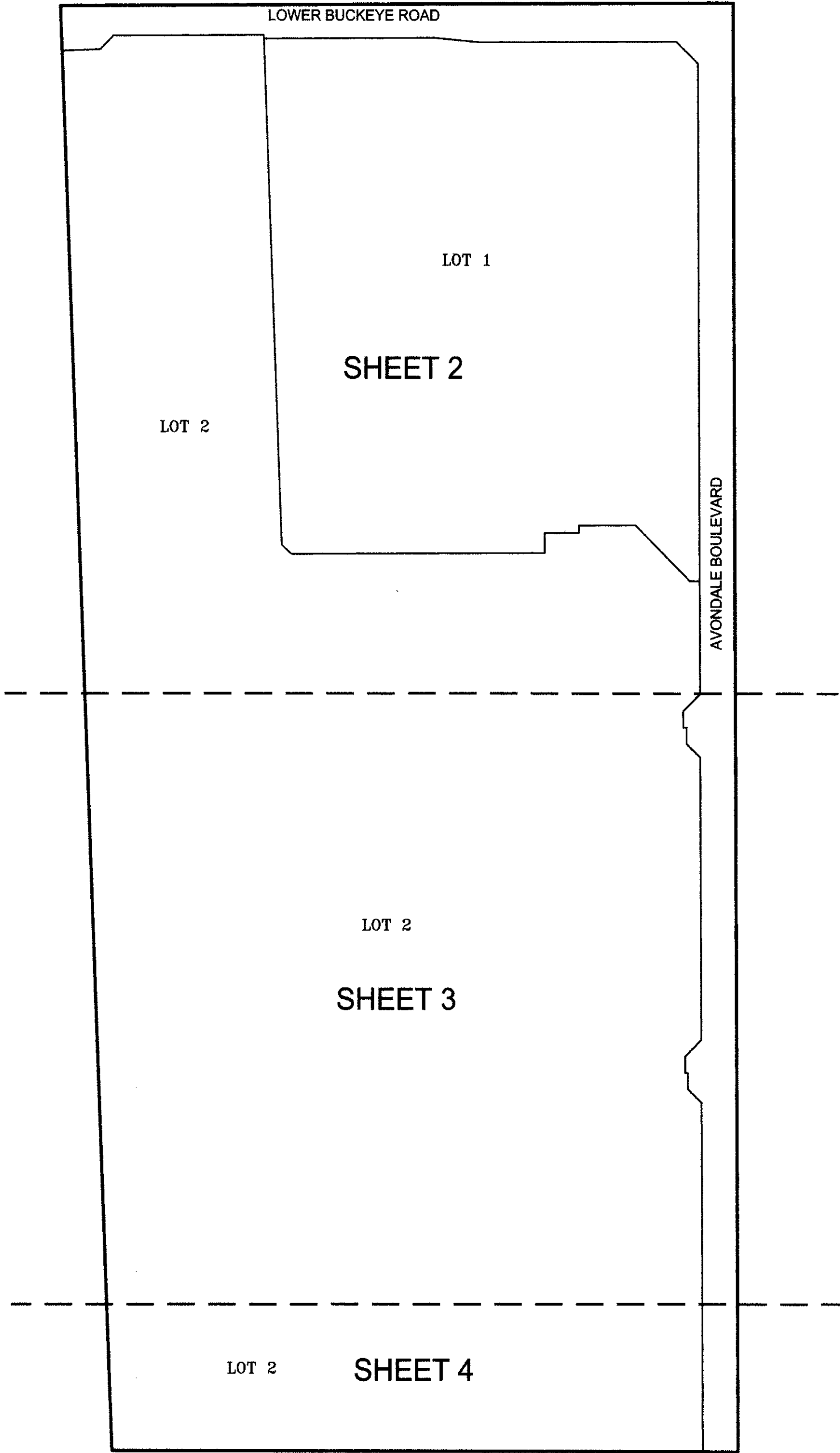
PAGE	NAME
1	COVER
2-4	FINAL PLAT

FLOOD ZONING

ACCORDING TO FEMA FLOOD INSURANCE RATE MAP NO. 04013C2095F DATED SEPTEMBER 30, 2005, THE SUBJECT PROPERTY IS LOCATED IN ZONE X. ZONE X IS DESCRIBED AS: "AREAS OF 0.2% ANNUAL CHANCE FLOOD; AREAS OF 1.0% ANNUAL CHANCE FLOOD WITH AVERAGE DEPTHS OF LESS THAN 1 FOOT OR WITH DRAINAGE AREAS LESS THAN 1 SQUARE MILE; AND AREAS PROTECTED BY LEVEES FROM 1% ANNUAL CHANCE FLOOD."

FINAL PLAT
FOR
"FLEMING FARMS"

A PORTION OF THE
NORTHEAST QUARTER OF SECTION 24, T1N, R1W OF THE GILA
AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA



KEY MAP
1"=200'

LAND AREA TABLE

GROSS AREA OF PROJECT	72.26 ACRES
RIGHT-OF-WAY AREA	5.81 ACRES
LOT 1	16.63 ACRES
LOT 2	49.82 ACRES

OWNER/DEVELOPER

EVERGREEN-AVONDALE & L. BUCKEYE, L.L.C.
2390 E. CAMELBACK ROAD
SUITE 410
PHOENIX, AZ 85016
PH: (602) 808-8800
FAX: (602) 567-7162
CONTACT: MATT BUTCHER

OWNER/DEVELOPER

CIVICA DEVELOPMENT, LLC
3090 N. LITCHFIELD ROAD
GOODYEAR, AZ 85338
PH: (623) 535-8800
FAX: (623) 535-8840
CONTACT: ARMANDO URQUIDEZ

SURVEYOR

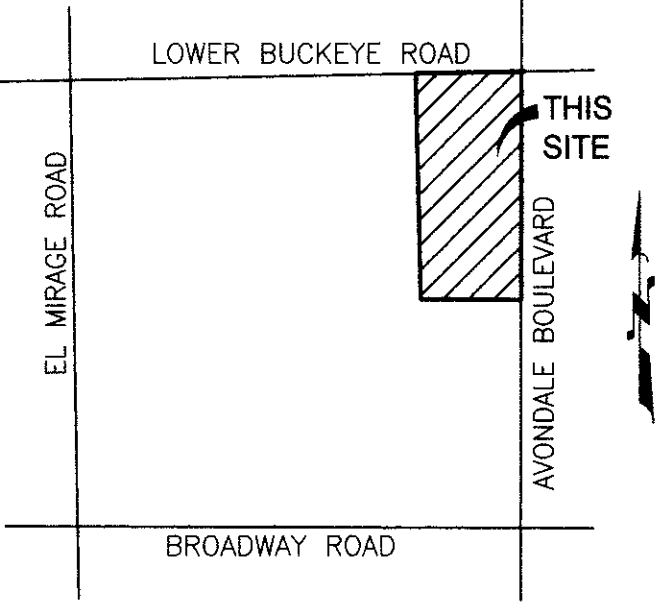
M2 GROUP, INC.
4854 E. BASELINE RD.
SUITE 104
MESA, AZ 85206
PH: (480) 539-7497
FAX: (480) 539-2810
CONTACT: SCOTT A. NELSON

ENGINEER

M2 GROUP, INC.
10320 WEST MCDOWELL RD.
SUITE F-6020
AVONDALE, ARIZONA 85323
PHONE: (480) 396-1840
FAX: (623) 643-9850
CONTACT: PHILLIP ALLRED

VICINITY MAP

N.T.S.



NOTES

- ALL LANDSCAPING WITHIN THE PUBLIC RIGHT-OF-WAY AND PRIVATE DRIVES IS TO BE MAINTAINED BY THE HOMEOWNERS ASSOCIATION.
- ALL UTILITY AND PUBLIC SERVICE EASEMENTS, INCLUDING ANY LIMITATIONS OR EASEMENTS, AND CONSTRUCTION WITHIN SUCH EASEMENTS SHALL BE LIMITED TO UTILITIES, LANDSCAPING AND WOOD, WIRE OR REMOVABLE SECTION TYPE FENCES.
- ALL UTILITIES SHALL BE INSTALLED UNDERGROUND.
- ALL ELECTRIC AND COMMUNICATION LINES LESS THAN 69 KV TO BE CONSTRUCTED UNDERGROUND AS REQUIRED BY THE ARIZONA CORPORATION COMMISSION.
- NO ALTERATIONS SHALL BE MADE TO THE STORM WATER RETENTION AREAS THAT ARE A PART OF THESE PREMISES WITHOUT WRITTEN APPROVAL BY THE CITY OF AVONDALE.
- NO STRUCTURES SHALL BE CONSTRUCTED IN OR ACROSS NOR SHALL OTHER IMPROVEMENTS OR ALTERATIONS BE MADE TO THE DRAINAGE FACILITIES THAT ARE A PART OF THIS SUBDIVISION WITHOUT WRITTEN AUTHORIZATION BY THE CITY OF AVONDALE.
- ALL RETENTION BASINS MUST DRAIN ANY STORM EVENT UP TO AND INCLUDING 100 YEAR, 2 HOUR STORM WITHIN 36 HOURS. OWNER MUST TAKE CORRECTIVE ACTIONS TO BRING THE BASINS INTO COMPLIANCE.
- PROSPECTIVE HOMEBUYERS SHALL BE INFORMED BY AFFIDAVIT AND CC&R'S THAT THE SUBDIVISION IS LOCATED WITHIN THREE (3) MILES OF PHOENIX INTERNATIONAL RACEWAY (PIR). A MAP SHOWING THE LOCATION OF PIR IN RELATION TO THE SUBDIVISION, AND PRIMARY ROUTES USED BY EVENT TRAFFIC, SHALL BE PROMINENTLY DISPLAYED IN THE MODEL HOME SALES OFFICE.
- PROSPECTIVE HOMEBUYERS SHALL BE INFORMED BY AFFIDAVIT, CC&R'S AND POSTED NOTICE IN THE MODEL HOME SALES OFFICE THAT AN EXISTING DAIRY FARM IS LOCATED WEST OF AND ADJACENT TO THIS SUBDIVISION, IF SUCH DAIRY FARM IS STILL IN OPERATION AT THE TIME OF THE FIRST BUILDING PERMIT ISSUANCE.
- A TWELVE (12) FOOT WIDE PUBLIC USE EASEMENT IS DEDICATED FOR THE PUBLIC REGIONAL TRAIL.

LEGAL DESCRIPTION

A PORTION OF THE NORTHEAST QUARTER OF SECTION 24, TOWNSHIP 1 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID SECTION 24, WHOSE POSITION IS CALCULATED PER THE PLSS RECORD OF SURVEY RECORDED IN BOOK 694, PAGE 38, MARICOPA COUNTY RECORDS (M.C.R.) SAID CALCULATED POSITION BEING NORTH 31°33'36" EAST, A DISTANCE OF 0.30 FEET FROM A FOUND CITY OF AVONDALE BRASS CAP FLUSH, AND FROM WHICH A FOUND MARICOPA COUNTY HIGHWAY DEPARTMENT BRASS CAP IN HAND HOLE AT THE EAST QUARTER CORNER OF SAID SECTION 24 BEARS SOUTH 00°15'27" EAST, A DISTANCE OF 2,644.72 FEET; THENCE ALONG THE EAST LINE OF SAID NORTHEAST QUARTER, SOUTH 00°15'27" EAST, A DISTANCE OF 2,644.72 FEET, TO SAID EAST QUARTER CORNER; THENCE LEAVING SAID EAST LINE, ALONG THE SOUTH LINE OF SAID NORTHEAST QUARTER, NORTH 89°56'57" WEST, A DISTANCE OF 1,148.94 FEET TO THE SOUTHEAST CORNER OF THAT CERTAIN PROPERTY DESCRIBED AS PARCEL NO. 1 IN SPECIAL WARRANTY DEED RECORDED IN DOCUMENT NO. 98-0016073, M.C.R.; THENCE LEAVING SAID SOUTH LINE, ALONG THE EAST LINE OF SAID CERTAIN PROPERTY, NORTH 02°06'51" WEST, A DISTANCE OF 2,639.39 FEET TO THE NORTHEAST CORNER OF SAID CERTAIN PROPERTY, SAID CORNER BEING ON THE NORTH LINE OF SAID NORTHEAST QUARTER; THENCE LEAVING SAID EAST LINE, ALONG SAID NORTH LINE, NORTH 88°43'05" EAST, A DISTANCE OF 1234.43 FEET TO THE POINT OF BEGINNING.

BENCHMARK

CITY OF AVONDALE BENCHMARK #46 2" MCDOT BRASS CAP IN HANDHOLE 0.45' DOWN NO STAMPING LOCATED AT THE NORTH QUARTER CORNER OF SECTION 24, TOWNSHIP 1 NORTH, RANGE 1 WEST, G.&S.R.M. ELEVATION = 977.00' (CITY OF AVONDALE DATUM)(SHOT ON 5/10/07)

BASIS OF BEARING

THE NORTH LINE OF THE NORTHEAST QUARTER OF SECTION 24, TOWNSHIP 1 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER MERIDIAN, HAVING A BEARING OF NORTH 89 DEGREES 43 MINUTES 05 SECONDS EAST, PER THE PLSS RECORD OF SURVEY RECORDED IN BOOK 694, PAGE 38, MARICOPA COUNTY RECORDS.

APPROVALS

APPROVED BY THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA THIS 21st DAY OF April, 2008.

[Signature] 05/27/08
MAYOR DATE
[Signature] 5/27/08
ATTEST, CITY CLERK DATE
[Signature] 5-23-08
CITY ENGINEER DATE

CERTIFICATION

I, SCOTT A. NELSON, HEREBY CERTIFY, THAT I AM A REGISTERED LAND SURVEYOR IN THE STATE OF ARIZONA. THAT THIS PLAT CONSISTING OF FOUR (4) SHEETS, CORRECTLY REPRESENTS A SURVEY MADE UNDER MY DIRECTION DURING THE MONTH OF MAY, 2007, THAT THE SURVEY IS TRUE AND COMPLETE AS SHOWN, THAT THE MONUMENTS SHOWN ACTUALLY EXIST OR WILL BE SET AS SHOWN, THAT THEIR POSITIONS ARE CORRECT AND ACCURATE AS SHOWN AND THAT SAID MONUMENTS ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED.

[Signature]
SCOTT A. NELSON #21782



FINAL PLAT

FLEMING FARMS

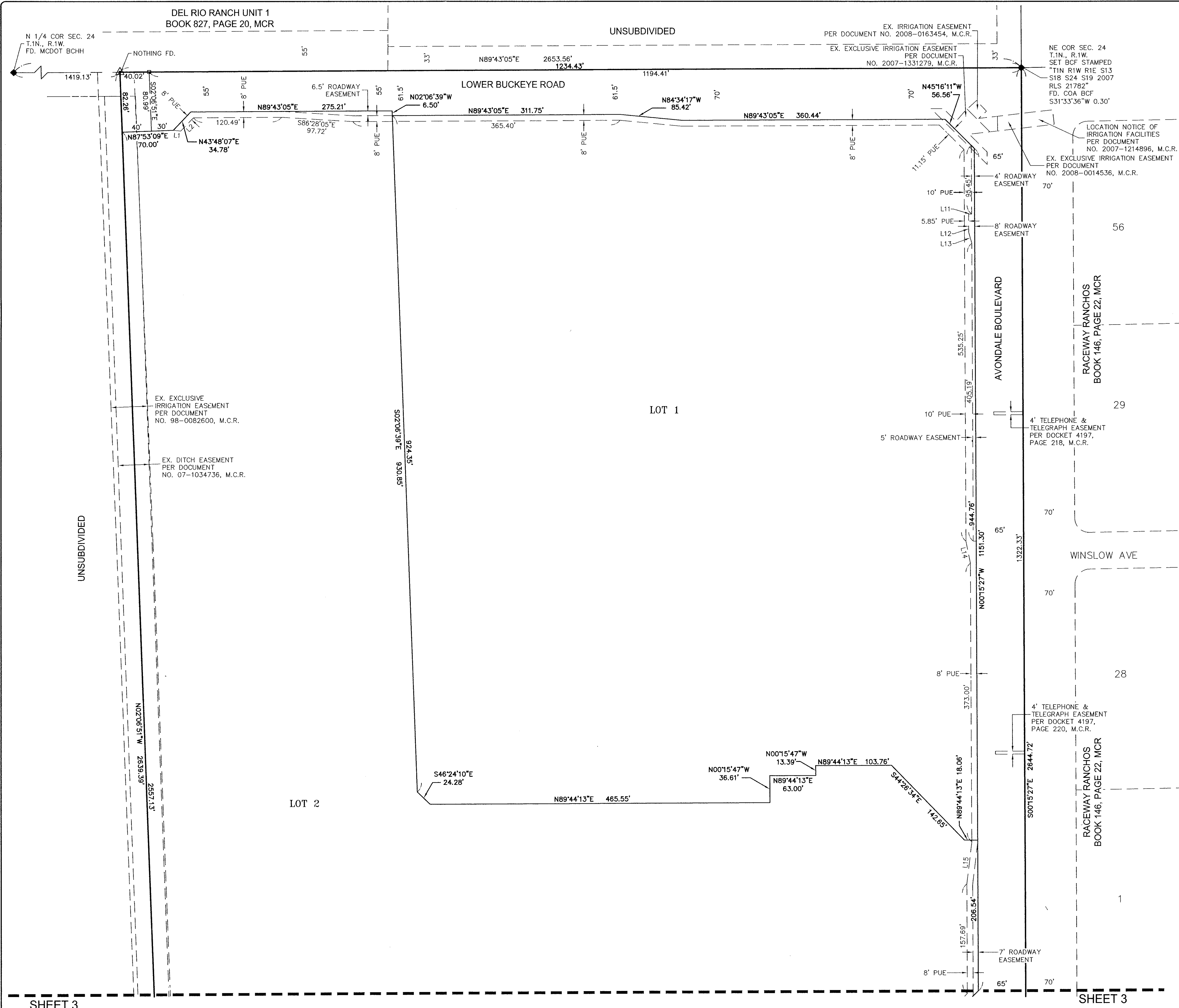
AVONDALE, ARIZONA

PROJECT:

JOB NO. 06121ED
6121MD01.DWG
SHEET NO. 1
1 OF 4

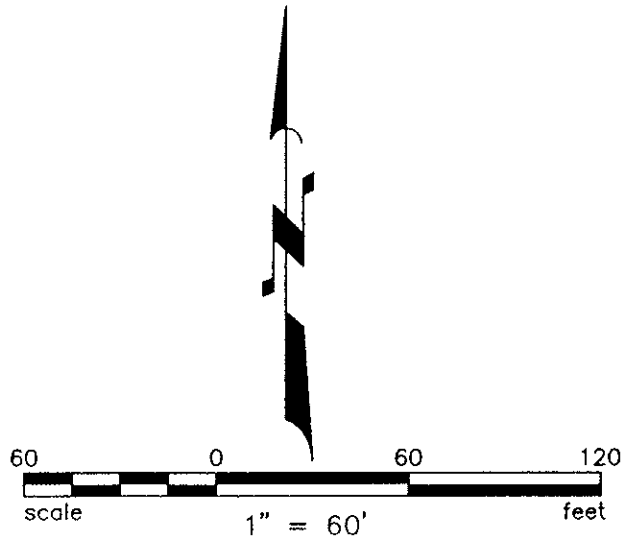
DATE PREPARED: 4/7/08

S:\2006\06121ED (Fleming Farms)\Pict\MD016121MD02.dwg, 05/06/2008 2:22:56 PM



LINE TABLE		
LINE	BEARING	LENGTH
L1	N83°51'12"W	10.10'
L2	S43°48'07"W	25.22'
L3	N44°44'33"E	27.31'
L4	S22°45'27"E	8.66'
L5	N22°14'33"E	8.66'
L6	S45°15'27"E	28.73'
L7	N44°44'33"E	25.90'
L8	S22°45'27"E	8.66'
L9	N22°14'33"E	8.66'
L10	S45°15'27"E	28.73'
L11	N89°44'33"E	4.15'
L12	S00°15'27"E	25.57'
L13	S15°55'26"E	15.39'
L14	S11°34'03"E	30.59'
L15	S06°42'38"W	57.70'
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L25	N89°44'33"E	59.16'
L26	N89°44'33"E	59.10'
L27	S87°54'43"E	19.55'
L28	S87°54'43"E	19.55'
L29	N89°44'33"E	54.99'
L30	N89°44'33"E	55.01'
L31	S86°44'00"E	13.01'
L32	S86°44'00"E	13.01'
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L40	N85°00'00"E	9.40'
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L42	N89°44'33"E	65.01'
L43	N84°44'33"E	9.18'
L44	N84°44'33"E	9.18'
L45	N89°44'33"E	62.36'
L46	N89°44'33"E	62.36'
L47	N84°44'33"E	13.77'
L48	N84°44'33"E	13.77'
L49	N89°44'33"E	79.51'
L50	N89°44'33"E	81.98'
L51	S67°45'27"E	7.68'
L52	S67°45'27"E	12.30'

BOOK 989 PAGE 41
OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
2008 - 0465698
05/28/2008 08:39 AM



REVISIONS:

M2 Group, Inc.
4884 E. Baseline Road
Suite 104
Mesa, Arizona 85206
tel: (480) 539-7497
fax: (480) 539-2810

group

FINAL PLAT

PROJECT:
FLEMING FARMS
AVONDALE, ARIZONA

REGISTERED LAND SURVEYOR
21782
SCOTT A. NELSON
Arizona, U.S.A.

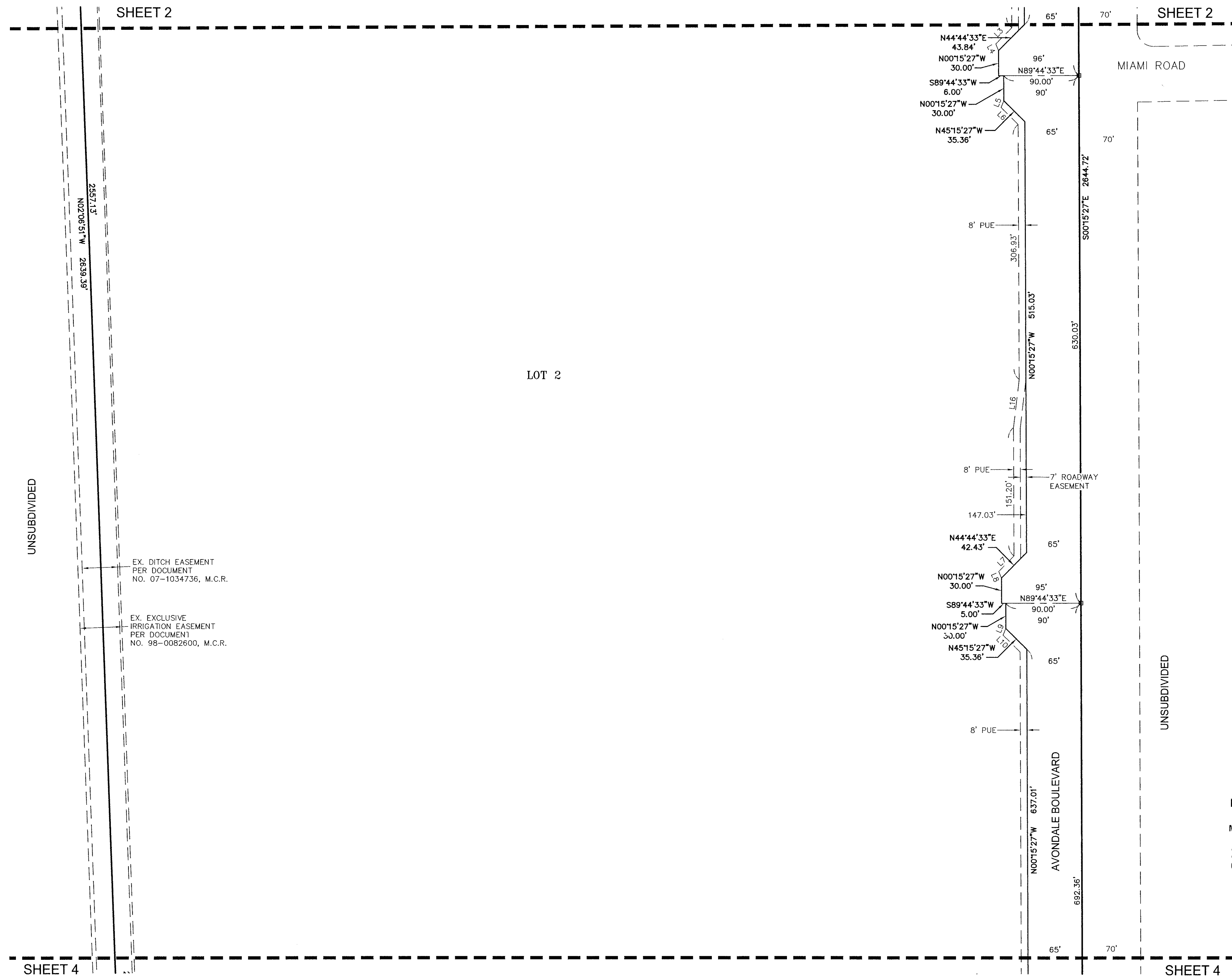
EXPIRES 9-30-2009

JOB NO.
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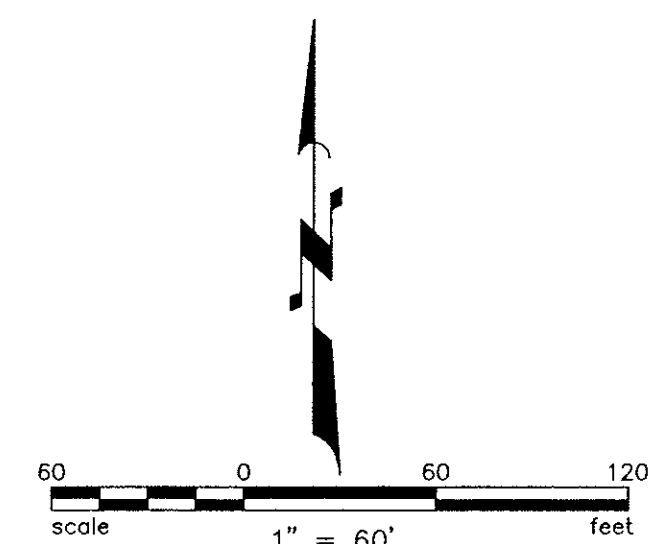
SHEET NO.
2

2 OF 4



LINE TABLE		
LINE	BEARING	LENGTH
L1	N83°51'12"W	10.10'
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BOOK 989 PAGE 41
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HELEN PURCELL
2008 — 0465698
05/28/2008 08:39 AM



REVISIONS:

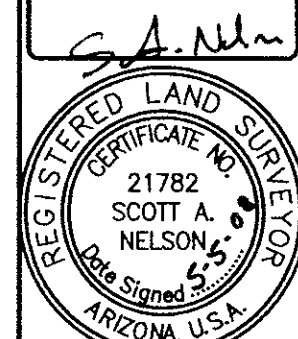
M2 Group, Inc.
4854 E. Baseline Road
Suite 104
Mesa, Arizona 85206
tel: (480) 539-7497
fax: (480) 539-2810



FINAL PLAT

FLEMING FARMS
AVONDALE, ARIZONA

PROJECT:



EXPIRES 9-30-2009

JOB NO.
06121ED

6121MD03.DWG

SHEET NO.

3

3 OF 4

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L52	S67°45'27"E	12.30'

EXHIBIT B
TO
ORDINANCE NO. 2014-0624

[Fleming Farms, Lot 2 Final Plat]

See following pages.

A SUBDIVISION OF LOT 2 OF FLEMING FARMS RECORDED IN
BOOK ~~989~~, PAGE ~~41~~, M.C.R., LOCATED IN
A PORTION OF THE NORTHEAST QUARTER OF SECTION 24,
T1N, R1W OF THE GILA AND SALT RIVER MERIDIAN,
MARICOPA COUNTY, ARIZONA

EVERGREEN-AVONDALE & L. BUCKEYE, L.L.C.
2390 E. CAMELBACK ROAD
SUITE 410
PHOENIX, AZ 85016
PH: (602) 808-8600
FAX: (602) 567-7162
CONTACT: MATT BUTCHER



N.T.S.

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CONTACT: SCOTT A. NELSON

1. ALL LANDSCAPING WITHIN THE PUBLIC RIGHT-OF-WAY AND PRIVATE DRIVES IS TO BE MAINTAINED BY THE HOMEOWNERS ASSOCIATION.
2. ALL UTILITY AND PUBLIC SERVICE EASEMENTS, INCLUDING ANY LIMITATIONS OR EASEMENTS, AND CONSTRUCTION WITHIN SUCH EASEMENTS SHALL BE LIMITED TO UTILITIES, LANDSCAPING AND WOOD, WIRE OR REMOVABLE SECTION TYPE FENCES.
3. ALL UTILITIES SHALL BE INSTALLED UNDERGROUND.
4. ALL ELECTRIC AND COMMUNICATION LINES LESS THAN 69 KV TO BE CONSTRUCTED UNDERGROUND AS REQUIRED BY THE ARIZONA CORPORATION COMMISSION.
5. NO ALTERATIONS SHALL BE MADE TO THE STORM WATER RETENTION AREAS THAT ARE A PART OF THESE PREMISES WITHOUT WRITTEN APPROVAL BY THE CITY OF AVONDALE.
6. NO STRUCTURES SHALL BE CONSTRUCTED IN OR ACROSS NOR SHALL OTHER IMPROVEMENTS OR ALTERATIONS BE MADE TO THE DRAINAGE FACILITIES THAT ARE A PART OF THIS SUBDIVISION WITHOUT WRITTEN AUTHORIZATION BY THE CITY OF AVONDALE.
7. ALL RETENTION BASINS MUST DRAIN ANY STORM EVENT UP TO AND INCLUDING 100 YEAR, 2 HOUR STORM WITHIN 36 HOURS. OWNER MUST TAKE CORRECTIVE ACTIONS TO BRING THE BASINS INTO COMPLIANCE.
8. SIGHT VISIBILITY TRIANGLE EASEMENT RESTRICTIONS: ANY OBJECT, WALL, STRUCTURE, MOUND OR LANDSCAPING (MATURE) OVER 2' IN HEIGHT IS NOT ALLOWED WITHIN THE VISIBILITY EASEMENT. TREE CANOPIES OVERHANGING THE EASEMENT SHALL BE KEPT TRIMMED TO A HEIGHT NO LESS THAN 7'.
9. TRACTS A THROUGH P ARE COMMON AREAS AND SHALL BE CONVEYED TO AND MAINTAINED BY THE HOMEOWNERS ASSOCIATION FOR THE PURPOSES SHOWN IN THE TRACT TABLE ON SHEET 10.
10. PROSPECTIVE HOMEBUYERS SHALL BE INFORMED BY AFFIDAVIT AND CC&R'S THAT THE SUBDIVISION IS LOCATED WITHIN THREE (3) MILES OF PHOENIX INTERNATIONAL RACEWAY (PIR). A MAP SHOWING THE LOCATION OF PIR IN RELATION TO THE SUBDIVISION, AND PRIMARY ROUTES USED BY EVENT TRAFFIC, SHALL BE PROMINENTLY DISPLAYED IN THE MODEL HOME SALES OFFICE.
11. PROSPECTIVE HOMEBUYERS SHALL BE INFORMED BY AFFIDAVIT, CC&R'S AND POSTED NOTICE IN THE MODEL HOME SALES OFFICE OF THE FOLLOWING CONDITIONS:
 - A. PARCELS ZONED FOR FUTURE COMMERCIAL USE ARE LOCATED ON THE NORTHWEST CORNER, THE NORTHEAST CORNER AND THE SOUTHWEST CORNER OF LOWER BUCKEYE ROAD AND AVONDALE BOULEVARD.
 - B. RUDD SUBSTATION IS LOCATED WITHIN 1/2 MILE OF THIS SUBDIVISION. 230 KV POWER LINES EXIST ALONG THE SOUTHERN BOUNDARY OF THIS SUBDIVISION. ADDITIONAL 69 KV POWER LINES ARE PLANNED IN THAT SAME LOCATION.
 - C. AN EXISTING DAIRY FARM IS LOCATED WEST OF AND ADJACENT TO THIS SUBDIVISION, IF SUCH DAIRY FARM IS STILL IN OPERATION AT THE TIME OF THE FIRST BUILDING PERMIT ISSUANCE.
 - D. THE DEVELOPMENT IS LOCATED IN THE FUTURE STATE ROUTE 801 STUDY AREA.
 - E. A PUBLIC SAFETY FACILITY IS LOCATED ON THE NORTHWEST CORNER OF AVONDALE BOULEVARD AND DURANGO STREET.
 - F. LA JOYA HIGH SCHOOL IS LOCATED WITHIN 1/2 MILE OF THIS SUBDIVISION.
12. ALL SIGNAGE FOR THE SUBDIVISION SHALL BE OWNED AND MAINTAINED BY THE HOMEOWNERS ASSOCIATION.

CITY OF AVONDALE BENCHMARK #46 2" MCDOT BRASS CAP IN HANDHOLE 0.45' DOWN NO STAMPING LOCATED AT THE NORTH QUARTER CORNER OF SECTION 24, TOWNSHIP 1 NORTH, RANGE 1 WEST, G.&S.R.M. ELEVATION = 977.00' (CITY OF AVONDALE DATUM)(SHOT ON 5/10/07)

THE NORTH LINE OF THE NORTHEAST QUARTER OF SECTION 24, TOWNSHIP 1 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER MERIDIAN, HAVING A BEARING OF NORTH 89 DEGREES 43 MINUTES 05 SECONDS EAST, PER THE PLSS RECORD OF SURVEY RECORDED IN BOOK 694, PAGE 38, MARICOPA COUNTY RECORDS.

ACCORDING TO FEMA FLOOD INSURANCE RATE MAP NO. 04013C2095F DATED SEPTEMBER 30, 2005, THE SUBJECT PROPERTY IS LOCATED IN ZONE X. ZONE X IS DESCRIBED AS: "AREAS OF 0.2% ANNUAL CHANCE FLOOD; AREAS OF 1.0% ANNUAL CHANCE FLOOD WITH AVERAGE DEPTHS OF LESS THAN 1 FOOT OR WITH DRAINAGE AREAS LESS THAN 1 SQUARE MILE; AND AREAS PROTECTED BY LEVEES FROM 1% ANNUAL CHANCE FLOOD."

APPROVED BY THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA THIS 21 DAY OF April, 2008.

Marie Lopez Rogers
MAYOR _____ DATE 04/18/08

Carmen Martinez
ATTEST, CITY CLERK _____ DATE 6-18-08

Daniel Dwyer
CITY ENGINEER _____ DATE 6-9-08

I, SCOTT A. NELSON, HEREBY CERTIFY, THAT I AM A REGISTERED LAND SURVEYOR IN THE STATE OF ARIZONA. THAT THIS MAP CONSISTING OF TEN (10) SHEETS, CORRECTLY REPRESENTS A SURVEY MADE UNDER MY DIRECTION DURING THE MONTH OF MAY, 2007, THAT THE SURVEY IS TRUE AND COMPLETE AS SHOWN, THAT THE MONUMENTS SHOWN ACTUALLY EXIST OR WILL BE SET AS SHOWN, THAT THEIR POSITIONS ARE CORRECT AND ACCURATE AS SHOWN AND THAT SAID MONUMENTS ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED.

SCOTT A. NELSON #21782



EXPIRES 9-30-2000

STATE OF ARIZONA)
) SS
COUNTY OF MARICOPA)

KNOW ALL MEN BY THESE PRESENTS: THAT EVERGREEN-AVONDALE & L. BUCKEYE, L.L.C., AN ARIZONA LIMITED LIABILITY COMPANY, AS OWNER, HAS SUBDIVIDED UNDER THE NAME OF "FLEMING FARMS, LOT 2", A SUBDIVISION OF LOT 2 OF FLEMING FARMS RECORDED IN BOOK _____, PAGE _____, M.C.R., LOCATED IN A PORTION OF THE NORTHEAST QUARTER OF SECTION 24, TOWNSHIP 1 NORTH, RANGE 1 WEST OF THE GILA AND SARAH RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, AS SHOWN PLATTED HEREON AND HEREBY PUBLISHES THIS PLAT AS AND FOR THE PLAT OF "FLEMING FARMS, LOT 2," AND HEREBY DECLARES THAT SAID PLAT SETS FORTH THE LOCATION AND GIVES THE DIMENSIONS OF THE LOTS, TRACTS, EASEMENTS AND STREETS CONSTITUTING SAME, AND THAT EACH LOT, TRACT, AND STREET SHALL BE KNOWN BY THE NUMBER, LETTER OR NAME GIVEN EACH RESPECTIVELY ON SAID PLAT. EVERGREEN-AVONDALE & L. BUCKEYE, L.L.C., AN ARIZONA LIMITED LIABILITY COMPANY, AS OWNER, DEDICATES TO THE PUBLIC THE STREETS AND EASEMENTS SHOWN ON SAID PLAT AND INCLUDED IN THE ABOVE PREMISES.

THE PUBLIC UTILITY EASEMENTS (PUE) ARE HEREBY DEDICATED BY EVERGREEN-AVONDALE & L. BUCKEYE, LLC, AN ARIZONA LIMITED LIABILITY COMPANY, TO THE PUBLIC.

IN WITNESS WHEREOF:
EVERGREEN-AVONDALE & L. BUCKEYE, L.L.C., AN ARIZONA LIMITED LIABILITY COMPANY, AS
OWNER HAS HEREUNDER CAUSED ITS NAME TO BE SIGNED AND THE SAME ATTESTED BY THE
UNDERSIGNED OFFICER THEREUNTO DULY AUTHORIZED THIS 5th DAY OF
May, 2008.

EVERGREEN-AVONDALE & L. BUCKEYE, L.L.C., AN ARIZONA LIMITED LIABILITY COMPANY

BY: EVERGREEN RETAIL GROUP, LLC, AN ARIZONA LIMITED LIABILITY COMPANY

BY [Signature], DATE 5-5-08
ITS: MANAGER

STATE OF ARIZONA } SS

COUNTY OF MARICOPA

BEFORE ME THIS 20th DAY OF May, 2008, Brett Hessel PERSONALLY APPEARED BEFORE ME, THE UNDERSIGNED NOTARY PUBLIC, WHO ACKNOWLEDGED HIMSELF TO BE Manager of EVERGREEN-AVONDALE & L. BUCKEYE, L.L.C., AN ARIZONA LIMITED LIABILITY COMPANY, THE LEGAL OWNER OF THE PROPERTY HEREON, AND KNOWLEDGES THAT HE BEING DULY AUTHORIZED SO TO DO, EXECUTED THE FOREGOING INSTRUMENT FOR THE PURPOSES HEREIN CONTAINED.

IN WITNESS WHEREOF, I HEREUNTO SET MY HAND AND OFFICIAL SEAL.

BY: [Signature] 5.5.2008
NOTARY PUBLIC DATE

NOTARY PUBLIC
MY COMMISSION EXPIRES:

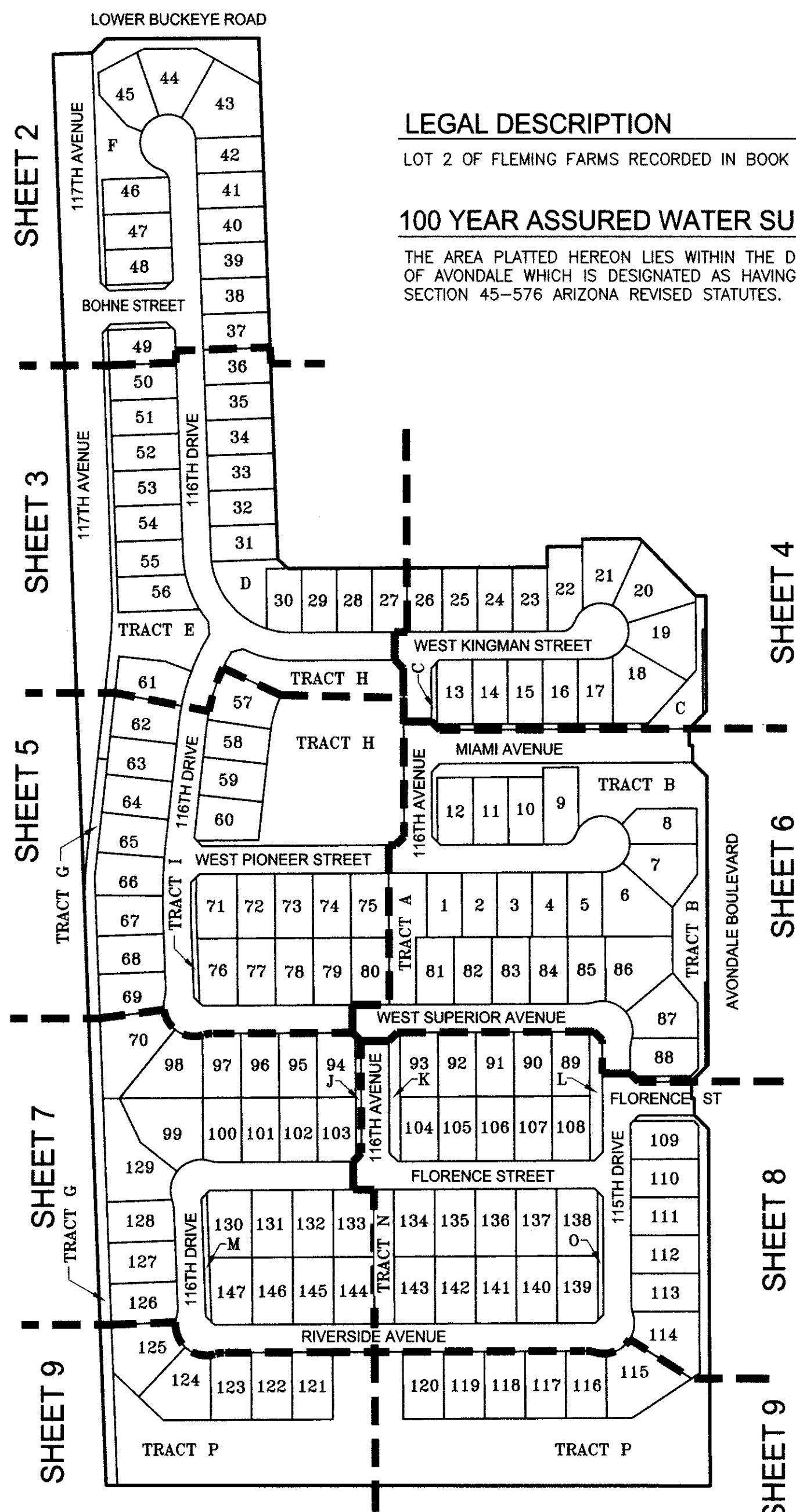
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PAGE	NAME
1	COVER
2-9	FINAL PLAT
10	LOT & TRACT TABLES, MISCELLANEOUS DETAILS

LOT 2 OF FLEMING FARMS RECORDED IN BOOK 989 PAGE 41, MARICOPA COUNTY RECORDS

THE AREA PLATTED HEREON LIES WITHIN THE DOMESTIC WATER SERVICE AREAS OF THE CITY OF AVONDALE WHICH IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY PURSUANT TO SECTION 45-576 ARIZONA REVISED STATUTES.



1"=200'

SECTION LINE	SVT	SIGHT VISIBILITY TRIANGLE EASEMENT
SUBDIVISION BOUNDARY	SVT1	33' X 33' SIGHT VISIBILITY TRIANGLE EASEMENT
CENTERLINE	SVT2	DETAIL PER A POLICY ON GEOMETRIC DESIGN OF HIGHWAYS AND STREETS 2004, 5TH EDITION, CHAPTER 9 - INTERSECTION SIGHT DISTANCE
MCDOT	MCR	MARICOPA COUNTY RECORDS
BCHH	VNAE	VEHICULAR NON-ACCESS EASEMENT
COR	EX.	EXISTING
SEC.	FP	FINAL PLAT FOR FLEMING FARMS PER BOOK 989 PAGE 41, MCR
COA	◆	SECTION CORNER, AS NOTED
BCF	□	SURVEY MONUMENT
MCHD	▲	CORNER OF SUBDIVISION, SURVEY MONUMENT W/CAP
PUE		OR TAG RLS 21782 UNLESS NOTED OTHERWISE
SWE		
R/W		

M2 Group, Inc.
4854 E. Baseline Road
Suite 104
Mesa, Arizona 85206
tel: (480) 539-7497
fax: (480) 539-2810

[illegible]

FINAL PLAT
FLEMING FARMS, LOT 2

DATE PREPARED: 4/7/08

JOB NO.
06121ED

6121FP01.DWG

SHEET NO.

1

1 OF 10

S:\2008\06121ED (Fleming Farms)\P03.dwg, 05/05/2008 11:27:41 AM

EX. EXCLUSIVE
IRRIGATION EASEMENT
PER DOCUMENT
NO. 98-0082600, M.C.R.

EX. DITCH EASEMENT
PER DOCUMENT
NO. 07-1034736, M.C.R.

UNSUBDIVIDED

SHEET 2

SHEET 2

SHEET 5

SHEET 5

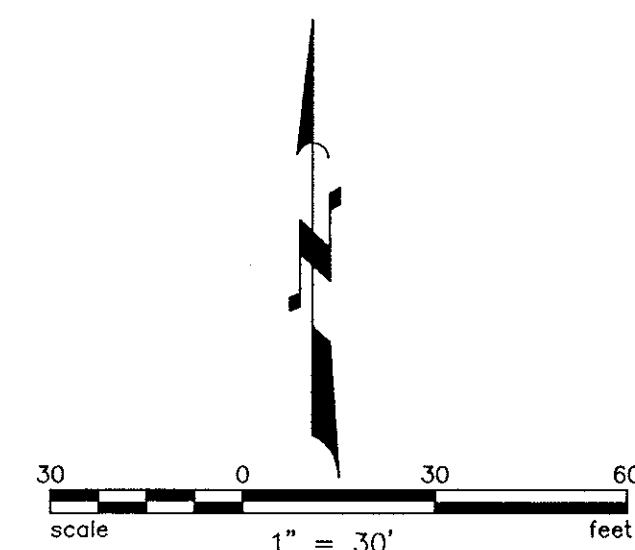
SHEET 4

SHEET 4

LINE TABLE		
LINE	BEARING	LENGTH
L1	N87°53'09"E	25.00'
L2	S47°06'51"E	21.21'
L3	N42°53'09"E	21.21'
L4	N04°36'24"W	23.84'
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C22	99.44'	670.00'	8°30'13"

BOOK 993 PAGE 41
OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
2008-0544093
06/19/2008 12:41 PM



REVISIONS:

M2 Group, Inc.
4854 E. Baseline Road
Suite 104
Mesa, Arizona 85206
tel: (480) 535-7497
fax: (480) 539-2810

m2 group

FINAL PLAT

FLEMING FARMS, LOT 2

AVONDALE, ARIZONA

PROJECT:



EXPIRES 9-30-2009

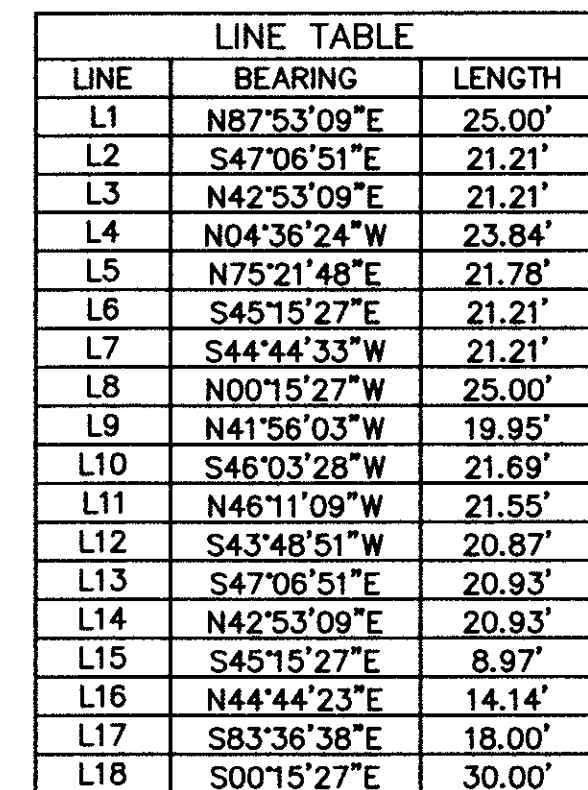
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3 OF 10



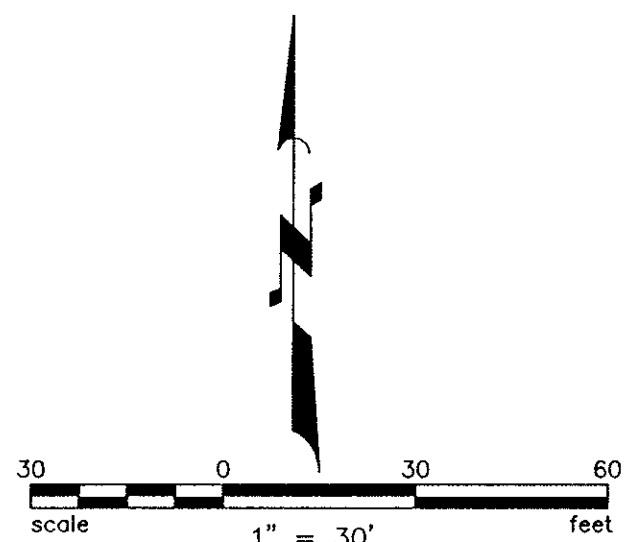
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BOOK 993 PAGE 41

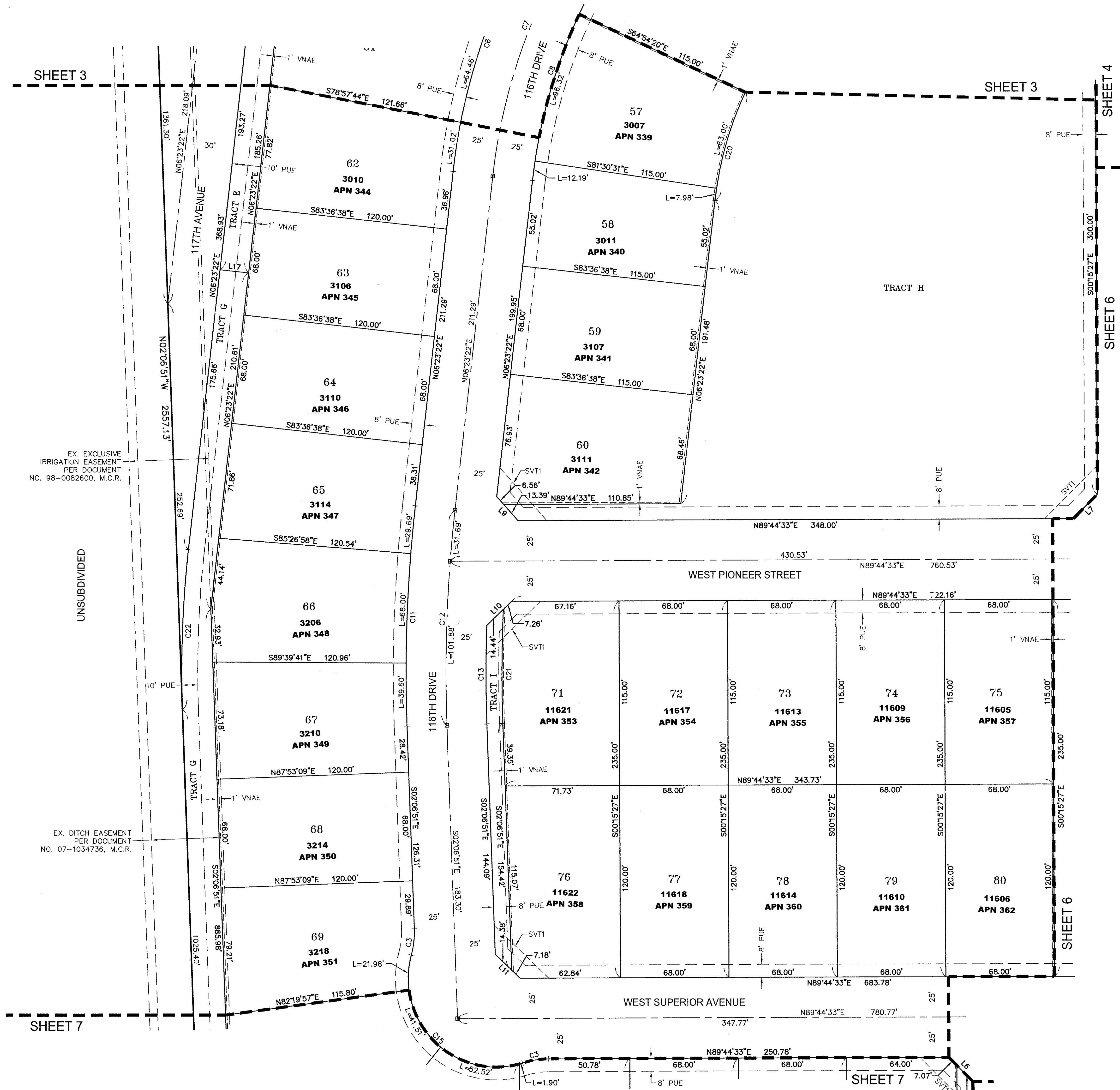
OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL

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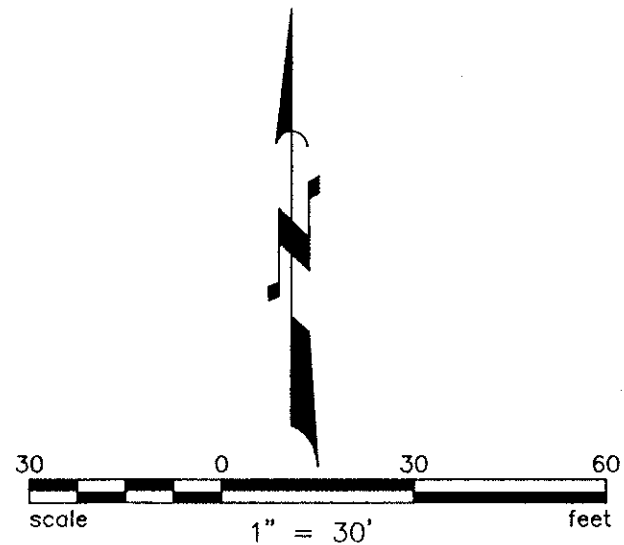
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BOOK 993 PAGE 41
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HELEN PURCELL
2008 - 0544093
06/19/2008 12:41 PM



REVISIONS:

M2 Group, Inc.
4854 E. Baseline Road
Suite 104
Mesa, Arizona 85206
Tel: (480) 595-7497
Fax: (480) 595-2810

group

M2

FINAL PLAT

PROJECT:
FLEMING FARMS, LOT 2
AVONDALE, ARIZONA

REGISTERED LAND SURVEYOR
21782
SCOTT A. NELSON
Arizona, U.S.A.

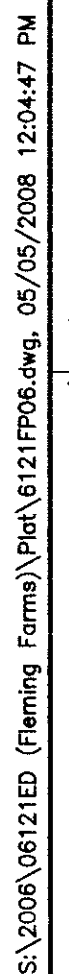
EXPIRES 7-30-2009

JOB NO.
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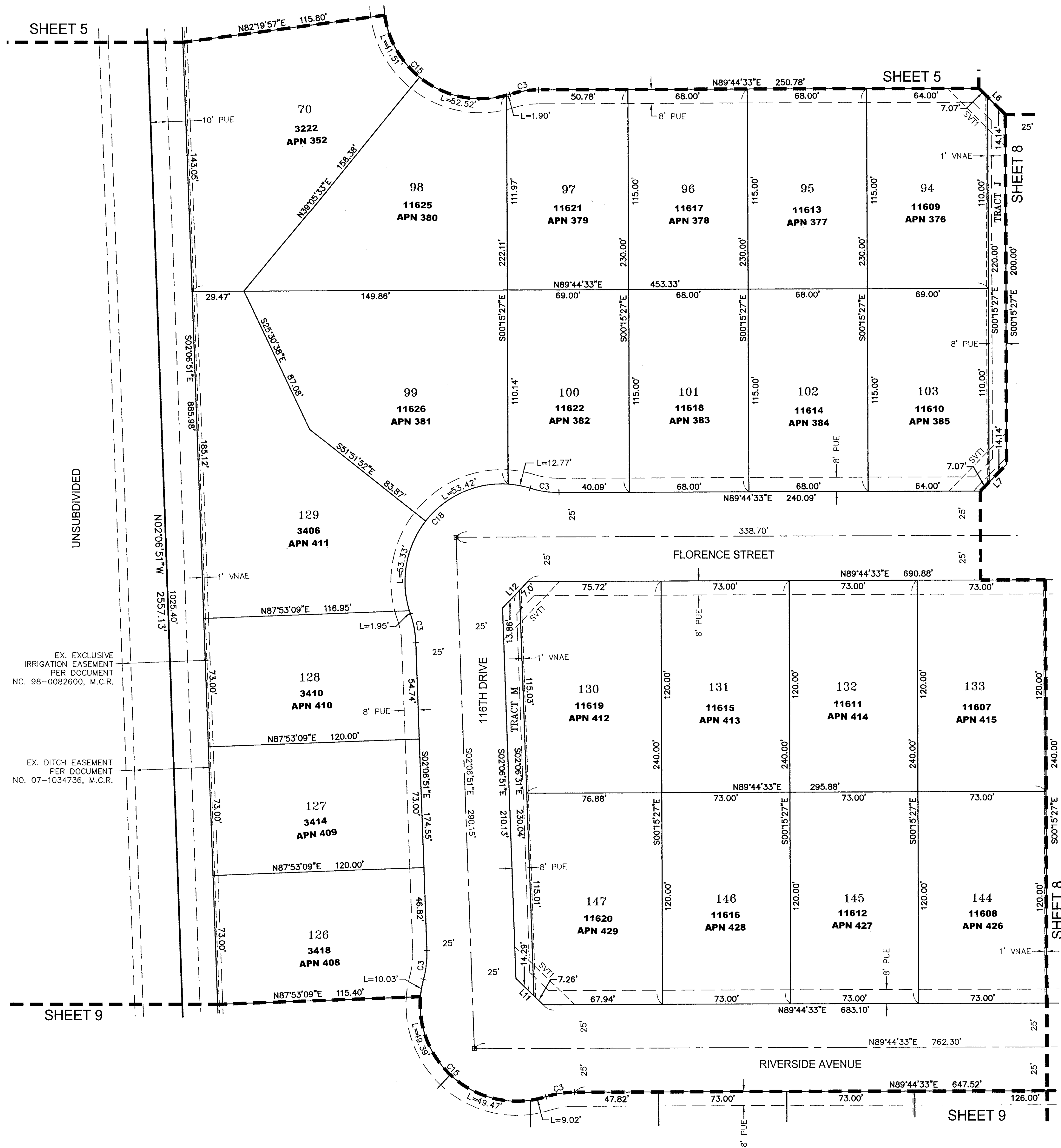
5 OF 10



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A graphic scale bar and north arrow. The scale bar is horizontal and marked with 0, 30, and 60 feet. Below the bar, it says "scale" on the left and "feet" on the right. In the center, below the bar, it says "1" = 30'". To the right of the scale bar is a north arrow pointing upwards, with the letter "N" at the top.

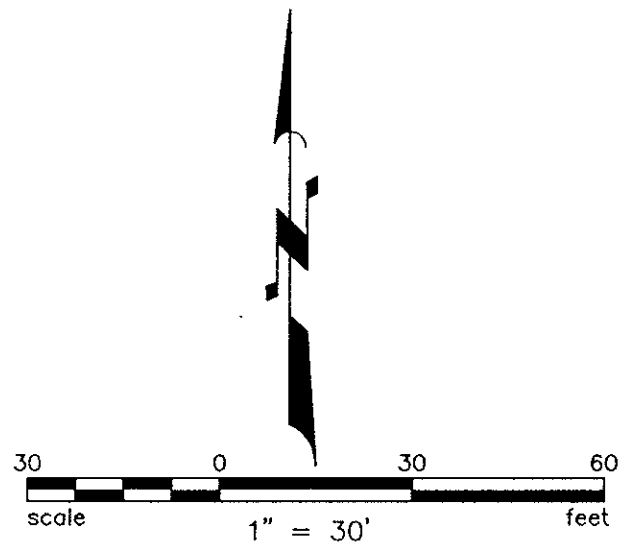
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BOOK 993 PAGE 41
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M2 Group, Inc.
4854 E. Baseline Road
Suite 104
Mesa, Arizona 85206
tel: (480) 539-7497
fax: (480) 539-2810

group

FINAL PLAT

PROJECT:
FLEMING FARMS, LOT 2
AVONDALE, ARIZONA

EXPIRES 9-30-2009

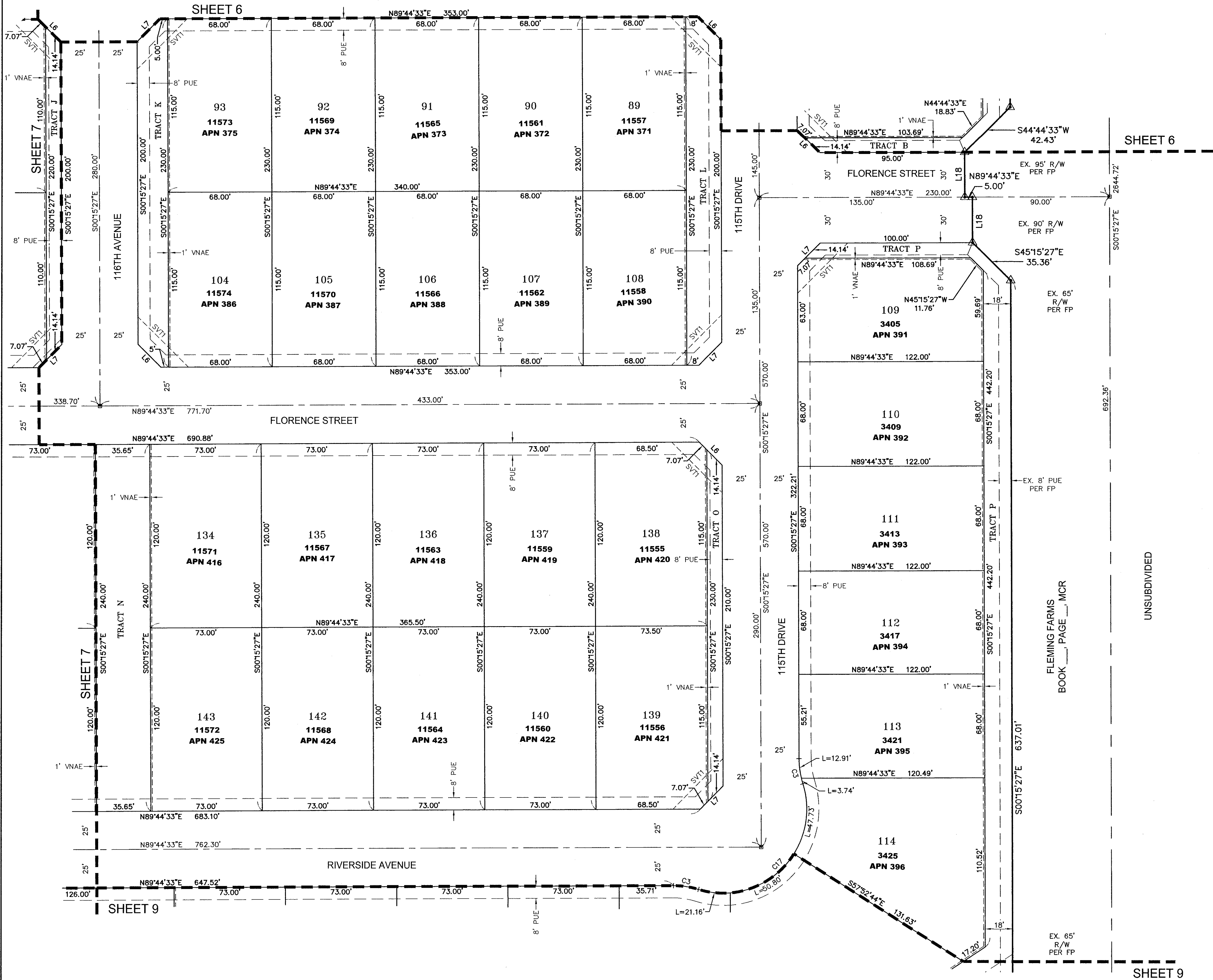
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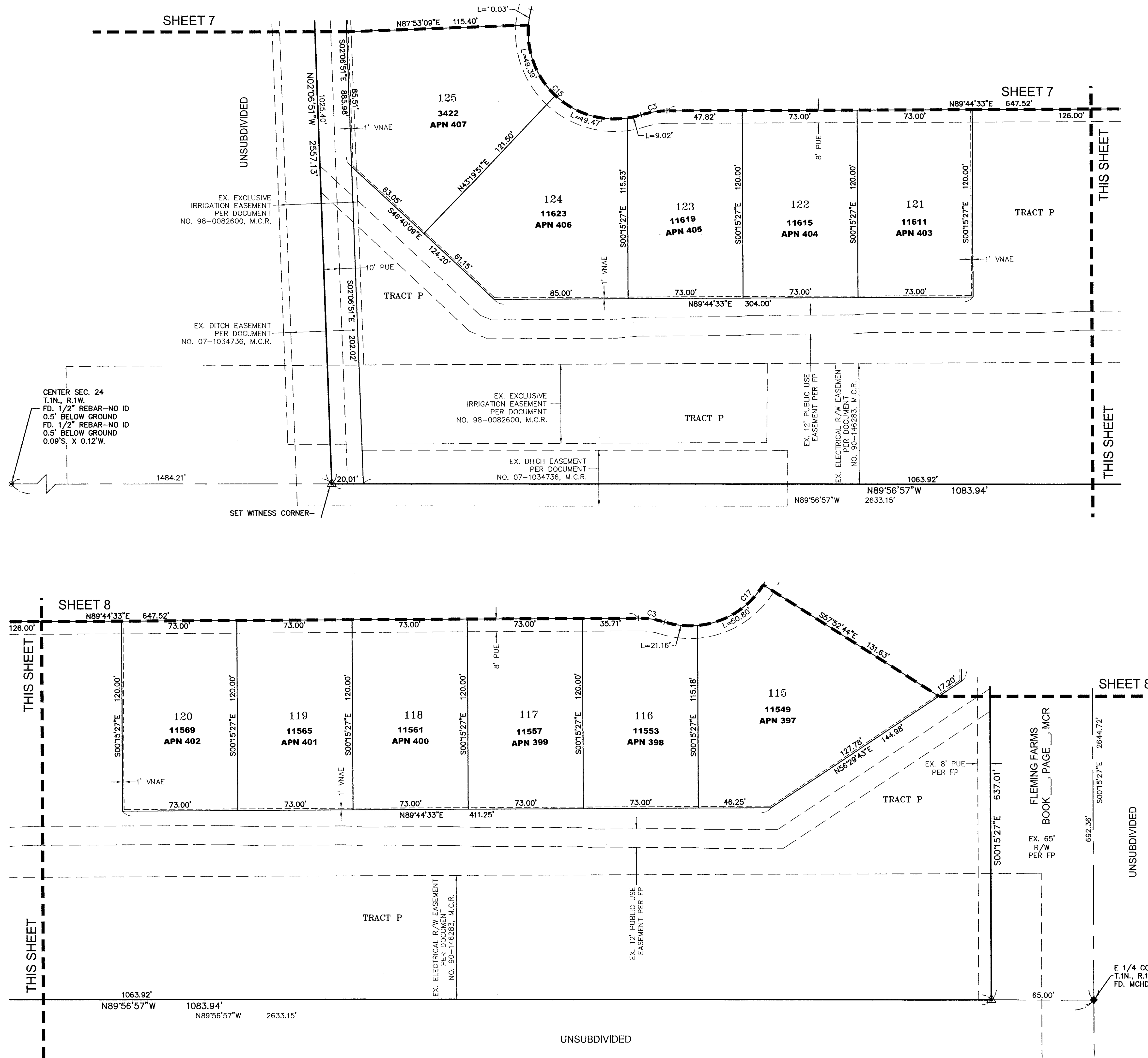
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7 OF 10

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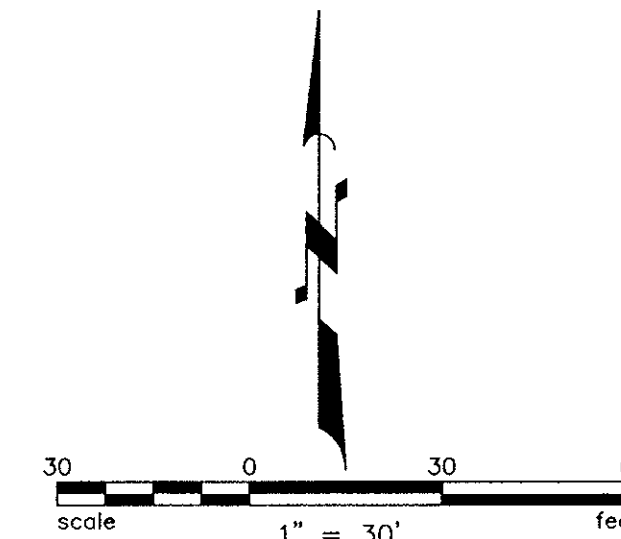
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HELEN PURCELL
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M2 Group, Inc.
4854 E. Baseline Road
Suite 100
Phoenix, AZ 85026
Tel: (480) 539-2497
Fax: (480) 539-2810

m2 group

FINAL PLAT

PROJECT:
FLEMING FARMS, LOT 2
AVONDALE, ARIZONA

REGISTERED LAND SURVEYOR
21782
SCOTT A. NELSON
ARIZONA, U.S.A.

EXPIRES 9-30-2009

JOB NO.
06121ED

6121FP09.DWG

SHEET NO.
9

9 OF 10

S:\2006\06121ED (Fleming Forms)\Pdf\6121FP10.dwg, 05/05/2008 11:40:17 AM

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LOT 2	7,245 SQ. FT.	0.1663 ACRES
LOT 3	7,245 SQ. FT.	0.1663 ACRES
LOT 4	7,245 SQ. FT.	0.1663 ACRES
LOT 5	7,245 SQ. FT.	0.1663 ACRES
LOT 6	12,590 SQ. FT.	0.2890 ACRES
LOT 7	10,011 SQ. FT.	0.2298 ACRES
LOT 8	7,780 SQ. FT.	0.1786 ACRES
LOT 9	8,411 SQ. FT.	0.1931 ACRES
LOT 10	7,560 SQ. FT.	0.1736 ACRES
LOT 11	7,560 SQ. FT.	0.1736 ACRES
LOT 12	7,668 SQ. FT.	0.1760 ACRES
LOT 13	7,327 SQ. FT.	0.1682 ACRES
LOT 14	7,245 SQ. FT.	0.1663 ACRES
LOT 15	7,245 SQ. FT.	0.1663 ACRES
LOT 16	7,245 SQ. FT.	0.1663 ACRES
LOT 17	7,277 SQ. FT.	0.1671 ACRES
LOT 18	12,160 SQ. FT.	0.2791 ACRES
LOT 19	11,572 SQ. FT.	0.2657 ACRES
LOT 20	11,280 SQ. FT.	0.2589 ACRES
LOT 21	9,607 SQ. FT.	0.2206 ACRES
LOT 22	9,007 SQ. FT.	0.2068 ACRES
LOT 23	7,235 SQ. FT.	0.1661 ACRES
LOT 24	7,235 SQ. FT.	0.1661 ACRES
LOT 25	7,234 SQ. FT.	0.1661 ACRES
LOT 26	7,234 SQ. FT.	0.1661 ACRES
LOT 27	7,234 SQ. FT.	0.1661 ACRES
LOT 28	7,233 SQ. FT.	0.1661 ACRES
LOT 29	7,233 SQ. FT.	0.1660 ACRES
LOT 30	7,072 SQ. FT.	0.1624 ACRES
LOT 31	7,558 SQ. FT.	0.1735 ACRES
LOT 32	7,560 SQ. FT.	0.1736 ACRES
LOT 33	7,561 SQ. FT.	0.1736 ACRES
LOT 34	7,561 SQ. FT.	0.1736 ACRES
LOT 35	7,561 SQ. FT.	0.1736 ACRES
LOT 36	7,561 SQ. FT.	0.1736 ACRES
LOT 37	7,562 SQ. FT.	0.1736 ACRES
LOT 38	7,562 SQ. FT.	0.1736 ACRES
LOT 39	7,562 SQ. FT.	0.1736 ACRES
LOT 40	7,562 SQ. FT.	0.1736 ACRES
LOT 41	7,562 SQ. FT.	0.1736 ACRES
LOT 42	7,563 SQ. FT.	0.1736 ACRES
LOT 43	14,451 SQ. FT.	0.3318 ACRES
LOT 44	11,238 SQ. FT.	0.2580 ACRES
LOT 45	9,136 SQ. FT.	0.2097 ACRES
LOT 46	7,556 SQ. FT.	0.1735 ACRES
LOT 47	7,560 SQ. FT.	0.1736 ACRES
LOT 48	7,438 SQ. FT.	0.1708 ACRES
LOT 49	7,438 SQ. FT.	0.1708 ACRES

LOT AREA TABLE

DESCRIPTION	AREA	
LOT 50	7,560 SQ. FT.	0.1736 ACRES
LOT 51	7,560 SQ. FT.	0.1736 ACRES
LOT 52	7,560 SQ. FT.	0.1736 ACRES
LOT 53	7,560 SQ. FT.	0.1736 ACRES
LOT 54	7,560 SQ. FT.	0.1736 ACRES
LOT 55	7,593 SQ. FT.	0.1743 ACRES
LOT 56	8,336 SQ. FT.	0.1914 ACRES
LOT 57	9,161 SQ. FT.	0.2103 ACRES
LOT 58	7,488 SQ. FT.	0.1719 ACRES
LOT 59	7,820 SQ. FT.	0.1795 ACRES
LOT 60	8,631 SQ. FT.	0.1982 ACRES
LOT 61	8,714 SQ. FT.	0.2000 ACRES
LOT 62	8,767 SQ. FT.	0.2013 ACRES
LOT 63	8,160 SQ. FT.	0.1873 ACRES
LOT 64	8,160 SQ. FT.	0.1873 ACRES
LOT 65	8,397 SQ. FT.	0.1928 ACRES
LOT 66	8,818 SQ. FT.	0.2024 ACRES
LOT 67	8,484 SQ. FT.	0.1948 ACRES
LOT 68	8,160 SQ. FT.	0.1873 ACRES
LOT 69	8,698 SQ. FT.	0.1997 ACRES
LOT 70	13,447 SQ. FT.	0.3087 ACRES
LOT 71	8,367 SQ. FT.	0.1921 ACRES
LOT 72	7,820 SQ. FT.	0.1795 ACRES
LOT 73	7,820 SQ. FT.	0.1795 ACRES
LOT 74	7,820 SQ. FT.	0.1795 ACRES
LOT 75	7,820 SQ. FT.	0.1795 ACRES
LOT 76	8,361 SQ. FT.	0.1920 ACRES
LOT 77	8,160 SQ. FT.	0.1873 ACRES
LOT 78	8,160 SQ. FT.	0.1873 ACRES
LOT 79	8,160 SQ. FT.	0.1873 ACRES
LOT 80	8,160 SQ. FT.	0.1873 ACRES
LOT 81	8,160 SQ. FT.	0.1873 ACRES
LOT 82	8,160 SQ. FT.	0.1873 ACRES
LOT 83	8,160 SQ. FT.	0.1873 ACRES
LOT 84	8,160 SQ. FT.	0.1873 ACRES
LOT 85	8,046 SQ. FT.	0.1847 ACRES
LOT 86	12,885 SQ. FT.	0.2958 ACRES
LOT 87	10,516 SQ. FT.	0.2414 ACRES
LOT 88	8,168 SQ. FT.	0.1875 ACRES
LOT 89	7,820 SQ. FT.	0.1795 ACRES
LOT 90	7,820 SQ. FT.	0.1795 ACRES
LOT 91	7,820 SQ. FT.	0.1795 ACRES
LOT 92	7,820 SQ. FT.	0.1795 ACRES
LOT 93	7,820 SQ. FT.	0.1795 ACRES
LOT 94	7,923 SQ. FT.	0.1819 ACRES
LOT 95	7,820 SQ. FT.	0.1795 ACRES
LOT 96	7,820 SQ. FT.	0.1795 ACRES
LOT 97	7,916 SQ. FT.	0.1817 ACRES
LOT 98	11,735 SQ. FT.	0.2694 ACRES

DESCRIPTION	AREA	
LOT 99	13,792 SQ. FT.	0.3166 ACRES
LOT 100	7,872 SQ. FT.	0.1807 ACRES
LOT 101	7,820 SQ. FT.	0.1795 ACRES
LOT 102	7,820 SQ. FT.	0.1795 ACRES
LOT 103	7,923 SQ. FT.	0.1819 ACRES
LOT 104	7,820 SQ. FT.	0.1795 ACRES
LOT 105	7,820 SQ. FT.	0.1795 ACRES
LOT 106	7,820 SQ. FT.	0.1795 ACRES
LOT 107	7,820 SQ. FT.	0.1795 ACRES
LOT 108	7,820 SQ. FT.	0.1795 ACRES
LOT 109	8,249 SQ. FT.	0.1894 ACRES
LOT 110	8,296 SQ. FT.	0.1904 ACRES
LOT 111	8,296 SQ. FT.	0.1904 ACRES
LOT 112	8,296 SQ. FT.	0.1904 ACRES
LOT 113	8,290 SQ. FT.	0.1903 ACRES
LOT 114	10,756 SQ. FT.	0.2469 ACRES
LOT 115	13,136 SQ. FT.	0.3016 ACRES
LOT 116	8,656 SQ. FT.	0.1987 ACRES
LOT 117	8,760 SQ. FT.	0.2011 ACRES
LOT 118	8,760 SQ. FT.	0.2011 ACRES
LOT 119	8,760 SQ. FT.	0.2011 ACRES
LOT 120	8,760 SQ. FT.	0.2011 ACRES
LOT 121	8,760 SQ. FT.	0.2011 ACRES
LOT 122	8,760 SQ. FT.	0.2011 ACRES
LOT 123	8,715 SQ. FT.	0.2001 ACRES
LOT 124	11,700 SQ. FT.	0.2686 ACRES
LOT 125	11,855 SQ. FT.	0.2721 ACRES
LOT 126	8,710 SQ. FT.	0.2000 ACRES
LOT 127	8,760 SQ. FT.	0.2011 ACRES
LOT 128	8,741 SQ. FT.	0.2007 ACRES
LOT 129	14,863 SQ. FT.	0.3412 ACRES
LOT 130	9,445 SQ. FT.	0.2168 ACRES
LOT 131	8,760 SQ. FT.	0.2011 ACRES
LOT 132	8,760 SQ. FT.	0.2011 ACRES
LOT 133	8,760 SQ. FT.	0.2011 ACRES
LOT 134	8,760 SQ. FT.	0.2011 ACRES
LOT 135	8,760 SQ. FT.	0.2011 ACRES
LOT 136	8,760 SQ. FT.	0.2011 ACRES
LOT 137	8,760 SQ. FT.	0.2011 ACRES
LOT 138	8,807 SQ. FT.	0.2022 ACRES
LOT 139	8,808 SQ. FT.	0.2022 ACRES
LOT 140	8,760 SQ. FT.	0.2011 ACRES
LOT 141	8,760 SQ. FT.	0.2011 ACRES
LOT 142	8,760 SQ. FT.	0.2011 ACRES
LOT 143	8,760 SQ. FT.	0.2011 ACRES
LOT 144	8,760 SQ. FT.	0.2011 ACRES
LOT 145	8,760 SQ. FT.	0.2011 ACRES
LOT 146	8,760 SQ. FT.	0.2011 ACRES
LOT 147	8,980 SQ. FT.	0.2062 ACRES

TOTAL AREA 1,255,769 SQ. FT. OR 28.8285 ACRES MORE OR LESS

TRACT TABLE

TRACT	AREA (acres)	DESCRIPTION OF USE
A	0.312	LANDSCAPE/NEIGHBORHOOD TRAIL
B	1.015	LANDSCAPE/RETENTION/DRAINAGE
C	0.312	LANDSCAPE
D	0.207	LANDSCAPE/PEDESTRIAN CONNECTION
E	0.566	LANDSCAPE/RETENTION/DRAINAGE/PEDESTRIAN CONNECTION
F	0.572	LANDSCAPE/RETENTION/DRAINAGE
G	0.585	LANDSCAPE
H	1.955	LANDSCAPE/RETENTION/DRAINAGE/AMENITIES
I	0.049	LANDSCAPE
J	0.048	LANDSCAPE
K	0.100	LANDSCAPE/NEIGHBORHOOD TRAIL
L	0.116	LANDSCAPE
M	0.050	LANDSCAPE
N	0.196	DRAINAGE/LANDSCAPE/NEIGHBORHOOD TRAIL
O	0.051	LANDSCAPE
P	3.701	LANDSCAPE/RETENTION/DRAINAGE/AMENITIES/REGIONAL TRAIL/NEIGHBORHOOD TRAIL
TOTAL	9.835	
NOTE: NOT ALL OF THE EASEMENTS LISTED IN THE TRACT SUMMARY TABLE ENCOMPASS THE ENTIRE TRACT.		

LAND USE TABLE

GROSS ACREAGE AREA	49.82 ACRES
RIGHT-OF-WAY	11.15 ACRES
NET ACREAGE	38.67 ACRES
AREA OF TRACTS	9.84 ACRES
AREA OF LOTS	28.83 ACRES
TOTAL NUMBER OF LOTS	147 LOTS
OVERALL DENSITY	2.95 DU/GROSS AC
AVERAGE AREA PER LOT	8,543 SF
MINIMUM LOT AREA	7,072 SF

BOOK 993 PAGE 41
OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
2008 -- 0544093
06/19/2008 12:41 PM

REVISIONS:

M2 Group, Inc.
4854 E. Baseline Road
Suite 104
Mesa, Arizona 85206
tel: (480) 539-7497
fax: (480) 539-2810

group

FINAL PLAT

PROJECT:
FLEMING FARMS, LOT 2
AVONDALE, ARIZONA

REGISTERED LAND SURVEYOR
21782
SCOTT A. NELSON
Arizona, U.S.A.

EXPIRES 9-30-2009

JOB NO.
06121ED

6121FP10.DWG

SHEET NO.
10
10 OF 10

ITEM NUMBER: 4.i.

SUBJECT: Amended Final Plat for Alta Avondale - Application PL-24-0054

MEETING DATE: 6/3/2024

TO: Mayor and Council

FROM: Kimberly Moon, Director, Engineering Department

THROUGH: Tracy Stevens, Assistant City Manager, (623) 333-1014

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

This agenda item supports the following Avondale Strategic Outcome Area:

- Creative and Sustainable Community Development - Avondale is committed to creating a sense of place, a community of residents and local businesses unified by pride and common values.

The approval of this agenda item will maintain and expand quality infrastructure and improve connectivity to City amenities.

PURPOSE:

City Council will consider a request to (a) approve Application PL-24-0054, a request by Derek Nichols, PE, with Wood, Patel and Associates, Inc., on behalf of Alta Avondale, LLC, for approval of the Amended Final Plat for Alta Avondale generally located north of Van Buren Street and east of Avondale Boulevard and (b) authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

City Council approved "Final Plat, Alta Avondale" on March 21, 2022, which was recorded in Book 1692, Page 2, of the Maricopa County Recorder's Office. The plat dedicated 33-feet half street right-of-way for Fillmore Street, located south of Park Avenue and east of Avondale Boulevard.

The developer of Alta Avondale, Alta Avondale, LLC, advised Staff that a portion of building slab for one of their buildings was encroaching into the southern portion of Fillmore Street right-of-way by 1.5-feet. Staff determined this portion of right-of-way could be abandoned, and City Council adopted Ordinance 2069-1123 on November 20, 2023, to abandon said right-of-way and designate it as excess property. On December 4, 2023, City Council adopted Ordinance 2070-1223 authorizing the sale of the excess property, which was subsequently sold to Alta Avondale, LLC, to minimize disruption to their construction project.

Now that the sale of the excess property is complete, Alta Avondale, LLC, must amend their final plat to incorporate the new land into the total acreage of the site.

DISCUSSION:

The proposed amended final plat has been reviewed by the City's contracted Registered Land Surveyor (R.L.S.) and the document has been confirmed as geometrically accurate and in conformance with Arizona Statutes governing the subdivision of real property.

Approval of the amended plat conforms to the boundaries of the Amended Final Plat certified by the R.L.S. dated April 25, 2024.

BUDGET IMPACT:

There is no impact to the budget for this action.

RECOMMENDATION:

Staff recommends City Council approve Application PL-24-0054, Amended Final Plat for Alta Avondale, and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

Contact person for document distribution: Yulonda Moore, Natalie Railey, Terry Dorschied



AVONDALE BOULEVARD

VAN BUREN STREET

Vicinity Map

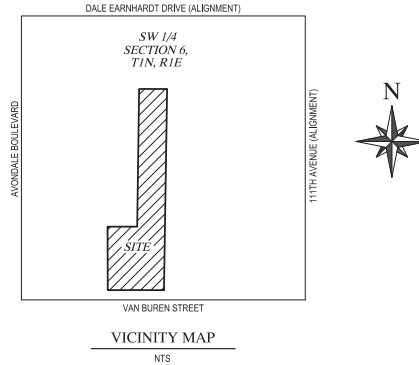


 Subject Parcel

Not to Scale



FINAL PLAT
ALTA AVONDALE AMENDED
A REPLAT OF LOT 1, ALTA AVONDALE, RECORDED IN BOOK 1692, PAGE 6, MARICOPA COUNTY RECORDS (MCR) AND THAT CERTAIN RIGHT-OF-WAY ABANDONMENT, RECORDED IN DOCUMENT NO. 2023-0599868, MCR, BEING A PORTION OF THE SOUTHWEST QUARTER OF SECTION 6, TOWNSHIP 1 NORTH, RANGE 1 EAST, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA



AREA TABLE		
	AREA SQUARE FEET	AREA ACRES
LOT 1	557,677	12.8025
FILMORE STREET RIGHT-OF-WAY	8,144	0.1870

PARENT DESCRIPTION

LOT 1, ALTA AVONDALE, RECORDED IN BOOK 1692, PAGE 6, MARICOPA COUNTY RECORDS (MCR) AND THAT CERTAIN RIGHT-OF-WAY ABANDONMENT, RECORDED IN DOCUMENT NO. 2023-0599868, MCR.

REFERENCE DOCUMENTS

ALTA AVONDALE, BOOK 1692, PAGE 6, MCR
RIGHT-OF-WAY ABANDONMENT, DOCUMENT NO. 2023-0599868, MCR
PARK AVENUE EAST AT THE BOULEVARD, BOOK 1563, PAGE 42, MCR
AVONDALE CITY CENTER PHASE 1 BOOK 1027, PAGE 31, MCR
AVONDALE CITY CENTER PHASE 2 BOOK 1095, PAGE 5, MCR
AVONDALE CITY CENTER PHASE 3 BOOK 1163, PAGE 43, MCR
WATERFORD SQUARE BOOK 683, PAGE 27, MCR

BASIS OF BEARING

BASES OF BEARING IS N89°07'00"E ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SECTION 6, T1N, R1E, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA.

100- YEAR ASSURED WATER SUPPLY

THE AREA PLATTED HEREON LIES WITHIN THE DOMESTIC WATER SERVICE AREAS OF THE CITY OF AVONDALE WHICH IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY PURSUANT TO SECTION 45-576 ARIZONA REVISED STATUTES.

APPROVALS

APPROVED BY THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA

THIS _____ DAY OF _____, 2024.

MAYOR _____ DATE _____

ATTEST: CITY CLERK _____ DATE _____

CITY ENGINEER _____ DATE _____

OWNER

ALTA AVONDALE, LLC, A DELAWARE LIMITED LIABILITY COMPANY
8777 EAST VIA DE VENTURA, SUITE 201
SCOTTSDALE, ARIZONA 85258
PHONE: (480) 567-0099
CONTACT: MR. TODD TAYLOR

ENGINEER & SURVEYOR

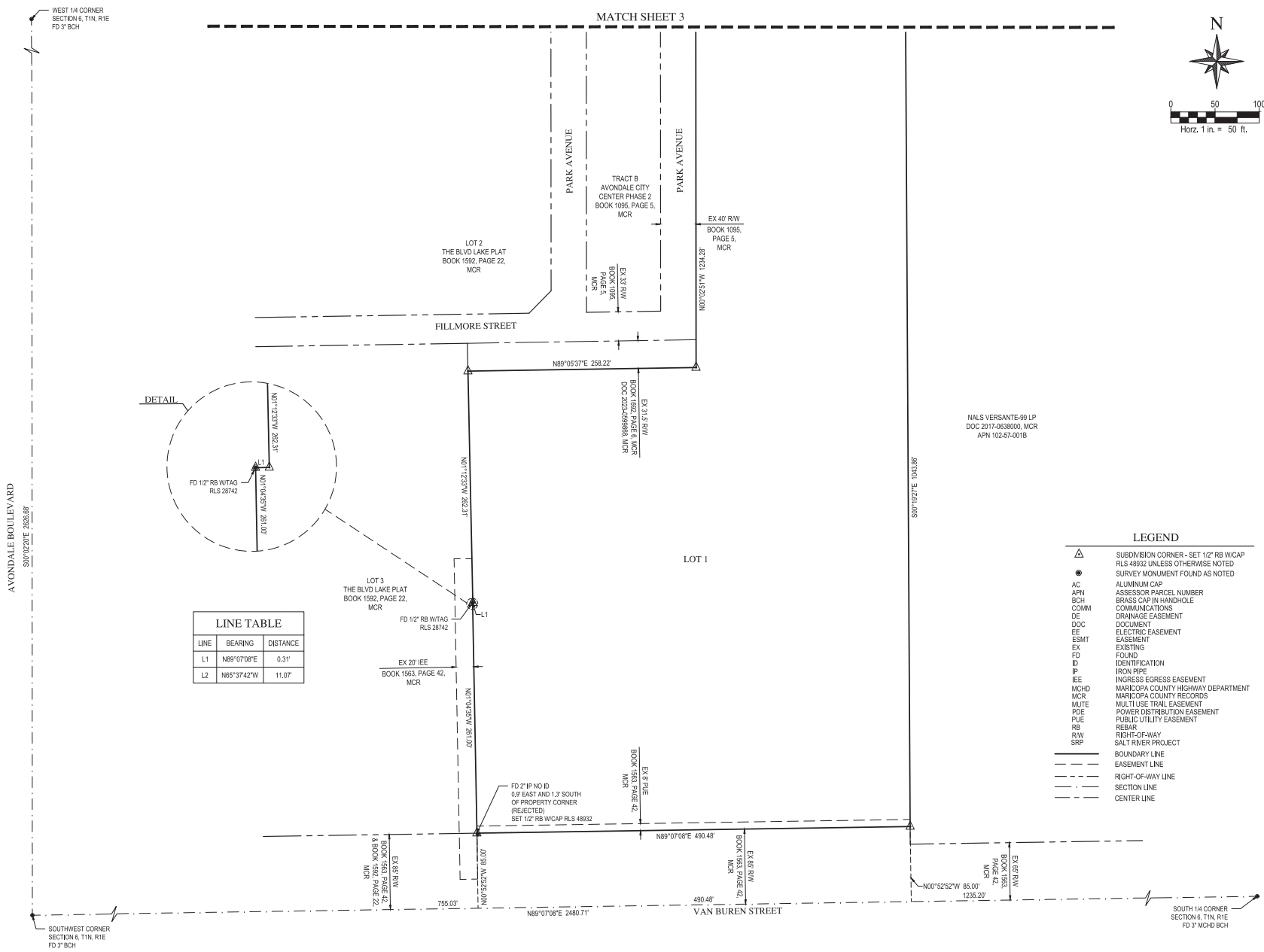
WOOD, PATEL & ASSOCIATES, INC.
2081 WEST NORTHERN AVENUE, SUITE 100
PHOENIX, ARIZONA 85021
PHONE: (602) 335-8500
CONTACT: MR. DEREK NICHOLS, P.E.

- NOTES
- ALL LANDSCAPING WITHIN ADJACENT PUBLIC RIGHT-OF-WAY IS TO BE MAINTAINED BY OWNER EXCLUDING MEDIANS ON ARTERIAL STREETS.
 - ALL UTILITY AND PUBLIC SERVICE EASEMENTS, INCLUDING ANY LIMITATIONS OF EASEMENTS, AND CONSTRUCTION WITHIN SUCH EASEMENTS SHALL BE LIMITED TO UTILITIES, LANDSCAPING, AND WOOD, WIRE OR REMOVABLE SECTION TYPE FENCES.
 - ALL EXISTING OVERHEAD UTILITIES SHALL BE INSTALLED UNDERGROUND IN ACCORDANCE WITH CITY OF AVONDALE MUNICIPAL CODE AND AS REQUIRED BY THE ARIZONA CORPORATION COMMISSION.
 - NO ALTERATIONS SHALL BE MADE TO THE STORM WATER RETENTION AREAS AND APPROVED OR EXISTING CONVEYANCE PATTERNS THAT ARE A PART OF THESE PREMISES WITHOUT WRITTEN APPROVAL BY THE CITY OF AVONDALE.
 - NO STRUCTURES SHALL BE CONSTRUCTED IN OR ACROSS NOR SHALL OTHER IMPROVEMENTS OR ALTERATIONS BE MADE TO THE DRAINAGE FACILITIES THAT ARE A PART OF THIS SUBDIVISION WITHOUT WRITTEN AUTHORIZATION BY THE CITY OF AVONDALE.
 - NO WALLS/FENCES SHALL BE BUILT WITHOUT PRIOR CITY OF AVONDALE APPROVAL.
 - OUTLET PIPES FROM THE CATCH BASINS TO THE RETENTION BASINS WILL BE MAINTAINED BY THE PROPERTY OWNER.

CERTIFICATION

I, GABRIEL S. RIOS, OF WOOD, PATEL & ASSOCIATES, INC. HEREBY CERTIFY THAT I AM A REGISTERED LAND SURVEYOR IN THE STATE OF ARIZONA, THAT THIS MAP OR PLAT CONSISTING OF THREE (3) SHEETS REPRESENTS A SURVEY PERFORMED DURING THE MONTH OF SEPTEMBER, 2021, THAT THIS SURVEY WAS MADE UNDER MY DIRECTION AND MEETS THE "MINIMUM STANDARDS FOR ARIZONA LAND BOUNDARY SURVEYS", AND IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF, THAT THE BOUNDARY MONUMENTS SHOWN ACTUALLY EXIST AND THEIR POSITIONS ARE CORRECTLY SHOWN AND ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED.

GABRIEL S. RIOS
REGISTERED LAND SURVEYOR NUMBER 48932
WOOD, PATEL & ASSOCIATES, INC.
1630 SOUTH STAPLEY DRIVE - SUITE 219
MESA, ARIZONA 85204
(480) 834-3300
SURVEYOR@WOODPATEL.COM



LINE TABLE		
LINE	BEARING	DISTANCE
L1	N89°07'08"E	0.31'
L2	N85°37'42"W	11.07'

- LEGEND**
- △ SUBDIVISION CORNER - SET 1/2" RB WICAP RLS 48932 UNLESS OTHERWISE NOTED
 - SURVEY MONUMENT FOUND AS NOTED
 - AC ALUMINUM CAP
 - APH ASSESSOR PARCEL NUMBER
 - BCH BRASS CAP IN HANDHOLE
 - COMM COMMUNICATIONS
 - DE DRAINAGE EASEMENT
 - DOC DOCUMENT
 - EE ELECTRIC EASEMENT
 - ESMT EASEMENT
 - EX EXISTING
 - FO FOUND
 - ID IDENTIFICATION
 - IP IRON PIPE
 - IEE INGRESS EGRESS EASEMENT
 - MCHD MARICOPA COUNTY HIGHWAY DEPARTMENT
 - MCR MARICOPA COUNTY RECORDS
 - MUTE MULTI-USE TRAIL EASEMENT
 - PDE POWER DISTRIBUTION EASEMENT
 - PUE PUBLIC UTILITY EASEMENT
 - REBAR REBAR
 - RB RIGHT-OF-WAY
 - SRP SALT RIVER PROJECT
 - BOUNDARY LINE
 - EASEMENT LINE
 - RIGHT-OF-WAY LINE
 - SECTION LINE
 - CENTER LINE

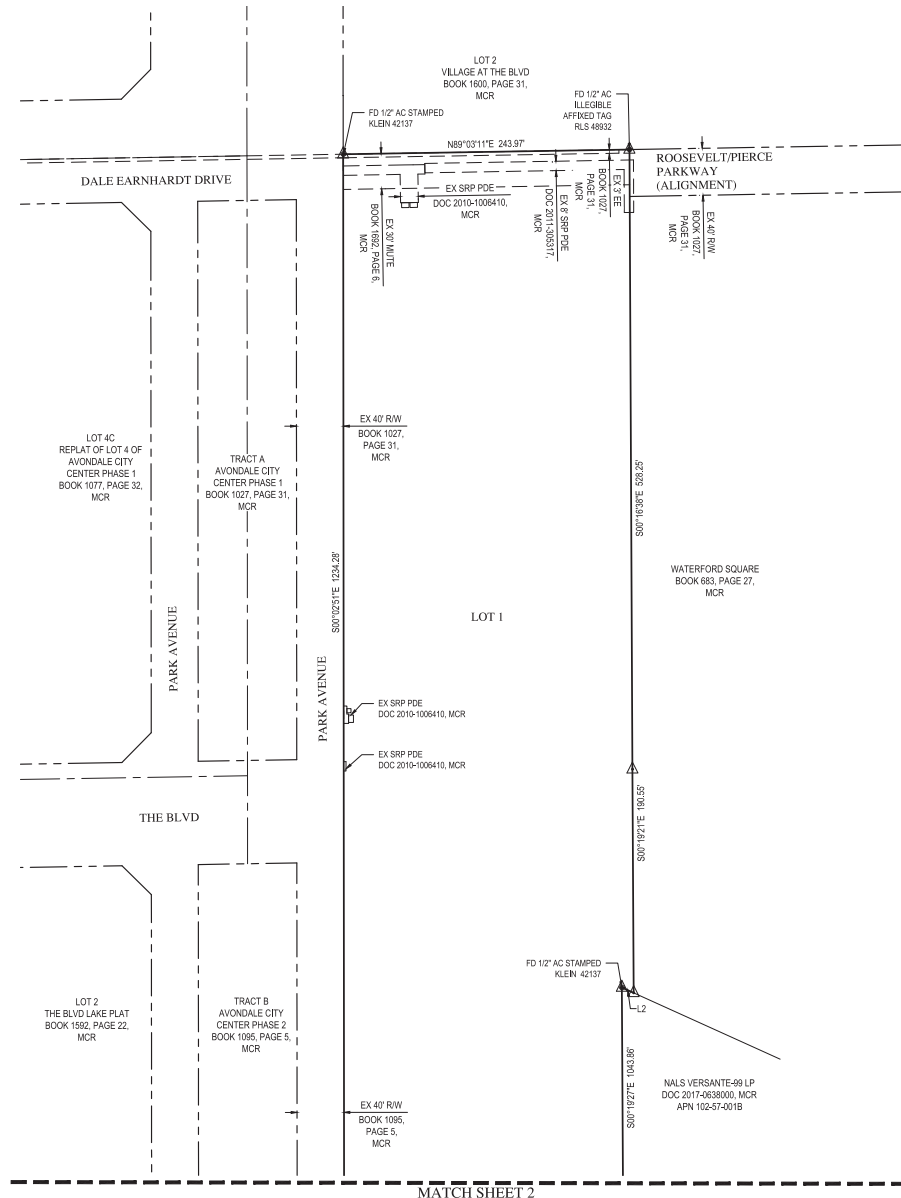
WOOD PATTEL

Wood, Patell & Associates, Inc.
Civil Engineering
Water Resources
Land Survey
Construction Management
902.316.8500
www.woodpatell.com

FINAL PLAT
ALTA AVONDALE AMENDED
AVONDALE, ARIZONA



CHECKED BY: GSR
CAD TECHNICIAN: JKK
SCALE: 1" = 50'
DATE: 04/25/2024
JOB NUMBER: WP# 215259
SHEET: 2 OF 3

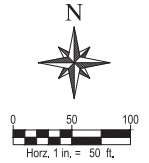


LINE AND CURVE TABLES

SEE SHEET 2

LEGEND

SEE SHEET 2



WOOD PATRIL

Wood, Patril & Associates, Inc.
Civil Engineering
Water Resources
Land Survey
Construction Management
902.336.8500
www.woodpatril.com

FINAL PLAT ALTA AVONDALE AMENDED AVONDALE, ARIZONA



CHECKED BY: GSR

CAD TECHNICIAN: JKK

SCALE: 1" = 50'

DATE: 04/25/2024

JOB NUMBER: WP# 215259

SHEET: 3 OF 3

C:\2024\215259\5-AMENDED\WP# 215259.dwg

ITEM NUMBER: 4.j.

SUBJECT: Final Plat for Hermosa Ranch – Application PL-23-0372

MEETING DATE: 6/3/2024

TO: Mayor and Council

FROM: Kimberly Moon, Director, Engineering Department

THROUGH: Tracy Stevens, Assistant City Manager, (623) 333-1014

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

This agenda item supports the following Avondale Strategic Outcome Area:

- Creative and Sustainable Community Development - Avondale is committed to creating a sense of place, a community of residents and local businesses unified by pride and common values.

The approval of this agenda item will maintain and expand quality infrastructure and improve connectivity to City amenities.

PURPOSE:

City Council will consider a request to (a) approve Application PL-23-0372, a request from Parker Froehlich of Coe and Van Loo Consultants, Inc., on behalf of Hermosa North, LLC, for approval of the Final Plat for Hermosa Ranch located at the southwest corner of Avondale Boulevard and Lower Buckeye Road, and (b) authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

Hermosa Ranch is a 239.67-gross acre site located at the southwest corner of Avondale Boulevard and Lower Buckeye Road. The site is bounded to the north by Lower Buckeye Road, bounded to the east by Avondale Boulevard, bounded to the south by a future battery storage facility and data storage facility known as Sierra Estrella Energy Storage, and bounded to the west by Cantada Ranch, a single-family residential neighborhood. The SRP/APS Rudd Substation is located southwest of the site. Alamar Subdivision is located within 2,700 feet of the proposed development. The site was annexed into the City's limits via Ordinance 1180-406 and Ordinance 1292-308. The site was rezoned to Hermosa Ranch Technology – North Planned Area Development on May 6, 2024, via Ordinance 2010-0524. A major General Plan Amendment was also approved by City Council on May 6, 2024, via Resolution 1043-0524 to amend the General Plan land use designation for the site to Business Park and Local Commercial. A data center campus along with commercial development to serve the surrounding neighborhoods is proposed for the site.

DISCUSSION:

The applicant is requesting approval of a Final Plat for Hermosa Ranch. The proposed plat subdivides the 239.67-gross acre site into Lots 1 and 2. Lot 1, consisting of 206.69-acres, will house the proposed data center campus while Lot 2, containing 25.16-acres, will consist of a variety of neighborhood serving commercial uses. The plat will dedicate right-of-way and permanent utility easement along Lower Buckeye Road and Avondale Boulevard.

The proposed Final Plat has been reviewed by the City's contracted Registered Land Surveyor (R.L.S.) and the document has been confirmed as geometrically accurate and in conformance with Arizona Statutes governing the subdivision of real property.

Approval of the Final Plat conforms to the boundaries of the Final Plat certified by the R.L.S. dated May 15, 2024.

BUDGET IMPACT:

There is no impact to the budget for this action.

RECOMMENDATION:

Staff recommends City Council approve Application PL-23-0372, Final Plat for Hermosa Ranch and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

Contact person for document distribution: Yulonda Moore, Natalie Railey, Terry Dorschied



Vicinity Map - Proposed Boundaries



 Subject Parcel

Not to Scale



DEDICATION:

STATE OF ARIZONA)
COUNTY OF MARICOPA) SS

KNOW ALL MEN BY THESE PRESENTS:

TGV INVESTMENTS, L.L.C., AN ARIZONA LIMITED LIABILITY COMPANY AND HRNL, LLC, AN ARIZONA LIMITED LIABILITY COMPANY AND HRNL, LLC, AN ARIZONA LIMITED LIABILITY COMPANY AND HRNL, LLC, AN ARIZONA LIMITED LIABILITY COMPANY AND HRNL, LLC, AN ARIZONA LIMITED LIABILITY COMPANY AND HRNL, LLC, AN ARIZONA LIMITED LIABILITY COMPANY, ALL AS TENANTS IN COMMON, AS TO PARCEL NO. 1, 2, 3, 4 AND 5 AND THE CITY OF AVONDALE AS TO PARCEL NO. 6 AND 7; DO HEREBY PUBLISH THIS FINAL PLAT FOR "HERMOSA RANCH", A PORTION OF THE NORTH HALF OF SECTION 24, TOWNSHIP 1 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA AS SHOWN PLATTED HEREON AND HEREBY DECLARES THIS PLAT SETS FORTH THE LOCATION AND GIVES THE DIMENSIONS OF THE STREETS, LOTS, TRACTS, AND EASEMENTS CONSTITUTING SAME AND THAT SAID STREETS, LOTS, TRACTS, AND EASEMENTS SHALL BE KNOWN BY THE NAME, NUMBER OR LETTER GIVEN TO EACH RESPECTIVELY.

THE MANAGER AND AUTHORIZED AGENT, AS LISTED ABOVE, HEREBY DEDICATE IN FEE ALL RIGHTS, TITLE AND INTEREST TO THE CITY FOR USE AS SUCH, THE STREET RIGHT-OF-WAY AS SHOWN ON SAID MAP AND INCLUDED IN THE ABOVE DESCRIBED PREMISES.

THE PUBLIC UTILITY EASEMENTS AND ROADWAY EASEMENTS ARE DEDICATED HEREON AS SHOWN TO THE CITY OF AVONDALE.

IN WITNESS WHEREOF:

HERMOSA NORTH, LLC AN ARIZONA LIMITED LIABILITY COMPANY AS MANAGER AND AUTHORIZED AGENT, HAS HEREUNTO CAUSED THEIR NAME TO BE AFFIXED AND HAS EXECUTED THIS SUBDIVISION PLAT BY THE SIGNATURE OF THE UNDERSIGNED, DULY AUTHORIZED,

THIS ____ DAY OF _____, 2024.

TGV INVESTMENTS, L.L.C., AN ARIZONA LIMITED LIABILITY COMPANY AND HRNL, LLC, AN ARIZONA LIMITED LIABILITY COMPANY AND HRNL, LLC, AN ARIZONA LIMITED LIABILITY COMPANY AND HRNL, LLC, AN ARIZONA LIMITED LIABILITY COMPANY AND HRNL, LLC, AN ARIZONA LIMITED LIABILITY COMPANY, ALL AS TENANTS IN COMMON, AS TO PARCEL NO. 1, 2, 3, 4 AND 5 AND THE CITY OF AVONDALE AS TO PARCEL NO. 6 AND 7.

BY: _____

NAME: _____

ITS: _____

ACKNOWLEDGEMENT:

STATE OF ARIZONA)
COUNTY OF MARICOPA) SS

ON THIS ____ DAY OF _____, 2024, BEFORE ME,

THE UNDERSIGNED, PERSONALLY APPEARED _____ WHO ACKNOWLEDGED HIMSELF/HERSELF TO BE MANAGER AND AUTHORIZED AGENT FOR HERMOSA NORTH, LLC, AN ARIZONA LIMITED LIABILITY COMPANY, AND BEING AUTHORIZED TO DO SO ON BEHALF OF SAID ENTITY, EXECUTED THIS PLAT FOR THE PURPOSES THEREIN CONTAINED.

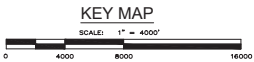
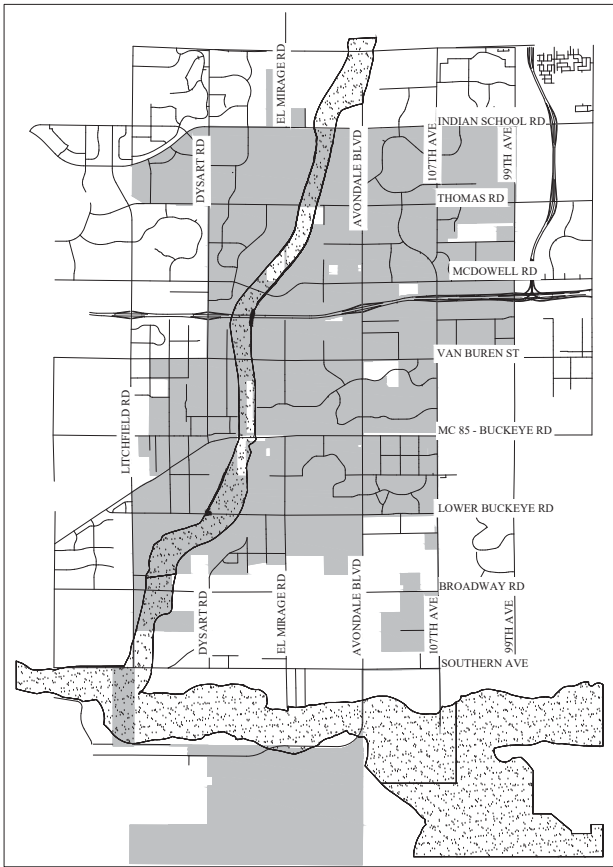
IN WITNESS WHEREOF, I HEREUNTO SET MY HAND AND OFFICIAL SEAL

NOTARY PUBLIC _____ MY COMMISSION EXPIRES _____

NOTES:

- ALL LANDSCAPING WITHIN THE LOCAL, COLLECTOR AND ARTERIAL STREET RIGHT-OF-WAY IS TO BE MAINTAINED BY FRONTING PROPERTY OWNER.
- ALL UTILITY AND PUBLIC SERVICE EASEMENTS, INCLUDING ANY LIMITATIONS OF EASEMENTS, AND CONSTRUCTION WITHIN SUCH EASEMENTS SHALL BE LIMITED TO UTILITIES, LANDSCAPING AND WOOD, WIRE OR REMOVABLE SECTION TYPE FENCES.
- ALL UTILITIES SHALL BE INSTALLED UNDERGROUND.
- ALL ELECTRIC AND COMMUNICATION LINES TO BE CONSTRUCTED UNDERGROUND AS REQUIRED BY THE ARIZONA CORPORATION COMMISSION.
- NO ALTERATIONS SHALL BE MADE TO THE STORM WATER RETENTION AREAS THAT ARE A PART OF THESE PREMISES WITHOUT WRITTEN AUTHORIZATION BY THE CITY OF AVONDALE.
- NO STRUCTURES SHALL BE CONSTRUCTED IN OR ACROSS NOR SHALL OTHER IMPROVEMENTS OR ALTERATIONS BE MADE TO THE DRAINAGE FACILITIES THAT ARE A PART OF THIS SUBDIVISION WITHOUT WRITTEN AUTHORIZATION BY THE CITY OF AVONDALE.
- ALL RETENTION BASINS MUST DRAIN ANY STORM EVENT UP TO AND INCLUDING 100 YEAR, 2 HOUR STORM WITHIN 36 HOURS. OWNER MUST TAKE CORRECTIVE ACTIONS TO BRING THE BASIN INTO COMPLIANCE.

FINAL PLAT
HERMOSA RANCH
A PORTION OF THE NORTH HALF OF SECTION 24, TOWNSHIP 1 NORTH,
RANGE 1 WEST OF THE GILA AND SALT RIVER MERIDIAN, CITY OF AVONDALE,
MARICOPA COUNTY, ARIZONA



SHEET INDEX:

PAGE	NAME
1	COVER
2	LEGAL DESCRIPTION
3-6	FINAL PLAT

LAND AREA TABLE:

GROSS AREA OF PROJECT	239.678 AC.
RIGHT OF WAY AREA	8.960
LOT 1	206.083
LOT 2	24.635

STREET CLASSIFICATION	R.O.W. DEDICATION	
	SF	AC.
ARTERIAL (NEW)	137,293	3.152

MANAGER/AUTHORIZED AGENT

HERMOSA NORTH, LLC
2241 E COLTER ST
PHOENIX, ARIZONA 85016
CONTACT: TERRY KLINGER
EMAIL: TERRY@REXCOLL.CC.COM
PHONE: (949) 226-2555

SURVEYOR

COE & VAN LOO CONSULTANTS, INC.
4550 NORTH 12TH STREET
PHOENIX, ARIZONA 85014
PHONE: (602) 264-6831
FAX: (602) 264-0928
CONTACT: RICHARD G. ALCOCKER, R.L.S.
EMAIL: RALCOCKER@CVLCL.COM

ENGINEER

COE & VAN LOO CONSULTANTS, INC.
4550 NORTH 12TH STREET
PHOENIX, ARIZONA 85014
PHONE: (602) 264-6831
FAX: (602) 264-0928
CONTACT: PARKER FROELICH, P.E.
EMAIL: PFROELICH@CVLCL.COM

100-YEAR ASSURED WATER SUPPLY:

THE AREA PLATTED HEREON LIES WITHIN THE DOMESTIC WATER SERVICE AREA OF THE CITY OF AVONDALE WHICH IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY PURSUANT TO SECTION 45-476 ARIZONA REVISED STATUTES.

BENCHMARK:

BRASS CAP IN HAND HOLE AT INTERSECTION OF AVONDALE BLVD & BROADWAY ROAD (SOUTHEAST CORNER, SECTION 24), TOWNSHIP 1 NORTH, RANGE 1 WEST)
ELEVATION = 948.702 (NAVD 88 DATUM)

BASIS OF BEARING:

THE BASIS OF BEARINGS FOR THIS SURVEY IS SOUTH 00°10'01" WEST ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF SECTION 24, TOWNSHIP 1 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER MERIDIAN, ACCORDING TO THE PARENT PARCEL LEGAL DESCRIPTION.

APPROVALS AND ACCEPTANCE OF DEDICATION:

PLAT APPROVED AND DEDICATED RIGHT-OF-WAY AND EASEMENTS
ACCEPTED BY THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA,

APPROVED BY THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA
THIS ____ DAY OF _____, 2024.

MAYOR _____ DATE _____

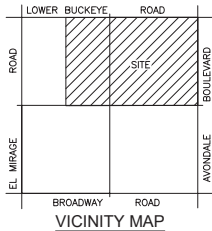
ATTEST, CITY CLERK _____ DATE _____

CITY ENGINEER _____ DATE _____

SURVEYOR'S CERTIFICATION:

THIS IS TO CERTIFY THAT THIS SURVEY AND SUBDIVISION OF THE PREMISES DESCRIBED AND PLATTED HEREON WAS MADE UNDER MY DIRECTION DURING THE MONTH OF NOVEMBER, 2023, THAT THE PLAT IS CORRECT AND ACCURATE. THAT THE MONUMENTS SHOWN HEREON HAVE BEEN LOCATED OR ESTABLISHED AS DESCRIBED AND THE LOT CORNERS PERMANENTLY SET.

Richard G. Alcocker 4/24/24 (SEAL)
REGISTERED LAND SURVEYOR DATE



Coe & Van Loo Consultants, Inc.
4550 North 12th Street, Phoenix, Arizona 85014
602-264-6831 www.cvlcl.com

HERMOSA NORTH, LLC
HERMOSA RANCH
FINAL PLAT

33851
RICHARD G.
ALCOCKER
REGISTERED LAND SURVEYOR
5-15-24
SHEET NUMBER
1 OF 6
PROJECT NUMBER
01-0316901

LEGAL DESCRIPTION:

FLEMING FARMS LOT 1 AS RECORDED IN BOOK 989 OF MAPS, PAGE 41, RECORDS OF MARICOPA COUNTY, ARIZONA, ALL OF FLEMING FARMS, LOT 2 AS RECORDED IN BOOK 993 OF MAPS, PAGE 41, RECORDS OF MARICOPA COUNTY, ARIZONA, AS WELL AS THE EAST HALF OF THE NORTHWEST QUARTER AND THAT PART OF THE NORTHWEST QUARTER OF SECTION 24, TOWNSHIP 1 NORTH, RANGE 1 WEST, OF THE G1A AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE BRASS CAP FLUSH MARKING THE NORTHEAST CORNER OF SAID SECTION 24;

THENCE SOUTH 00°08'14" WEST, ALONG THE EAST LINE OF SAID NORTHEAST QUARTER, A DISTANCE OF 2644.72 FEET TO THE BRASS CAP IN HAND HOLE MARKING THE EAST QUARTER CORNER OF SAID SECTION 24;

THENCE NORTH 89°33'23" WEST, ALONG THE SOUTH LINE OF SAID NORTHEAST QUARTER, A DISTANCE OF 2633.30 FEET TO THE 1/2" REBAR WITH NO IDENTIFICATION MARKING THE CENTER OF SAID SECTION 24;

THENCE NORTH 89°31'05" WEST, ALONG THE SOUTH LINE OF SAID NORTHWEST QUARTER, A DISTANCE OF 1316.49 FEET TO THE SOUTHWEST CORNER OF THE EAST HALF OF SAID NORTHWEST QUARTER;

THENCE NORTH 00°31'31" WEST, ALONG THE WEST LINE OF SAID EAST HALF, A DISTANCE OF 2621.38 FEET TO THE NORTHWEST CORNER OF SAID EAST HALF;

THENCE SOUTH 89°53'01" EAST, ALONG THE NORTH LINE OF SAID NORTHWEST QUARTER, A DISTANCE OF 1326.44 FEET TO THE PK NAIL MARKING THE NORTH QUARTER CORNER OF SAID SECTION 24;

THENCE SOUTH 89°53'05" EAST, ALONG THE NORTH LINE OF SAID NORTHEAST QUARTER, A DISTANCE OF 2653.61 FEET TO THE POINT OF BEGINNING.

CONTAINING 10,440,356 SQUARE FEET OR 239.678 ACRES, MORE OR LESS.

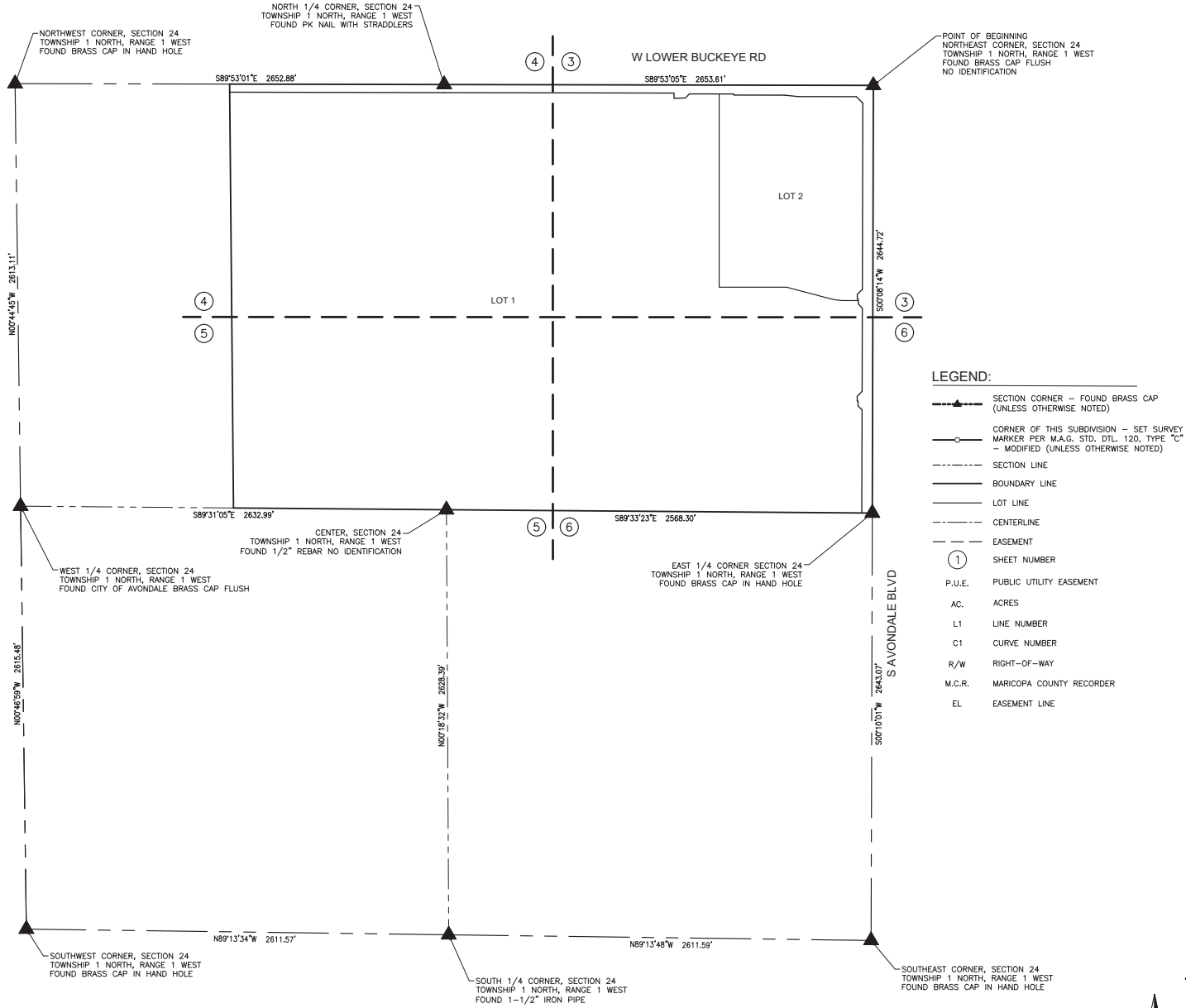
CURVE TABLE					
NO.	LENGTH	RADIUS	DELTA	TANGENT	CHORD-BEARING
C1	86.15'	333.00'	014°49'21"	43.32	85.91 S82°34'31"E

LINE TABLE		
NO.	BEARING	LENGTH
L1	S01°46'54"E	32.77'
L2	N87°53'09"E	70.00'
L3	N44°11'49"E	34.78'
L4	S01°42'57"E	6.47'
L5	N45°08'14"E	43.84'
L6	S00°08'14"W	30.00'
L7	S89°51'46"E	6.00'
L8	N00°08'14"E	21.35'
L9	S44°51'46"E	35.36'
L10	N45°08'14"E	42.43'
L11	S00°08'14"W	30.00'
L12	S89°51'46"E	5.00'
L13	N00°08'14"E	30.00'
L14	S44°51'46"E	35.36'

LOT AREA TABLE		
LOT #	AREA (SQUARE FEET)	
1	8,976,978	
2	1,073,100	

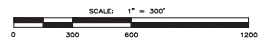
EASEMENT LINE TABLE		
NO.	BEARING	LENGTH
EL1	S83°51'12"E	10.10'
EL2	S43°48'07"W	25.22'
EL3	N85°58'18"W	97.49'
EL4	N84°10'31"W	85.56'
EL5	S44°52'29"E	46.33'
EL6	S11°34'03"E	34.50'
EL7	S06°42'38"W	61.15'
EL8	N45°08'14"E	22.63'
EL9	N00°08'14"E	11.31'
EL10	N00°08'14"E	11.31'
EL11	N44°51'46"W	24.04'
EL12	N06°42'38"E	61.15'
EL13	N45°08'14"E	21.21'

EASEMENT LINE TABLE		
NO.	BEARING	LENGTH
EL14	N00°08'14"E	11.31'
EL15	S00°08'14"W	11.31'
EL16	N44°51'46"W	24.04'
EL17	N06°42'38"E	61.15'
EL18	S06°42'38"W	60.69'
EL19	S89°51'46"E	5.00'
EL20	S15°55'26"E	14.36'
EL21	S00°15'27"E	25.57'
EL22	S89°51'46"E	4.15'
EL23	S00°08'14"W	96.45'
EL24	N89°53'13"W	54.12'
EL25	N85°58'18"W	94.71'



LEGEND:

- SECTION CORNER - FOUND BRASS CAP (UNLESS OTHERWISE NOTED)
- CORNER OF THIS SUBDIVISION - SET SURVEY MARKER PER M.A.G. STD. DTL. 120, TYPE "C" - MODIFIED (UNLESS OTHERWISE NOTED)
- SECTION LINE
- BOUNDARY LINE
- LOT LINE
- CENTERLINE
- EASEMENT
- 1 SHEET NUMBER
- P.U.E. PUBLIC UTILITY EASEMENT
- AC. ACRES
- L1 LINE NUMBER
- C1 CURVE NUMBER
- R/W RIGHT-OF-WAY
- M.C.R. MARICOPA COUNTY RECORDER
- EL EASEMENT LINE

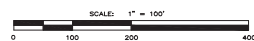
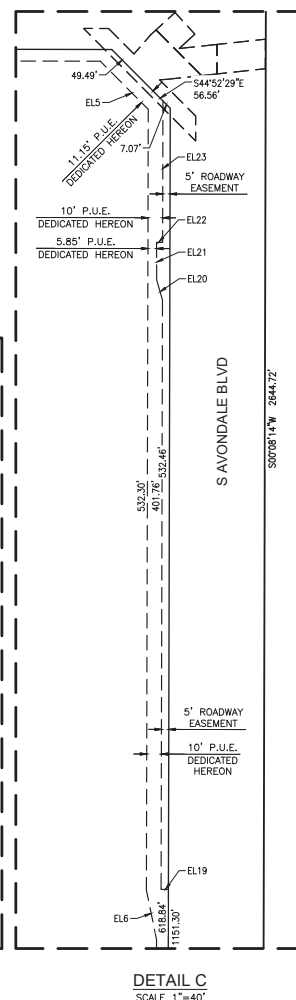


Coe & Van Loo Consultants, Inc.
4550 North 12th Street, Phoenix, Arizona 85014
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HERMOSA NORTH, LLC
PREPARED BY
HERMOSA RANCH
FINAL PLAT



SHEET NUMBER
2 OF 6
PROJECT NUMBER
01-0316901



800-204-0003 | www.civil.com

FINAL PLAT



6

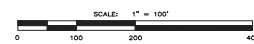
LOT

BOOK 771 OF MAPS, PAGE 49, M.C.R.
RECORDED 5/30/22

MATCH SHEET 6

NOT A PART
APN 500-66-006E
S R P A I & PD/ARIZONA PUBLIC
SERVICE COMPANY
DOCUMENT 2019-0319022
RECORDED 06/26/2018

NOT A PART
APN 500-66-005F
11753 LOWER BUCKEYE PROPERTY, LLC
BOOK 1766 OF MAPS, PAGE 17, M.C.R.
DOCUMENT 2023-0564109
RECORDED 10/31/2023



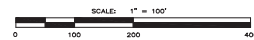
OWNER/CLIENT
HERMOSA NORTH, LLC

PROJECT NAME
HERMOSA RANCH

FLOOR TYPE
FINAL PLAT



5-15-24
LATEST REVISION DATE
SHEET NUMBER
6 OF 6
PROJECT NUMBER
01-0316901



ITEM NUMBER: 5.a.

SUBJECT: Public Hearing - Truth in Taxation Hearing Setting Forth the Intent to Raise the Property Tax Levy

MEETING DATE: 6/3/2024

TO: Mayor and Council

FROM: Renee Weatherless, Finance and Budget Director

THROUGH: Ron Corbin, City Manager, (623) 333-1011

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

This agenda item supports all Avondale Strategic Outcome Areas. The Strategic Plan guides the allocation of funding to the highest priorities.

PURPOSE:

City Council will hold a public hearing and consider a request to set forth the City's intent to levy primary property taxes in the amount of \$0.6241 per hundred (\$100) of assessed valuation and secondary property taxes in the amount of \$0.8351 per hundred (\$100) of assessed valuation and set the property tax adoption for July 1, 2024 and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

This agenda item satisfies several statutory requirements for the formal adoption process of the FY2025 budget.

Per Arizona Revised Statute 42-17104 the City is required to hold a public hearing on proposed expenditures and tax levy (the final budget) in which any taxpayer may appear and be heard in favor of or against any proposed expenditure or tax levy.

Per Arizona Revised Statute 42-17107, an increase in the primary property tax levy, exclusive of new construction, requires the city to conduct a Truth in Taxation hearing on or before final budget adoption. The resolution adopting the FY2025 final budget is scheduled for Council action later in the special meeting. After the public hearing, a roll call vote to direct staff to prepare the enacting property tax resolution is requested.

The resolution to establish the FY2025 tax levies is scheduled for adoption at the July 1, 2024 City Council meeting.

DISCUSSION:

The public hearing will serve to fulfill the requirements of state statute with respect to property tax levies and truth in taxation public hearing requirements. Notice of the hearing was published May 17 and May 24 in the

Southwest Valley Republic in compliance with state statute. For FY2025, the primary property tax rate will decrease from \$0.6373 per \$100 of assessed valuation to \$0.6241 per \$100 of assessed valuation. The primary property tax levy is projected to increase from \$3,736,624 to \$4,041,254. Per Arizona Revised Statute 42-17051, the primary property tax levy (the total dollar amount raised by the levy) may only increase 2% year to year, excluding new construction. If property values increase more than 2% in a year, then the rate will decrease while the levy increased by the 2%. The percent increase of valuation in Avondale due to appreciation was 4.2% and the increase in valuation due to new growth was 6.3%.

The secondary property tax levy is determined by the amount of principal and interest on general obligation debt in a given year. For FY2025, the secondary property tax rate will increase from \$0.8222 per \$100 of assessed valuation to \$0.8351 per \$100 of assessed valuation. The levy will increase from \$4,811,641 in FY2024 to \$5,407,729 in FY2025.

The total proposed combined rate is \$1.4592 per \$100 of assessed valuation. This rate is below the maximum rate of \$2.00 per \$100 of assessed valuation that is included in the city's Comprehensive Financial Policies.

BUDGET IMPACT:

There is no direct budget impact for the Truth in Taxation public hearing and the intent to levy property taxes; however, this public hearing continues the process which will result in the adoption of the final budget for the upcoming fiscal year. The primary and secondary property tax levies are included as a part of the FY2025 final budget which is scheduled for adoption in a special council meeting later this evening.

RECOMMENDATION:

Staff recommends the City Council hold a public hearing to receive comment on the primary and secondary property tax levies. After the public hearing, adopt a resolution setting forth the intention to increase the primary property tax levy for FY2025.

Contact person for document distribution: Robert Baer; Renee Weatherless

ITEM NUMBER: 5.b.

SUBJECT: Resolution 1051-0624 - Fiscal Year 2025 Proposed Fee Changes

MEETING DATE: 6/3/2024

TO: Mayor and Council

FROM: Renee Weatherless, Finance & Budget Director

THROUGH: Ron Corbin, City Manager

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

The proposed fees and charges are related to the following Avondale Strategic Outcome Area:

- Innovative Program and Service Delivery - The proposed fees allow for the city to recover a portion of its costs for certain services, ensuring the city has the resources to innovate and provide high quality service to residents, businesses, and visitors.
-

PURPOSE:

City Council will consider a request to adopt Resolution 1051-0624, approving the Fiscal Year 2025 proposed fee changes and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

State statute (ARS 9-499.15) allows the city to charge fees to recover its cost in providing services. Staff reviewed the city's current fee schedule and proposes changes to update fee amounts to reflect the cost of providing services, remove obsolete fees, add new fees for new services, and clarify certain existing fees.

ARS 9-461.03 and 9-461.04 specifically allows the city to recover costs and charge fees for processes related to planning, including plan reviews, general plan amendments, etc. Most planning related fees have not been increased in five years and some fees have not increased in over 10 years. In the past five to ten years, the cost of providing services has increased due to the personnel costs, inflation, and software needed to facilitate planning.

To calculate the recommended fee amounts, staff generally followed one of the following methods:

1. Calculate the average cost incurred for these processes based on an average number of staff hours needed for each process at the hourly rate for each staff type.
2. Compare current fees to fees in surrounding communities to make sure proposed fees are in line with the market
3. Combination of both

As required by A.R.S. §9-499.15, written notice of the proposed fee changes and a written report that supports the new or increased fees was posted on the city's website for at least sixty days before Council action. Each report included the date, time and place of the meeting in which the Council will take action of the proposed fees, and the information was posted on the city's website and social media accounts at least fifteen days before Council action.

DISCUSSION:

Building and Planning:

- Conditional Use Permit Extension: \$625: Technical name change to **"Conditional Use Permit Modification"**.
- Site Plan and Design Review Revision Fee or Extension: \$50: Technical name change to **"Site Plan and Design Review Revision Fee"**
- Certificate of Occupancy for Commercial Improvement: \$50: Technical name change to **"Certificate of Occupancy for Commercial Tenant Improvement"**. This fee is also proposed to increase from \$50/ea. to \$95/ea. to recover the cost of service.
- Electrical Permit Fee - Generator, Each: \$40: Technical name change to **"Electrical Permit Fee – Generator, Per"**. This fee is also being proposed, increasing from \$40/permit to \$75/permit to recover the cost of service.

- Proposing elimination of the following fees, as they are no longer applicable:
 - **As Builts: \$3/sheet - \$5/disc**
 - **Design Manual: \$20.00**
 - **Design Manual on CD: \$10**
 - **Development Progress Map: \$20**
 - **Documents Placed on CD: \$5**
 - **General Plan: \$30.**
 - **General Plan Map: \$10**
 - **Specific Area Plans/Other Plans: \$20**
 - **Subdivision Ordinance: \$10**
 - **Zoning Atlas: \$10**
 - **Zoning Ordinance: \$30**

- Proposing new fees for the following fees to recover the cost of service in labor costs, time and material.
 - **Group Housing Registration: \$175/application:** New fee to recover the cost of service.
 - **Comprehensive sign Package – Administrative approval: \$1,800/ea.:** New fee to recover the cost of service.
 - **Temporary Certificate of Occupancy Deposit: \$2,350/ea.:** New fee to recover the cost of service.
 - **Temporary Certificate of Occupancy Processing Fee: \$150/ea.:** New fee to recover the cost of service.
 - **Application Processing fee: \$100/application or permit:** New fee to recover the cost of service.
 - **Electrical Permit – Derate: \$165/permit:** New fee to recover the cost of service.

- Proposing increasing fees to the following fees that have not been updated in many years to ensure that the city is recovering its cost of service in labor costs, time and material and to adjust the fees to neighboring, comparator municipalities:

- **Planner Consultation:** \$45/hour: Proposed increase fee to **\$85/hour.**
- **Zoning Interpretation Letter:** \$200/ea.: Proposed increase fee to **\$1,200/each.**
- **Comprehensive Sign Package – PC and CC approval:** \$510/ea.: Proposed increase fee to **\$3,900/each.**
- **Sign Permit Renewal:** \$5/permit: Proposed increase fee to **\$40/permit.**
- **Site Plan and Design Review Application:** \$2,375/ea.: Proposed increase fee to **\$5,600/ea.**
- **Site Plan and Design Review Amendment or Extension:** \$1,187.50/ea: Proposed increase fee to **\$3,300/ea.**
- **Temporary Trailers –Plan Review:** \$100/ea.: Proposed increase fee to **\$140/ea.**
- **Temporary Trailers –Building Permit:** \$205/ea: Proposed increase fee to **\$215/ea.**
- **Certificate of Occupancy for Residential:** \$50/ea.: Proposed increase fee to **\$100/ea.**
- **Re-inspection Fee:** \$100/hour: Proposed increase fee to **\$130/ea.**
- **Certificate of Completion for Commercial Shell Buildings:** \$100/ea.: Proposed increase fee to **\$180/ea.**
- **Request for Certificate of Occupancy for Change of Use Group:** \$50/ea.: Proposed increase fee to **\$145/ea.**
- **Certificate of Occupancy for Commercial Buildings:** \$100/ea.: Proposed increase fee to **\$140/ea.**
- **Building Demolition –Single Family Residence and Other Structures:** \$100/ea.: Proposed increase fee to **\$150/ea.**
- **Electrical Permit:** \$60/permit: Proposed increase fee to **\$75/permit.**
- **Electrical Permit – Services not over 200 amperes:** \$60/permit: Proposed increase fee to **\$75/permit.**
- **Electrical Permit – Services over 200 amperes but less than 1000 amperes:** \$110/permit: Proposed increase fee to **\$120/permit.**
- **Electrical Permit Fee - For Services over 600 Volts or over 1000 Amperes in Rating:** \$205/permit: Proposed increase fee to **\$220/permit.**
- **Electrical Permit – Multi-Family/Hotels/Motels:** \$60/unit: Proposed increase fee to **\$75/permit.**
- **Mechanical Permit:** \$60/permit: Proposed increase fee to **\$75/permit.**
- **Mechanical Permit - Residential SFD/ Associated Electrical:** \$60/permit: Proposed increase fee to **\$75/permit.**
- **Mechanical Permit Fee - Non-Residential (with duct work):** \$110/permit: Proposed increase fee to **\$125/permit.**
- **Mechanical Permit Fee - Non-Residential (without duct work):** \$75/permit: Proposed increase fee to **\$100/permit.**
- **Mechanical Permit - Multi-Family/Hotel/Motel Per Unit:** \$60/permit: Proposed increase fee to **\$75/permit.**
- **Plumbing Permit:** \$60/permit: Proposed increase fee to **\$75/permit.**
- **Plumbing Permit Fee - Miscellaneous - Appliance or Piece of Equipment Regulated by the Plumbing:** \$40/ea.: Proposed increase fee to **\$50/permit.**
- **Plumbing Permit - Multi-Family/Hotel/Motel per unit:** \$60/permit: Proposed increase fee to **\$75/permit.**
- **Plumbing Permit - Commercial Industrial:** \$75/ea.: Proposed increase fee to **\$125/ea.**
- **Electrical Permit – Solar:** \$60/permit: Proposed increase fee to **\$130/permit.**

Engineering:

- Proposing new fees for the following Pavement Cut Post Construction fees to cover real damages associated with early pavement deterioration and is in addition to any permit fees and any standard or special requirements included in the city-issued permit.
 - **Pavement Cut Post Construction 0-12 Months for Cut <9 sq ft: \$1,000**
 - **Pavement Cut Post Construction 0-12 Months for Cut >9 sq ft: \$2,200 + \$18/SqYd**
 - **Pavement Cut Post Construction 13-24 Months for Cut <9 sq ft: \$750**
 - **Pavement Cut Post Construction 13-24 Months for Cut >9 sq ft: \$1,700.00 + \$18/SqYd**

- **Pavement Cut Post Construction 25-36 Months for Cut <9 sq ft: \$375**

- **Proposing new fees for the following Telecom and Encroachment fees for reviewing and permitting telecommunication installation and related activities and staff recommend being prepared for when this activity increases in Avondale.**
 - **Telecom Plan - First review: \$375/sheet**
 - **Telecom- Bore/Splice Pit: \$50/bore or Splice Pit**
 - **Telecom- Bore/Splice Pit soft landscape: \$15/bore or Splice Pit**
 - **Telecom- Boring Install Only: \$0.75/Linear foot**
 - **Telecom-Handhole/vault:\$50/handhole or vault**
 - **Telecom- Landscape (in right of way): \$0.75/SqYd**
 - **Telecom-Pothole-hard surface: \$50/pothole**
 - **Telecom-Pothole-soft surface: \$15/pothole**
 - **Encroachment: \$180/request**

- **Proposing new fees for the following Traffic Control Plan (TCP) Fees for mitigating traffic impacts due to construction as a priority for the city. These proposed fees are intended to encourage contractors to promote safety and meet deadlines as determined by the traffic control plan in an effort to mitigate impacts on the community.**
 - **Traffic Control Plan Alley Restriction: \$75/day**
 - **Traffic Control Plan Bike Lane Restriction: \$40/day**
 - **Traffic Control Plan High Volume Arterial Road Closure: \$140/lane per-day for every 1/2 mile**
 - **Traffic Control Plan Low Volume Arterial Closure: \$500/day**
 - **Traffic Control Plan Nighttime High Volume Arterial and Collector Closure (7P-6A): \$75/lane per-day for every 1/4 mile**
 - **Traffic Control Plan Penalties - Presenting Imminent Risk of Death or Injury to the Public within Public Right of Way: \$1,500/occurrence**
 - **Traffic Control Plan Penalties - Restricting Traffic within 150 feet of Sign. Intersection without Officer: \$750/permit**
 - **Traffic Control Plan Penalties - Restricting Without a Valid Permit: \$1,000/occurrence**
 - **Traffic Control Plan Shoulder Edgeline: \$50/day**
 - **Traffic Control Plan Sidewalk Closure: \$30/day**
 - **Traffic Control Plan Special Event Closure: \$75/day**
 - **Traffic Control Plan Surcharge for leaving devices in Right of Way 24 Hours after approved Traffic Control Plan expires: \$250/day**
 - **Traffic Control Plan Surcharge for missing or improper use of barricades or delineation devices as shown on the approved Traffic Control Plan: \$500/violation**
 - **Traffic Control Plan Surcharge for Violating restrictions, limits, times and locations of approved Traffic Control Plan: \$500/violation**
 - **Traffic Control Plan Traffic Control Re-inspection Fee:\$90/hour**
 - **Traffic Control: \$150/request**
 - **Sewer Verification (existing sewer connection and verification fee): \$125/inspection**

Parks and Recreation:

- **Memorial Bench Fee - \$2,000-\$2,500:** New fee. The city previously operated a Bench Memorial Program in 2021, to place memorial benches at various park facilities as a way to commemorate family or friends, at no cost to the public. The city wishes to reinstate the program due to increased interest and proposed to charge a fee to recover the costs of program administration, time and material.

Police:

- Audio CD or USB: \$10/ea.: Technical name change from "Audio CD or USB" to **"Audio in any format"**.
 - Redacted Body Camera Video on CD or USB: \$35/item: Technical name change from "Redacted Body Camera Video on CD or USB" to **"Traffic/Redacted Body Camera Video in any format"**.
 - Redacted Photo on CD or USB: \$35/item: Technical name change to **"Redacted photo in any format"**.
 - Rush Police Report – CD, Email, or USB: \$20/report: Technical name change to **"Rush Police Report in any format"**.
 - Standard Police Report – CD, Emailed, or USB: \$5/report: Technical name change to **"Standard Police Report in any format"**.
 - Audio Recordings that Need to be Transcribed – Minimum of \$10: \$2/minute: Technical name change to **"Audio Recordings that Need to be Transcribed – Minimum of \$15"**. This fee is also being proposed to increase from \$2/minute to \$3/minute to recover the fees charged by the contractor.
 - **Off-duty vehicle use: \$7/hour:** Cost to be reimbursed to the city for use of a police vehicle while an officer works off duty
-
- Proposing elimination of the following printing fees as customers prefer the reports to be emailed to them:
 - **Rush Police Report Printed - First 20 Pages: \$20/report**
 - **Rush Police Report Printed - Every Page After 20 Pages: \$0.80/page**
 - **Standard Police Report – First 20 Pages: \$5/report**
 - **Standard Police Report Printed - Every Page After 20: \$0.20/page**

Solid Waste:

- **Special One-Time Pickup: \$28/ea.:** New fee will be assessed to customers requesting "Courtesy" pickup service outside the scheduled dates of service.
- **Container Replacement Fee: \$83/ea.:** New fee will be assessed to customers that request a new trash or recycling container when the current one is serviceable, or when a container is missing, and the customer needs a replacement.

BUDGET IMPACT:

Building and Planning: estimated revenue increase of \$50,000 annually

Engineering: estimated revenue increase of \$100,000 annually

Parks and Recreation: minimal budgetary impact expected

Police: estimated revenue increase of \$500-\$1,500 annually

Solid Waste: estimated revenue increase of \$25,000 annually

RECOMMENDATION:

Staff recommends the Mayor and Council adopt a resolution adopting the summary of proposed fee changes. All fees and charges for services included in the current fee schedule previously adopted and not amended or increased by this Resolution shall remain in effect.

Contact person for document distribution: Aaron White; Rob Baer; Michael Shoemaker



FEE CHANGE PROPOSAL REPORT

FY2025

PUBLIC NOTICE

Notice of Proposed Increase in Fees – Pursuant to ARS 9-499.15, public notice is hereby given that at a meeting on June 3, 2024, at 5:30 pm, the Avondale City Council will consider a resolution adopting fees related to Parks and Recreation, Police, Solid Waste, Planning and Building Services, and Engineering. The meeting is scheduled at the Council Chambers at City Hall located at 11465 W Civic Center Drive, Avondale, AZ 85323. All proposed fees have a proposed effective date of July 1, 2024.

For questions, please contact Avondale Finance and Budget Department
623-333-2000

City of Avondale Fee Change Proposal Report

Notice of Proposed Increase in Fees – Pursuant to ARS 9-499.15, public notice is hereby given that at a meeting on June 3, 2024, at 5:30 pm, the Avondale City Council will consider a resolution adopting fees related to Parks and Recreation. The meeting is scheduled at the Council Chambers at City Hall located at 11465 W Civic Center Drive, Avondale, AZ 85323.

Department Name	Parks and Recreation
Division Name	Parks and Recreation Administration Division
Statutory Reference	ARS 9-464, et.seq
Background	Parks and Recreation from time to time receives requests from the public to place memorial benches at various park facilities as a way to honor or commemorate family or friends. The city previously operated this program but discontinued it in 2021 due to a lack of interest. Recent activity in the community has shown a desire to bring the program back.
Justification	Parks and Recreation wishes to reinstate the Bench Memorial Program and proposes to charge a fee to recover the costs of program administration.
Methodology	The proposed fees for the memorial benches are comparable to other municipalities in the Phoenix metropolitan area and will recover staff and equipment costs for procuring these items.
Alternatives	Continue to operate without the bench memorial program, which would make the new fees unnecessary.
Fiscal Impact	The memorial benches fee will provide the city a method of cost recovery to purchase and install benches. Without these fees, the city would incur the costs of the benches, which could make the practice unsustainable based on public demand.

Fee Change Proposal:

Fee Name	Current Fee	Current Measurement	Proposed Fee	Proposed Measurement	Notes / Methodology
Memorial Bench	N/A	N/A	\$2,000-\$2,500	Per Bench	New Fee – covers the cost of the bench (\$1,000-\$1,800) and time and material to install (\$500-\$700)

City of Avondale Fee Change Proposal Report

Notice of Proposed Increase in Fees – Pursuant to ARS 9-499.15, public notice is hereby given that at a meeting on June 3, 2024, at 5:30 pm, the Avondale City Council will consider a resolution adopting fees related to Police. The meeting is scheduled at the Council Chambers at City Hall located at 11465 W Civic Center Drive, Avondale, AZ 85323.

Department Name	Police Department
Division Name	Records Bureau
Statutory Reference	ARS 28-627
Background	The Records Bureau performs tasks and collects fees from citizens in-person daily. Staff has recently implemented a new online portal in which citizens of both Avondale and Litchfield Park can request reports, body worn camera footage, audio recordings, and photos online without having to come into the front lobby to fill out a form and pay. The current fee schedule is very specific about report format, especially printed. However, requested reports are rarely printed but instead provided in an electronic format. Staff recommends updating fee language to reasonably broaden the scope, simplify the fee schedule, and reflect actual cost as charged by contractors.
Justification	Audio: Staff receive requests for various audio recordings that need to be reviewed and redacted prior to being released. Audio Transcribed: Staff receive requests for various audio recordings that need to be transcribed and redacted based on content. Redacted traffic/body worn camera video: Staff receive requests for either traffic or body worn camera video that need to be redacted prior to release. Redacted photos: Staff receive requests for photos of crime scenes, traffic accidents, or various other items that need to be redacted prior to release. There is a fee set by state statute, however, we have elected to not raise them so we can keep the fees low for citizens that would like copies. Standard police report: Staff receive requests for copies of police reports that need to be redacted prior to release. Rush police report: Staff receive requests for rush police reports which can be completed within 2 business days instead of 10 business days. Off duty vehicle use: The hourly fee charged to companies that would like a patrol car along with an off-duty officer. Standard printed police report under 20 pages: This item was removed as all customers want their reports emailed to them instead of printed out.

	Standard printed police report over 20 pages: This item was removed as all customers want their reports emailed to them instead of printed out. Rush printed police report under 20 pages: This item was removed as all customers want their reports emailed to them instead of printed out. Rush printed police report over 20 pages: This item was removed as all customers want their reports emailed to them instead of printed out.
Methodology	Audio: This fee was renamed. Audio Transcribed: This fee has been renamed. Proposed fee matches vendor rate. Redacted traffic/body worn camera video: Staff receive requests for either traffic or body worn camera video that need to be redacted prior to release. Redacted photos: This fee was renamed. Standard police report: This fee was renamed. Rush police report: This fee was renamed. Off duty vehicle use: This fee was added; the city charges vendors that request a police vehicle for off-duty work. Standard printed police report under 20 pages: This item was removed as all customers want their reports emailed to them instead of printed out. Standard printed police report over 20 pages: This item was removed as all customers want their reports emailed to them instead of printed out. Rush printed police report under 20 pages: This item was removed as all customers want their reports emailed to them instead of printed out. Rush printed police report over 20 pages: This item was removed as all customers want their reports emailed to them instead of printed out.
Alternatives	Do not update proposed changes and the city absorbs the additional costs.
Fiscal Impact	Revenue collected from these proposed fee modifications will increase department revenue anywhere from \$500-\$1,500 annually. The additional revenue collected is meant to offset cost increases charged by the contractor.

Fee Change Proposal:

Fee Name	Current Fee	Current Measurement	Proposed Fee	Proposed Measurement	Notes / Methodology
Audio CD or USB – Audio in any format	\$10.00	Each	\$10.00	Each	Name change only
Audio Recordings that Need to be Transcribed – Minimum of \$10 - Audio Recordings that Need to be Transcribed – Minimum of \$15	\$2.00	Per minute	\$3.00	Per Minute	Equivalent to fee charged by the contractor
Redacted Body Camera Video on CD or USB – Traffic / Redacted Body Camera Video in any format	\$35.00	Per Item	\$35.00	Per Item	Name change only
Redacted Photo on CD or USB – Redacted photo in any format	\$35.00	Per Item	\$35.00	Per Item	Name change only
Rush Police Report – CD, Email, or USB - Rush Police Report in any format	\$20.00	Per report	\$20.00	Per report	Name change only
Standard Police Report – CD, Emailed, or USB - Standard Police Report in any format	\$5.00	Per report	\$5.00	Per report	Name change only
Rush Police Report Printed - Every Page After 20	\$0.80	Per page	Eliminate fee	Eliminate fee	Eliminate fee
Rush Police Report Printed - First 20 Pages	\$20.00	Per report	Eliminate fee	Eliminate fee	Eliminate fee
Standard Police Report – First 20 pages	\$5.00	Per report	Eliminate fee	Eliminate fee	Eliminate fee

Standard Police Report Printed - Every Page After 20	\$0.20	Per page	Eliminate fee	Eliminate fee	Eliminate fee
Off-duty vehicle use	N/A	N/A	\$7.00	Per Hour	Cost to be reimbursed to the city for use of a police vehicle while an officer works off duty

City of Avondale Fee Change Proposal Report

Notice of Proposed Increase in Fees – Pursuant to ARS 9-499.15, public notice is hereby given that at a meeting on June 3, 2024, at 5:30 pm, the Avondale City Council will consider a resolution adopting fees related to Solid Waste. The meeting is scheduled at the Council Chambers at City Hall located at 11465 W Civic Center Drive, Avondale, AZ 85323.

Department Name	Public Works
Division Name	Solid Waste
Statutory Reference	ARS 49-742
Background	The Public Works Solid Waste Division receives requests for “courtesy” trash or recycling services. Late put out and additional trash and recycling service needed are the main reasons residents request services outside of their scheduled dates of service. On average, the Public Works Solid Waste Division receives over 30 monthly “courtesy” requests, which staff attempt to accommodate without disrupting daily operations. The Public Works Solid Waste Division receives an average of 300 requests monthly for trash or recycling container repairs or replacements for various reasons. Many requests require only repairs, such as a lid or wheel replacement. If a customer is not satisfied with the repairs, they request a new container even though the current container is operable.
Justification	“Courtesy” pickup service outside of the scheduled dates of service increases operational costs. Customers requesting the additional service will be responsible for the added expense by charging a Special One-Time Pick-Up Fee. The Container Replacement Fee will be assessed to customers that request a new trash or recycling container when the current one is serviceable, or when a container is missing, and the customer needs a replacement.
Methodology	Special One-Time Pick-Up Fee: Employee hours (\$15.00) + vehicle mileage costs (\$10.00) + landfill costs (\$3.00) = Total Cost (\$28.00) Container Replacement Fee: Employee hours (\$11.00) + vehicle mileage (\$10.00) + container cost (\$62.00) = Total Cost (\$83.00)
Alternatives	The costs to conduct these services become part of operational costs and increase the monthly solid waste fee charged to all residents to subsidize a few customers needing special requests.
Fiscal Impact	Special One-Time Pick-Up Fee: \$10,000 Container Replacement Fee: \$15,000

Fee Change Proposal:

Fee Name	Current Fee	Current Measurement	Proposed Fee	Proposed Measurement	Notes / Methodology
Special One-Time Pick-Up	N/A	N/A	\$28.00	Per Pickup	See methodology above
Container Replacement Fee	N/A	N/A	\$83.00	Per Container	See methodology above

City of Avondale Fee Change Proposal Report

Notice of Proposed Increase in Fees – Pursuant to ARS 9-499.15, public notice is hereby given that at a meeting on June 3, 2024, at 5:30 pm, the Avondale City Council will consider a resolution adopting fees related to Planning and Building Services. The meeting is scheduled at the Council Chambers at City Hall located at 11465 W Civic Center Drive, Avondale, AZ 85323.

Department Name	Development Services Department
Division Name	Planning Division Building Division
Statutory Reference	Planning: ARS 9-461.03; 9-461.04 Building Safety: ARS 9-467.G
Background	The Planning Division charges fees for planning, development review, and site inspections. The Building Services Division of Development Services provides assistance in all areas of building construction, technical code assistance and review of all building, electrical, plumbing, mechanical, fuel gas, energy and accessibility requirements for construction projects city wide.
Justification	The Planning Division needs to update rates and fees to recover the cost of service. Each application has a workflow where applications are reviewed by many departments/positions and can be reviewed more than once. Each project requires many hours of research to allow city staff to provide the most accurate information and data when completing all projects. The Planning Division serves as the project manager for all projects listed below. Over the years salaries have also increased for staff. Exhibit A details the accounting for each proposed fee change together with a fee comparison to the City of Goodyear. The Building Services Division is looking to update its fees to recover the cost of the service. Exhibit B details the accounting for each proposed fee change, also accounting for the increase in staff salaries since fees have not been increased since 2021.
Methodology	Staff estimated the total staff time needed to complete tasks related to each fee and compared fees from other surrounding jurisdictions. A detailed analysis is found in Exhibits A (Planning) and B (Building).
Alternatives	Maintain fees as currently adopted and not recover the entire cost of the services provided.
Fiscal Impact	\$50,000 estimated additional ongoing revenue

Fee Change Proposal:

Fee Name	Current Fee	Current Measurement	Proposed Fee	Proposed Measurement	Notes / Methodology
Group Housing Registration	N/A	N/A	\$175.00	Per application	See Exhibit A
Planner Consultation	\$45.00	Per hour	\$85.00	Per hour	See Exhibit A
Zoning Interpretation Letter	\$200.00	Each	\$1,200.00	Each	See Exhibit A
Conditional Use Permit Extension (New Name: Conditional Use Permit Modification)	\$625.00	50% of current fee. All users	Name Change Only	Name Change Only	Name Change Only
As Builts	\$3.00/\$5.00	per sheet/ per disc.	Remove Fee	Remove Fee	Remove/ No longer applicable.
Design Manual	\$20.00	Each	Remove Fee	Remove Fee	Remove/ No longer applicable.
Design Manual on CD	\$10.00	Each	Remove Fee	Remove Fee	Remove/ No longer applicable.
Development Progress Map	\$20.00	Each	Remove Fee	Remove Fee	Remove/ No longer applicable.
Documents Placed on CD	\$5.00	Each	Remove Fee	Remove Fee	Remove/ No longer applicable.
General Plan	\$30.00	Each	Remove Fee	Remove Fee	Remove/ No longer applicable.
General Plan Map	\$10.00	Each	Remove Fee	Remove Fee	Remove/ No longer applicable.
Specific Area Plans/Other Plans	\$20.00	Each	Remove Fee	Remove Fee	Remove/ No longer applicable.
Subdivision Ordinance	\$10.00	Each	Remove Fee	Remove Fee	Remove/ No longer applicable.
Zoning Atlas	\$10.00	Each	Remove Fee	Remove Fee	Remove/ No longer applicable.
Zoning Ordinance	\$30.00	Each	Remove Fee	Remove Fee	Remove/ No longer applicable.

Comprehensive Sign Package – PC and CC approval	\$510.00	Each	\$3,900.00	Each	See Exhibit A
Comprehensive Sign Package – Amendment of Planning and Council approval	\$510.00	Each	\$3,300.00	Each	See Exhibit A
Comprehensive sign Package – Administrative approval	N/A	N/A	\$1,800.00	Each	See Exhibit A
Sign Permit Renewal	\$5.00	Per permit	\$40.00	Per permit	See Exhibit A
Site Plan and Design Review Application	\$2,375.00	Each	\$5,600.00	Each	See Exhibit A
Site Plan and Design Review Revision Fee or Extension (New Name: Site Plan and Design Review Revision Fee)	\$50.00	Each	Name Change Only	Name Change Only	Name Change Only
Site Plan and Design Review Amendment or Extension	\$1,187.50	Each	\$3,300.00	Each	See Exhibit A
Temporary Certificate of Occupancy Deposit	N/A	N/A	\$2,350.00	Each	See Exhibit B
Temporary Certificate of Occupancy Processing Fee	N/A	N/A	\$150.00	Each	See Exhibit B
Application Processing fee	N/A	N/A	\$100.00	Application/permit	See Exhibit B
Temporary Trailers – Plan Review	\$100.00	Each	\$140.00	Each	See Exhibit B
Temporary Trailers – Building Permit	\$205.00	Each	\$215.00	Each	See Exhibit B
Certificate of Occupancy for Residential	\$50.00	Each	\$100.00	Each	See Exhibit B

Re-inspection Fees	\$100.00	Per hour	\$130.00	Per hour (minimum 1 hour)	See Exhibit B
Certificate of Occupancy for Commercial Improvement (NEW Name - Certificate of Occupancy for Commercial Tenant Improvement)	\$50.00	Each	\$95.00	Each	Updating Fee Name. See Exhibit B
Certificate of Completion for Commercial Shell Buildings	\$100.00	Each	\$180.00	Each	See Exhibit B
Request for Certificate of Occupancy for Change of Use Group	\$50.00	Each	\$145.00	Each	See Exhibit B
Certificate of Occupancy for Commercial Buildings	\$100.00	Each	\$140.00	Each	See Exhibit B
Building Demolition – Single Family Residence and Other Structures	\$100.00	Each	\$150.00	Each	See Exhibit B
Electrical Permit	\$60.00	Per permit	\$75.00	Per permit	See Exhibit B
Electrical Permit – Services not over 200 amperes	\$60.00	Per permit	\$75.00	Per permit	See Exhibit B
Electrical Permit – Services over 200 amperes but less than 1000 amperes	\$110.00	Per permit	\$120.00	Per permit	See Exhibit B
Electrical Permit Fee - For Services over 600 Volts or over 1000 Amperes in Rating	\$205.00	Per permit	\$220.00	Per permit	See Exhibit B
Electrical Permit Fee - Generator, Each (New Name: Electrical Permit Fee – Generator, Per)	\$40.00	Per permit	\$75.00	Per permit	Updating Fee Name. See Exhibit B
Electrical Permit – Multi	\$60.00	Per unit	\$75.00	Per unit	See Exhibit B

Family/Hotels/Motels per unit					
Mechanical Permit	\$60.00	Per permit	\$75.00	Per permit	See Exhibit B
Mechanical Permit - Residential SFD/ Associated Electrical	\$60.00	Per permit	\$75.00	Per permit	See Exhibit B
Mechanical Permit Fee - Non-Residential (with duct work)	\$110.00	Per permit	\$125.00	Per permit	See Exhibit B
Mechanical Permit Fee - Non-Residential (without duct work)	\$75.00	Per permit	\$100.00	Per permit	See Exhibit B
Mechanical Permit - Multi-Family/Hotel/Motel Per Unit	\$60.00	Per permit	\$75.00	Per permit	See Exhibit B
Plumbing Permit	\$60.00	Per permit	\$75.00	Per permit	See Exhibit B
Plumbing Permit Fee - Miscellaneous - Appliance or Piece of Equipment Regulated by the Plumbing	\$40.00	Each	\$50.00	Each	See Exhibit B
Plumbing Permit - Multi-Family/Hotel/Motel per unit	\$60.00	Per permit	\$75.00	Per permit	See Exhibit B
Plumbing Permit - Commercial Industrial	\$75.00	Each	\$125.00	Each	See Exhibit B
Electrical Permit – Solar	\$60.00	Per Permit	\$130.00	Per permit	See Exhibit B
Electrical Permit – Derate	N/A	N/A	\$165.00	Per permit	See Exhibit B

Exhibit A: Planning Division Fee Changes

Fee Names	Current Fee	Proposed Amount	Planner Hours	Planner Cost per Hour	Planning Manager Review Hours	Cost per Hour	Supply Costs	Planning Subtotal Cost	Multi-Department Review	Total Cost with Mgmt Review (if Necessary)	Goodyear Fees
Group Housing Registration	-	\$ 175.00	2	\$ 65.00	1	\$ 90.00	\$ 10.00	\$ 230.00	0%	\$ 230.00	\$ 176.00
Planner Consultation	\$ 45.00	\$ 85.00	1	\$ 65.00	0.25	\$ 90.00	\$ 10.00	\$ 98.00	0%	\$ 98.00	\$ 86.00
Zoning Interpretation Letter	\$ 200.00	\$ 1,200.00	2	\$ 65.00	10	\$ 90.00	\$ 10.00	\$ 1,040.00	20%	\$ 1,248.00	\$ 1,218.00
Development Agreement	\$ 2,500.00	\$ 12,000.00	80	\$ 65.00	45	\$ 90.00	\$ 10.00	\$ 9,260.00	35%	\$ 12,501.00	\$ 12,127.00
Comprehensive Sign Package – PC and CC Approval	\$ 510.00	\$ 3,900.00	40	\$ 65.00	15	\$ 90.00	\$ 10.00	\$ 3,960.00	0%	\$ 3,960.00	\$ 4,080.00
Comprehensive Sign Package – Amendment of Planning and Council approval	\$ 510.00	\$ 3,300.00	30	\$ 65.00	15	\$ 90.00	\$ 10.00	\$ 3,310.00	0%	\$ 3,310.00	\$ 3,460.00
Comprehensive sign Package – Administrative approval	\$ -	\$ 1,800.00	25	\$ 65.00	2	\$ 90.00	\$ 10.00	\$ 1,815.00	0%	\$ 1,815.00	\$ 1,880.00
Sign Permit Renewal	\$ 5.00	\$ 40.00	0.5	\$ 65.00	0	\$ 90.00	\$ 10.00	\$ 43.00	0%	\$ 43.00	\$ 40.00
Site Plan and Design Review Application	\$ 2,375.00	\$ 5,600.00	80	\$ 65.00	5	\$ 90.00	\$ 10.00	\$ 5,660.00	0%	\$ 5,660.00	\$ 5,825.00
Site Plan and Design Review Amendment or Extension	\$ 1,187.50	\$ 3,300.00	45	\$ 65.00	5	\$ 90.00	\$ 10.00	\$ 3,385.00	0%	\$ 3,385.00	\$ 3,692.00

Exhibit B: Building Services Division Fee Changes

City Comparisons

Fee Name	Current Fee	Proposed Fee	Building Inspection Hours	Building Inspection Cost per Hour	Plan Review Hours	Cost per Hour	Front Counter Staff Hours	Front Counter Staff Per Hour	Supply Costs	Building Subtotal Cost		Buckeye	Goodyear	Surprise
Temporary Certificate of Occupancy Deposit	\$ -	\$ 2,350.00								\$ 2,350.00		-	-	-
Temporary Certificate of Occupancy Processing Fee	\$ -	\$ 150.00	1	\$ 50.00	1	\$ 62.00	1	\$ 46.00	\$ 10.00	\$ 168.00		-	-	-
Application Processing Fee (per permit/application)	\$ -	\$ 100.00	0	\$ 50.00	1	\$ 62.00	1	\$ 46.00	\$ 10.00	\$ 118.00		-	\$ 102.00	\$ -
Temporary Trailers – Plan Review	\$100	\$ 140.00	0	\$ 50.00	2	\$ 62.00	0.25	\$ 46.00	\$ 10.00	\$ 146.00		-	\$ -	\$ -
Temporary Trailers – Building Permit	\$205.00	\$ 215.00	2	\$ 50.00	1.5	\$ 62.00	0.25	\$ 46.00	\$ 10.00	\$ 215.00		Based on Valuation	\$ 79.00	\$100 plus \$6 per \$1,000 of valuation
Certificate of Occupancy for Residential	\$50.00	\$ 100.00	0	\$ 50.00	0	\$ 62.00	2	\$ 46.00	\$ 10.00	\$ 102.00		\$ 100.00	\$ 83.00	\$ 100.00
Re-inspection Fees	\$100 per hour (min 1 hour)	\$ 130.00	2	\$ 50.00	0	\$ 62.00	0.5	\$ 46.00	10	\$ 133.00		\$ 140.00	\$ -	\$ -
Certificate of Occupancy for Commercial Improvement (NEW Name - Certificate of Occupancy for Commercial Tenant Improvement)	\$50.00	\$ 95.00	0	\$ 50.00	1	\$ 62.00	0.5	\$ 46.00	\$ 10.00	\$ 95.00		\$ 100.00	\$ -	\$ -
Certificate of Completion for Commercial Shell Buildings	\$100.00	\$ 180.00	0	\$ 50.00	2.5	\$ 62.00	0.5	\$ 46.00	10	\$ 188.00		-	\$ -	\$ -
Request for Certificate of Occupancy for Change of Use Group	\$50.00	\$ 145.00	1	\$ 50.00	1	\$ 62.00	0.5	\$ 46.00	\$ 10.00	\$ 145.00		\$ 200.00	-	\$ -
Certificate of Occupancy for Commercial Buildings	\$100.00	\$ 140.00	0	\$ 50.00	1.75	\$ 62.00	0.5	\$ 46.00	10	\$ 142.00		\$100 per residence or building	\$55 per structure	\$ -

Exhibit B: Building Services Division Fee Changes

City Comparisons

Fee Name	Current Fee	Proposed Fee	Building Inspection Hours	Building Inspection Cost per Hour	Plan Review Hours	Cost per Hour	Front Counter Staff Hours	Front Counter Staff Per Hour	Supply Costs	Building Subtotal Cost		Buckeye	Goodyear	Surprise
Building Demolition – Singel Family Residence and Other Structures	\$100.00	\$ 150.00	0	\$ 50.00	2.5	\$ 62.00	0.25	\$ 46.00	\$ 10.00	\$ 177.00		\$230-\$260	\$ 55.00	\$ -
Electrical Permit	\$60.00	\$ 75.00	0	\$ 50.00	1	\$ 62.00	0.35	\$ 46.00	10	\$ 89.00		Based on Valuation	\$ -	
Electrical Permit – Services not over 200 amperes	\$60.00	\$ 75.00	0	\$ 50.00	1	\$ 62.00	0.35	\$ 46.00	\$ 10.00	\$ 89.00		\$ 200.00	\$ -	\$ -
Electrical Permit – Services over 200 amperes but less than 1000 amperes	\$110.00	\$ 120.00	0	\$ 50.00	1.5	\$ 62.00	0.35	\$ 46.00	10	\$ 120.00		-	\$ 115.00	\$ -
Electrical Permit Fee - For Services over 600 Volts or over 1000 Amperes in Rating	\$205.00	\$ 220.00	2	\$ 50.00	1.5	\$ 62.00	0.5	\$ 46.00	\$ 10.00	\$ 226.00		Based on Valuation	\$ 175.00	\$ -
Electrical Permit Fee - Generator, Per	\$40.00	\$ 75.00	0	\$ 50.00	1	\$ 62.00	0.25	\$ 46.00	10	\$ 84.00		\$ 190.00	\$ -	\$ -
Electrical Permit - Multi-Family/Hotels/Motels per unit	\$60.00	\$ 75.00	1	\$ 50.00	1	\$ 62.00	0.25	\$ 46.00	\$ 10.00	\$ 134.00		Based on Valuation	\$ 55.00	\$ -
Mechanical Permit	\$60.00	\$ 75.00	1	\$ 50.00	1	\$ 62.00	0.25	\$ 46.00	10	\$ 134.00		-	\$ -	\$ -
Mechanical Permit - Residential SFD/ Associated Electrical	\$60.00	\$ 75.00	1	\$ 50.00	0.5	\$ 62.00	0.25	\$ 46.00	\$ 10.00	\$ 103.00		Based on Valuation	\$ 130.00	\$ -
Mechanical Permit Fee - Non-Residential (with duct work)	\$110.00	\$ 125.00	1	\$ 50.00	1.5	\$ 62.00	0.25	\$ 46.00	10	\$ 165.00		-	\$ 62.00	\$ -
Mechanical Permit Fee - Non-Residential (without duct work)	\$75.00	\$ 100.00	1	\$ 50.00	0.5	\$ 62.00	0.25	\$ 46.00	\$ 10.00	\$ 103.00		-	\$ -	\$ -

Exhibit B: Building Services Division Fee Changes

City Comparisons

Fee Name	Current Fee	Proposed Fee	Building Inspection Hours	Building Inspection Cost per Hour	Plan Review Hours	Cost per Hour	Front Counter Staff Hours	Front Counter Staff Per Hour	Supply Costs	Building Subtotal Cost		Buckeye	Goodyear	Surprise
Mechanical Permit - Multi-Family/Hotel/Motel Per Unit	\$60.00	\$ 75.00	1	\$ 50.00	1	\$ 62.00	0.25	\$ 46.00	10	\$ 134.00		Based on Valuation	55 each permit	\$ -
Plumbing Permit	\$60.00	\$ 75.00	1	\$ 50.00	1	\$ 62.00	0.25	\$ 46.00	\$ 10.00	\$ 134.00		-	\$ -	\$ -
Plumbing Permit Fee - Miscellaneous - Appliance or Piece of Equipment Regulated by the Plumbing	\$40.00	\$ 50.00	1	\$ 50.00	0	\$ 62.00	0.25	\$ 46.00	10	\$ 72.00		-	\$ -	\$ -
Plumbing Permit - Multi-Family/Hotel/Motel per unit	\$60.00	\$ 75.00	1	\$ 50.00	1	\$ 62.00	0.25	\$ 46.00	\$ 10.00	\$ 134.00		Based on Valuation	\$ -	\$ -
Plumbing Permit - Commercial Industrial	\$75.00	\$ 125.00	1	\$ 50.00	1	\$ 62.00	0.25	\$ 46.00	10	\$ 134.00		\$ 260.00	-	\$ -
Electrical Permit - Solar	\$60.00	\$ 130.00	1	\$ 50.00	1	\$ 62.00	0.25	\$ 46.00	10	\$ 134.00		-	\$ 83.00	\$ 250.00
Electrical Permit - Derate	\$0.00	\$ 165.00	1	\$ 50.00	1.5	\$ 62.00	0.25	\$ 46.00	\$ 10.00	\$ 165.00		-	\$ -	\$ 250.00

City of Avondale Fee Change Proposal Report

Notice of Proposed Increase in Fees – Pursuant to ARS 9-499.15, public notice is hereby given that at a meeting on June 3, 2024, at 5:30 pm, the Avondale City Council will consider a resolution adopting fees related to Engineering. The meeting is scheduled at the Council Chambers at City Hall located at 11465 W Civic Center Drive, Avondale, AZ 85323.

Department Name	Engineering Department
Division Name	Administration
Statutory Reference	ARS 9-463.01.C.5
Background	The Engineering Department has not updated its fees in many years. Upon review and comparison with other cities, staff recommends adding several new fees in an effort to preserve pavement from cuts in the first three years after paving, put fees in place for future telecom and related broadband needs, ensure sewer inspections are performed prior to development, and to help mitigate traffic impacts during construction.
Justification	Pavement cut fees: Once a cut is made in pavement, the trench is backfilled and restored, resulting in a patched pavement surface. Regardless of the quality of the restoration effort, the cut creates a seam in the pavement that can allow water to penetrate the pavement, weakening the pavement and the underlying soil. If the materials used to backfill the excavation are not suitable or not properly installed, the materials will begin to settle relative to the original pavement. Even if the trench is backfilled correctly, the base course and subgrade soils adjacent to the trench are disturbed and weakened. The proposed surcharge is intended to cover real damages associated with early pavement deterioration and is in addition to any permit fees and any standard or special requirements included in the city-issued permit. Telecom fees: The city currently does not have fees in place for reviewing and permitting telecommunication installation and related activities. Surrounding cities have seen recent increases in this type of activity, and staff recommend being prepared for when this activity increases in Avondale. Traffic Control Plan (TCP) Fees: Mitigating traffic impacts due to construction is a priority for the city. These proposed fees are intended to encourage contractors to promote safety and meet deadlines as determined by the traffic control plan in an effort to mitigate impacts on the community. Sewer Verification Fee: Sewer connection points need to be scoped to evaluate the condition and ensure there will be no issues when the resident/business connects to these older pipes. Staff recommends implementing a sewer inspection fee to mitigate potential backups.
Methodology	The Engineering department researched related fees from surrounding cities for pavement cuts surcharges, traffic control plan fees, and sewer verification fee. That analysis is found in the attached exhibits. The telecom related fees and some traffic control plan fees are comparable

	to similar fees to dry utilities, with the exception of potholes, to remain competitive.
Alternatives	Do not adopt these fees and continue current operations and not recover entire cost of providing these services.
Fiscal Impact	Estimated new annual revenue of \$100,000

Fee Change Proposal:

Fee Name	Current Fee	Current Measurement	Proposed Fee	Proposed Measurement	Notes / Methodology
Pavement Cut Post Construction 0-12 Months	N/A	N/A	\$1,000.00	Cut <9 sq ft	See Exhibit A
Pavement Cut Post Construction 0-12 Months	N/A	N/A	\$2,200.00 + \$18 per Sq Yd	Cut greater than 9 sq ft	See Exhibit A
Pavement Cut Post Construction 13-24 Months	N/A	N/A	\$750.00	Cut <9 sq ft	See Exhibit A
Pavement Cut Post Construction 13-24 Months	N/A	N/A	\$1,700.00 + \$18 per Sq Yd	Cut greater than 9 sq ft	See Exhibit A
Pavement Cut Post Construction 25-36 Months	N/A	N/A	\$375.00	Cut <9 sq ft	See Exhibit A
Pavement Cut Post Construction 25-36 Months	N/A	N/A	\$900.00 + \$18 per Sq Yd	Cut greater than 9 sq ft	See Exhibit A
Telecom Plan - First review	N/A	N/A	\$375.00	Per Sheet	See Exhibit B
Telecom-Bore/Splice Pit	N/A	N/A	\$50.00	Per Bore or Splice Pit	See Exhibit B
Telecom-Bore/Splice Pit soft landscape	N/A	N/A	\$15.00	Per Bore or Splice Pit	See Exhibit B
Telecom- Boring Install Only	N/A	N/A	\$0.75	Per Linear Foot	See Exhibit B
Telecom-Handhole/vault	N/A	N/A	\$50.00	Per handhole or vault	See Exhibit B
Telecom-Landscape (in right of way)	N/A	N/A	\$0.75	Per Square Yard	See Exhibit B
Telecom-Pothole-hard surface	N/A	N/A	\$50.00	Per pothole	See Exhibit B
Telecom-Pothole-soft surface	N/A	N/A	\$15.00	Per pothole	See Exhibit B

Encroachment	N/A	N/A	\$180.00	Per request	See Exhibit C
Traffic Control Plan Alley Restriction	N/A	N/A	\$75.00	Per Day	See Exhibit C
Traffic Control Plan Bike Lane Restriction	N/A	N/A	\$40.00	Per Day	See Exhibit C
Traffic Control Plan High Volume Arterial Road Closure	N/A	N/A	\$140.00	Per lane/day for every 1/2 Mile	See Exhibit C
Traffic Control Plan Low Volume Arterial Closure	N/A	N/A	\$500.00	Per Day	See Exhibit C
Traffic Control Plan Nighttime High Volume Arterial and Collector Closure (7P-6A)	N/A	N/A	\$75.00	Per lane/day for every 1/4 Mile	See Exhibit C
Traffic Control Plan Penalties - Presenting Imminent Risk of Death or Injury to the Public within Public Right of Way	N/A	N/A	\$1,500.00	Per Occurrence	See Exhibit C
Traffic Control Plan Penalties - Restricting Traffic within 150 feet of Sign. Intersection without Officer	N/A	N/A	\$750.00	Per Permit	See Exhibit C
Traffic Control Plan Penalties - Restricting Without a Valid Permit	N/A	N/A	\$1,000.00	Per Occurrence	See Exhibit C
Traffic Control Plan Shoulder Edgeline	N/A	N/A	\$50.00	Per Day	See Exhibit C
Traffic Control Plan Sidewalk Closure	N/A	N/A	\$30.00	Per Day	See Exhibit C
Traffic Control Plan Special Event Closure	N/A	N/A	\$75.00	Per Day	See Exhibit C
Traffic Control Plan Surcharge for leaving devices in Right of Way 24 Hours after approved Traffic	N/A	N/A	\$250.00	Per Day	See Exhibit C

Control Plan expires					
Traffic Control Plan Surcharge for missing or improper use of barricades or delineation devices as shown on approved Traffic Control Plan	N/A	N/A	\$500.00	Per Violation	See Exhibit C
Traffic Control Plan Surcharge for Violating restrictions, limits, times and locations of approved Traffic Control Plan	N/A	N/A	\$500.00	Per Violation	See Exhibit C
Traffic Control Plan Traffic Control Re-inspection Fee	N/A	N/A	\$ 90.00	Per hour	See Exhibit C
Traffic Control	N/A	N/A	\$150.00	Per request	See Exhibit C
Sewer Verification (existing sewer connection and verification fee)	N/A	N/A	\$125.00	Per Inspection	See Exhibit D

Exhibit A: Engineering Fees Jurisdictional Comparison - Pavement Cuts

Fee Description	Measurement	Fee	Goodyear Fee	Peoria Fee	Mesa Fee	Surprise Fee
Pavement Cut Post Construction 0-12 Months	Cut <9 sq ft	1,000.00	1,000.00	1,000.00	1,800.00	330.00
Pavement Cut Post Construction 0-12 Months	Base fee + \$18 per Sq Yd	2,200.00	2,500.00	2,500.00	1,800.00	1,650.00
Pavement Cut Post Construction 13-24 Months	Cut <9 sq ft	750.00	750.00	750.00	1,600.00	3,360.00
Pavement Cut Post Construction 13-24 Months	Base fee + \$18 per Sq Yd	1,700.00	1,875.00	1,875.00	1,600.00	
Pavement Cut Post Construction 25-36 Months	Cut <9 sq ft	375.00	375.00	375.00	1,300.00	
Pavement Cut Post Construction 25-36 Months	Base fee + \$18 per Sq Yd	900.00	935.00	935.00	1,300.00	

Exhibit B: Engineering Fees Comparison to Utility Fees - Telecom

Fee Description	Proposed Fee	Measurement		Avondale Comparable Fee / Justification	Avondale Comparable Fee	Measurement
Telecom Plan - First Review	\$ 375.00	Per Sheet		Striping and Signing Plan - First Review	\$ 375.00	Per Sheet
Telecom-Bore/Splice Pit	\$ 50.00	Per		Utilities - Bore/Splice Pit	\$ 50.00	Per
Telecom-Bore/Splice Pit soft landscape	\$ 15.00	Per		Fraction of Hard Landscape Fee		
Telecom-Boring Install Only	\$ 0.75	Linear Foot		Utilities - Boring Install Only	\$ 0.75	Linear foot
Telecom-Handhole/vault	\$ 50.00	Each		Utilities - Bore/Splice Pit	\$ 50.00	Each
Telecom-Landscape (in ROW)	\$ 0.75	Linear Foot		Utilities - Open Cut Trenching Only (in ROW) Un-paved	\$ 0.75	Linear foot
Telecom-Pothole-hard surface (Currently use Utilities - Pothole)	\$ 50.00	Each		Utilities - Pothole	\$ 50.00	Each
Telecom-Pothole-soft surface	\$ 15.00	Each		Fraction of Hard Surface - Pothole		

Exhibit C: Engineering Fees Jurisdictional Comparison - Traffic Control Plans

Fee Description	Measurement	Fee	Phoenix Fee	Goodyear Fee	Peoria Fee	Glendale Fee	Mesa Fee	Surprise Fee
Encroachment	Per request	180.00			180.00		246.00	
TCP Alley Restriction	Per Day	75.00		75.00		88.53	75.00	
TCP Bike Lane Restriction	Per Day	40.00		20.00		88.53	20.00	
TCP Penalties - Presenting Imminent Risk of Death or Injury to the Public W/IN Public ROW	Per Occurrence	1,500.00	1,500.00			1,770.79		
TCP Penalties - Restricting Traffic within 150 feet of Sign. Intersection without Officer	Per Permit	750.00		1,000.00		1,180.53		
TCP Penalties - Restricting Without a Valid Permit	Per Occurrence	1,000.00	1,000.00			1,180.53		1,000.00
TCP Shoulder Edgeline	Per Day	50.00				50.00	50.00	
TCP Sidewalk Closure	Per Day	30.00				88.53	20.00	
TCP Special Event Closure	Per Day	75.00		75.00				
TCP Surcharge for leaving devices in ROW 24 Hours after approved TCP expires	Per Day	250.00		250.00		295.11	250.00	
TCP Surcharge for missing or improper use of barricades or delineation devices as shown on approved TCP	Per Violation	500.00		1,000.00		590.27	500.00	1,000.00
TCP Surcharge for Violating restrictions, limits, times and locations of approved TCP	Per Violation	500.00		500.00		590.27	500.00	
TCP Traffic Control Re-inspection Fee	per hour	90.00					90.00	
Traffic Control	Per request	150.00		50.00	150.00			750.00
TCP High Volume Arterial Road Closure	Per lane/day for every 1/2 Mile	140.00		2,500.00		147.57	2,500.00	
TCP Night Time High Volume Arterial and Collector Closure (7P-6A)	Per lane/day for every 1/4 Mile	75.00		500.00				
TCP Low Volume Arterial Closure	Per Day	500.00		500.00				

Exhibit D: Engineering Fees Jurisdictional Comparison - Sewer Verification

Fee Description	Measurement	Fee	Phoenix Fee	Scottsdale Fee	Goodyear Fee
Sewer Verification (existing sewer connection and verification fee)	per inspection	125.00	150.00	175.00	264.00

Public Comment

filed by

Jason Tamura on behalf of Wyverd Fiber

Avondale Public Comment Submittal: Fiber to the Home Provider Fee Changes

Thank you for all the discussions this Spring and the mutually beneficial fee adjustments for Fiber to the Home Providers made to date. Wyyerd Fiber has a few additional items we'd like to suggest as changes for either this budget cycle or the next. As such we're proposing additional Fee Reductions to ensure current fees don't deter, prohibit, or reduce the opportunity for providers to bring this technology to the community and bridge the Digital Divide. Wyyerd Fiber is suggesting targeted modifications to the current policy structure to reduce costs in a manner that makes Avondale more cost competitive with surrounding municipalities.

Item #1: Flower Pot Fees - an 11"x11" irrigation box used to distribute fiber services to homes. They are placed at the back of the sidewalk in the Public Utility Easement (PUE) at the property line between each home.

Summary: Fees associated with placing Flower Pots are not consistent with neighboring municipalities. Flower Pots currently carry the same fees as larger handholes but Flower Pots have a significantly smaller footprint, mitigated impact to landscaping and are placed between every two housing units. Their ubiquity provides efficiencies for inspectors who can complete their review quickly. Most municipalities cost these in a fashion similar to pedestals in the PUE but Flower Pots are preferred due to their low profile and improved aesthetics compared to pedestals.

Proposal: A line item breakout for Flower Pots that is set aside from hand holes with a reduced fee from the \$50 fee currently assessed for hand holes to \$5 for the placement of the Flower Pots to better align with surrounding Municipalities.

Item # 2: Bore Feet per Neighborhood Fees - the cost per linear foot to place the fiber into neighborhoods.

Summary: Standard fiber deployment projects are focused on main thoroughfares with a standard deployment of 1-2 miles. The City's rate model associated with this process is cost prohibitive for fiber to the home providers who will deploy tens of miles of fiber through uniform neighborhoods in a "cookie-cutter fashion". Neighboring municipalities have understood this and as a result have made adjustments to reduce the Bore Feet per Neighborhood fees for fiber to the home providers.

Proposal: A line item breakout for "Bore Feet" (Neighborhood) footage that is set aside from "Bore Feet" (Arterially) footage with a reduced fee from the \$.75 p/ft. currently assessed for Bore Feet to \$.35 p/ft to better align with neighboring municipalities that do not apply a per linear foot fee charge for deployments over a mile.

Item #3: Avondale Plan Review Fee - the cost per sheet to review plans submitted by Fiber companies to the city for permitting of proposed projects.

Summary: Like all municipalities, the City of Avondale needs to review the plans submitted by Fiber Providers in order to issue a permit. The City of Avondale fees associated with each project's review is on average 50% higher than the surrounding municipalities for a given amount of footage covered in a permit. The fee significantly impacts the costs associated with deploying fiber to the home in that it drives up the cost per foot. A higher cost per foot reduces the addressable market that a fiber provider can cost effectively reach.

Proposal: City of Avondale to reduce the per sheet Plan Review fees to be comparable to the fees charged by the city's nearest neighbors. Neighboring communities charge an average of \$145 per sheet while the City of Avondale charges \$375 per sheet.

Analysis of Proposals & Impact Analysis:

Wyverd performed an analysis across 5 neighborhoods as the foundation for the three proposals. The first table below outlines the proposed fees City leadership has submitted for City Council approval on July 1, 2024. The second table shows the City's requested adjustment combined with the three proposals defined above as applied to the Cottonflower development. This suggested improvement would enable fiber to the home providers such as Wyverd to build twice as many homes passed (e.g. 10,000 vs 20,000); aiding the City of Avondale in crossing of the Digital Divide.

City fee structure change submittal:

Exhibit B: Engineering Fees Comparison to Utility Fees - Telecom

Fee Description	Proposed Fee	Measurement
Telecom Plan - First Review	\$ 375.00	Per Sheet
Telecom-Bore/Splice Pit	\$ 50.00	Per
Telecom-Bore/Splice Pit soft landscape	\$ 15.00	Per
Telecom-Boring Install Only	\$ 0.75	Linear Foot
Telecom-Handhole/vault	\$ 50.00	Each
Telecom-Landscape (in ROW)	\$ 0.75	Linear Foot
Telecom-Pothole-hard surface (Currently use Utilities - Pothole)	\$ 50.00	Each
Telecom-Pothole-soft surface	\$ 15.00	Each

Wyverd Requested Fee Example:

Avondale Permit Fees	Cottonflower neighborhood					
	Qty	Price Per	Total			
Application Fee		\$ -	\$ -			
Bore Feet (Arterially)	0	\$ 0.75	\$ -			
Bore Feet (Neighborhood)	60562	\$ 0.35	\$ 21,196.70			
Manhole/Vaults/Splice Pits	175	\$ 50.00	\$ 8,750.00			
Flowerpots	326	\$ 5.00	\$ 1,630.00			
Potholes Hardscape	399	\$ 50.00	\$ 19,950.00			
Potholes Softscape	2663	\$ 15.00	\$ 39,945.00			
Total Anticipated Fees			\$ 91,471.70			
Avondale Review Fees						
	Qty	Price Per	Total			
Review Fee	42	\$ 145.00	\$ 6,090.00			
Total Anticipated Review Fees			\$ 6,090.00			

RESOLUTION NO. 1051-0624

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, AMENDING THE CITY OF AVONDALE SCHEDULE OF FEES AND CHARGES.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. The amendments to the City of Avondale schedules and charges for services, true and correct copies of which are attached hereto as Exhibit A and incorporated herein by reference (the “Amendments to Schedule of Fees”), are approved hereby and adopted to be effective July 1, 2024. Deletions are shown as strikeouts: ~~Abe~~. Additions to the text are shown in bold and capital letters: **ABC**. New or increased fee amounts are shown in bold: **\$10.00**.

SECTION 2. All fees and charges for services provided by the City previously approved and adopted are not amended or increased by this Resolution and remain in effect.

SECTION 3. It is necessary for the preservation of the peace, health and safety of the City, an emergency is declared to exist, and this Resolution shall be effective immediately upon its passage and adoption.

SECTION 4. The Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to execute all documents and take all steps necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the Council of the City of Avondale, Arizona, June 3, 2024.

Kenneth Weise, Mayor

ATTEST

Marcella Sarmiento, City Clerk

APPROVED AS TO FORM

Nicholle Harris, City Attorney

EXHIBIT A
TO
RESOLUTION NO. 1051-0624

[FY2025 Schedule of Proposed Fee Changes]

See following pages.

EXHIBIT A
City of Avondale
FY2025 Schedule of Proposed Fee Changes

Proposed Fee Name Changes	Current Fee	Current Unit of Measure	Proposed Fee	Proposed Unit of Measure	Effective Date
Development Services - Planning Building					
GROUP HOUSING REGISTRATION	NA	NA	\$ 175.00	Per Application	July 1, 2024
Planner Consultation	\$ 45.00	Per Hour	\$ 85.00	Per Hour	July 1, 2024
Zoning Interpretation Letter	\$ 200.00	Each	\$ 1,200.00	Each	July 1, 2024
CONDITIONAL USE PERMIT MODIFICATION Conditional Use Permit Extension	\$ 625.00	50% of current fee. All users	\$ 625.00	50% of current fee. All users	July 1, 2024
As-Builts	\$3.00 \$5.00	per sheet/per disc	Remove Fee	Remove Fee	July 1, 2024
Design Manual	\$ 20.00	Each	Remove Fee	Remove Fee	July 1, 2024
Design Manual on CD	\$ 10.00	Each	Remove Fee	Remove Fee	July 1, 2024
Development Progress Map	\$ 20.00	Each	Remove Fee	Remove Fee	July 1, 2024
Documents Placed on CD	\$ 5.00	Each	Remove Fee	Remove Fee	July 1, 2024
General Plan	\$ 30.00	Each	Remove Fee	Remove Fee	July 1, 2024
General Plan Map	\$ 10.00	Each	Remove Fee	Remove Fee	July 1, 2024
Specific Area Plans/Other Plans	\$ 20.00	Each	Remove Fee	Remove Fee	July 1, 2024
Subdivision Ordinance	\$ 10.00	Each	Remove Fee	Remove Fee	July 1, 2024
Zoning Atlas	\$ 10.00	Each	Remove Fee	Remove Fee	July 1, 2024
Zoning Ordinance	\$ 30.00	Each	Remove Fee	Remove Fee	July 1, 2024
Comprehensive Sign Package - PC and CC Approval	\$ 510.00	Each	\$ 3,900.00	Each	July 1, 2024
Comprehensive Sign Package - Amendment of Planning and Council Approval	\$ 510.00	Each	\$ 3,300.00	Each	July 1, 2024
COMPREHENSIVE SIGN PACKAGE - ADMINISTRATIVE APPROVAL	NA	NA	\$ 1,800.00	Each	July 1, 2024
Sign Permit Renewal	\$ 5.00	Per Permit	\$ 40.00	Per Permit	July 1, 2024
Site Plan and Design Review Application	\$ 2,375.00	Each	\$ 5,600.00	Each	July 1, 2024
SITE PLAN AND DESIGN REVIEW REVISION FEE Site Plan and Design Review Revision Fee or Extension	\$ 50.00	Each	\$ 50.00	Each	July 1, 2024
Site Plan and Design Review Amendment or Extension	\$ 1,187.50	Each	\$ 3,300.00	Each	July 1, 2024
TEMPORARY CERTIFICATE OF OCCUPANCY DEPOSIT	NA	NA	\$ 2,350.00	Each	July 1, 2024
TEMPORARY CERTIFICATE OF OCCUPANCY PROCESSING FEE	NA	NA	\$ 150.00	Each	July 1, 2024
APPLICATION PROCESSING FEE	NA	NA	\$ 100.00	Application/Permit	July 1, 2024
Temporary Trailers - Plan Review	\$ 100.00	Each	\$ 140.00	Each	July 1, 2024
Temporary Trailers - Building Permit	\$ 205.00	Each	\$ 215.00	Each	July 1, 2024
Certificate of Occupancy for Residential	\$ 50.00	Each	\$ 100.00	Each	July 1, 2024
Re-inspection Fees	\$ 100.00	Per Hour	\$ 130.00	Per Hour (minimum 1 hour)	July 1, 2024
CERTIFICATE OF OCCUPANCY FOR COMMERCIAL TENANT IMPROVEMENT					July 1, 2024
Certificate of Occupancy for Commercial Improvement	\$ 50.00	Each	\$ 95.00	Each	July 1, 2024
Certificate of Completion for Commercial Shell Buildings	\$ 100.00	Each	\$ 180.00	Each	July 1, 2024
Request for Certificate of Occupancy for Change of Use Group	\$ 50.00	Each	\$ 145.00	Each	July 1, 2024
Certificate of Occupancy for Commercial Buildings	\$ 100.00	Each	\$ 140.00	Each	July 1, 2024
Building Demolition - Single Family Residence and Other Structures	\$ 100.00	Each	\$ 150.00	Each	July 1, 2024
Electrical Permit	\$ 60.00	Per Permit	\$ 75.00	Per Permit	July 1, 2024
Electrical Permit - Services not over 200 amperes	\$ 60.00	Per Permit	\$ 75.00	Per Permit	July 1, 2024
Electrical Permit - Services over 200 amperes but less than 1000 amperes	\$ 110.00	Per Permit	\$ 120.00	Per Permit	July 1, 2024

EXHIBIT A
City of Avondale
FY2025 Schedule of Proposed Fee Changes

Proposed Fee Name Changes	Current Fee	Current Unit of Measure	Proposed Fee	Proposed Unit of Measure	Effective Date
Electrical Permit Fee - For services over 600 Volts or Over 1000 Amperes in Rating	\$ 205.00	Per Permit	\$ 220.00	Per Permit	July 1, 2024
ELECTRICAL PERMIT FEE - GENERATOR, PER Electrical Permit Fee - Generator, Each	\$ 40.00	Per Permit	\$ 75.00	Per Permit	July 1, 2024
Electrical Permit - Multi Family/Hotels/Motels per Unit	\$ 60.00	Per unit	\$ 75.00	Per unit	July 1, 2024
Mechanical Permit	\$ 60.00	Per Permit	\$ 75.00	Per Permit	July 1, 2024
Mechanical Permit - Residential SFD/Associated Electrical	\$ 60.00	Per Permit	\$ 75.00	Per Permit	July 1, 2024
Mechanical Permit Fee - Non-Residential (with duct work)	\$ 110.00	Per Permit	\$ 125.00	Per Permit	July 1, 2024
Mechanical Permit Fee - Non-Residential (without duct work)	\$ 75.00	Per Permit	\$ 100.00	Per Permit	July 1, 2024
Mechanical Permit - Multi Family/Hotel/Motel per Unit	\$ 60.00	Per Permit	\$ 75.00	Per Permit	July 1, 2024
Plumbing Permit	\$ 60.00	Per Permit	\$ 75.00	Per Permit	July 1, 2024
Plumbing Permit Fee - Miscellaneous - Appliance or Piece of Equipment Regulated by the Plumbing	\$ 40.00	Each	\$ 50.00	Each	July 1, 2024
Plumbing Permit - Multi-Family/Hotel/Motel per Unit	\$ 60.00	Per Permit	\$ 75.00	Per Permit	July 1, 2024
Plumbing Permit - Commercial Industrial	\$ 75.00	Each	\$ 125.00	Each	July 1, 2024
Electrical Permit - Solar	\$ 60.00	Per Permit	\$ 130.00	Per Permit	July 1, 2024
ELECTRICAL PERMIT - DERATE	NA	NA	\$ 165.00	Per Permit	July 1, 2024

Engineering Department					
PAVEMENT CUT POST CONSTRUCTION 0-12 MONTHS	NA	NA	\$ 1,000.00	CUT <9 SQ FT	July 1, 2024
			\$2,200 + \$18 per Sq Yd	BASE FEE + \$18 PER SQ YD	July 1, 2024
PAVEMENT CUT POST CONSTRUCTION 0-12 MONTHS	NA	NA			
PAVEMENT CUT POST CONSTRUCTION 13-24 MONTHS	NA	NA	\$ 750.00	CUT <9 SQ FT	July 1, 2024
			\$1,700 + \$18 per Sq Yd	BASE FEE + \$18 PER SQ YD	July 1, 2024
PAVEMENT CUT POST CONSTRUCTION 13-24 MONTHS	NA	NA			
PAVEMENT CUT POST CONSTRUCTION 25-36 MONTHS	NA	NA	\$ 375.00	CUT <9 SQ FT	July 1, 2024
			\$900 + \$18 per Sq Yd	BASE FEE + \$18 PER SQ YD	July 1, 2024
PAVEMENT CUT POST CONSTRUCTION 25-36 MONTHS	NA	NA			
TELECOM-PLAN REVIEW	NA	NA	\$ 375.00	FIRST REVIEW	July 1, 2024
TELECOM- BORE/SPLICE PIT	NA	NA	\$ 50.00	PER BORE OR SPLICE PIT	July 1, 2024
TELECOM- BORE/SPLICE PIT SOFT LANDSCAPE	NA	NA	\$ 25.00	PER BORE OR SPLICE PIT	July 1, 2024
TELECOM- BORING INSTALL ONLY	NA	NA	\$ 0.75	PER LINEAR FOOT	July 1, 2024
TELECOM-HANDHOLE/VAULT	NA	NA	\$ 50.00	PER HANDHOLE OR VAULT	July 1, 2024
TELECOM- LANDSCAPE (IN RIGHT OF WAY)	NA	NA	\$ 0.75	PER SQUARE YARD	July 1, 2024
TELECOM-POTHOLE-HARD SURFACE	NA	NA	\$ 50.00	PER POTHOLE	July 1, 2024
TELECOM-POTHOLE-SOFT SURFACE	NA	NA	\$ 25.00	PER POTHOLE	July 1, 2024
ENCROACHMENT	NA	NA	\$ 180.00	PER REQUEST	July 1, 2024
TRAFFIC CONTROL PLAN ALLEY RESTRICTION	NA	NA	\$ 75.00	PER DAY	July 1, 2024
TRAFFIC CONTROL PLAN BIKE LANE RESTRICTION	NA	NA	\$ 40.00	PER DAY	July 1, 2024
TRAFFIC CONTROL PLAN HIGH VOLUME ARTERIAL ROAD CLOSURE	NA	NA	\$ 140.00	PER LANE/DAY FOR EVERY 1/2 MILE	July 1, 2024
TRAFFIC CONTROL PLAN LOW VOLUME ARTERIAL CLOSURE	NA	NA	\$ 500.00	PER DAY	July 1, 2024
TRAFFIC CONTROL PLAN NIGHTTIME HIGH VOLUME ARTERIAL AND COLLECTOR CLOSURE (7P-6A)	NA	NA	\$ 75.00	PER LANE/DAY FOR EVERY 1/4 MILE	July 1, 2024
TRAFFIC CONTROL PLAN PENALTIES - PRESENTING IMMINENT RISK OF DEATH OR INJURY TO THE PUBLIC WITHIN PUBLIC RIGHT OF WAY	NA	NA	\$ 1,500.00	PER OCCURRENCE	July 1, 2024

EXHIBIT A
City of Avondale
FY2025 Schedule of Proposed Fee Changes

Proposed Fee Name Changes	Current Fee	Current Unit of Measure	Proposed Fee	Proposed Unit of Measure	Effective Date
TRAFFIC CONTROL PLAN PENALTIES - RESTRICTING TRAFFIC WITHIN 150 FEET OF SIGN. INTERSECTION WITHOUT OFFICER	NA	NA	\$ 750.00	PER PERMIT	July 1, 2024
TRAFFIC CONTROL PLAN PENALTIES - RESTRICTING WITHOUT A VALID PERMIT	NA	NA	\$ 1,000.00	PER OCCURRENCE	July 1, 2024
TRAFFIC CONTROL PLAN SHOULDER EDGELINE	NA	NA	\$ 50.00	PER DAY	July 1, 2024
TRAFFIC CONTROL PLAN SIDEWALK CLOSURE	NA	NA	\$ 30.00	PER DAY	July 1, 2024
TRAFFIC CONTROL PLAN SPECIAL EVENT CLOSURE	NA	NA	\$ 75.00	PER DAY	July 1, 2024
TRAFFIC CONTROL PLAN SURCHARGE FOR LEAVING DEVICES IN RIGHT OF WAY 24 HOURS AFTER APPROVED TRAFFIC CONTROL PLAN EXPIRES	NA	NA	\$ 250.00	PER DAY	July 1, 2024
TRAFFIC CONTROL PLAN SURCHARGE FOR MISSING OR IMPROPER USE OF BARRICADES OR DELINEATION DEVICES AS SHOWN ON APPROVED TRAFFIC CONTROL PLAN	NA	NA	\$ 500.00	PER VIOLATION	July 1, 2024
TRAFFIC CONTROL PLAN SURCHARGE FOR VIOLATING RESTRICTIONS, LIMITS, TIMES AND LOCATIONS OF APPROVED TRAFFIC CONTROL PLAN	NA	NA	\$ 500.00	PER VIOLATION	July 1, 2024
TRAFFIC CONTROL PLAN TRAFFIC CONTROL RE-INSPECTION FEE	NA	NA	\$ 90.00	PER HOUR	July 1, 2024
TRAFFIC CONTROL	NA	NA	\$ 150.00	PER REQUEST	July 1, 2024
SEWER VERIFICATION (EXISTING SEWER CONNECTION AND VERIFICATION FEE)	NA	NA	\$ 125.00	PER INSPECTION	July 1, 2024

Police					
Rush Police Report Printed – Every Page After 20	\$ 0.80	Per page	Remove Fee	Remove Fee	July 1, 2024
Rush Police Report Printed – First 20 Pages	\$ 20.00	Per Report	Remove Fee	Remove Fee	July 1, 2024
Standard Police Reports – First 20 pages	\$ 5.00	Per report	Remove Fee	Remove Fee	July 1, 2024
Standard Police Report Printed – Every Page After 20	\$ 0.20	Per page	Remove Fee	Remove Fee	July 1, 2024
AUDIO IN ANY FORMAT Audio CD or USB	\$ 10.00	Each	\$ 10.00	Each	July 1, 2024
AUDIO RECORDINGS THAT NEED TO BE TRANSCRIBED - MINIMUM OF \$15 Audio recordings that need to be transcribed – Minimum of \$10	\$ 2.00	Per Minute	\$ 3.00	Per Minute	July 1, 2024
TRAFFIC/REDACTED BODY CAMERA VIDEO IN ANY FORMAT Redacted body camera video on CD or USB	\$ 35.00	Per Item	\$ 35.00	Per Item	July 1, 2024
REDACTED PHOTO IN ANY FORMAT Redacted photo on CD or USB	\$ 35.00	Per Item	\$ 35.00	Per Item	July 1, 2024
RUSH POLICE REPORT IN ANY FORMAT Rush Police Report – CD, Email, or USB	\$ 20.00	Per Report	\$ 20.00	Per Report	July 1, 2024
STANDARD POLICE REPORT IN ANY FORMAT Standard Police Report – CD, Email, or USB	\$ 5.00	Per Report	\$ 5.00	Per Report	July 1, 2024
OFF-DUTY VEHICLE USE	NA	NA	\$ 7.00	Per Hour	July 1, 2024

Parks and Recreation					
MEMORIAL BENCH	NA	NA	\$2,000-\$2,500	Per Bench	July 1, 2024

Public Works					
SPECIAL ONE-TIME PICK-UP	NA	NA	\$ 28.00	Per Pickup	July 1, 2024
CONTAINER REPLACEMENT FEE	NA	NA	\$ 83.00	Per Container	July 1, 2024