



City of Avondale

City Council Meeting

Monday, June 2, 2025

Mayor and Council

Mike Pineda, Mayor

Curtis Nielson, Vice Mayor

Tina Conde, Councilmember | Jeannette Garcia, Councilmember

Gloria Solorio, Councilmember | Shari Weise, Councilmember

Max White, Councilmember

Administration

Ron Corbin, City Manager

Tracy Stevens, Assistant City Manager | Katie Gregory, 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 2, 2025

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

Request to Speak: Anyone wishing to address the Council regarding items listed on the agenda or under unscheduled public appearance should submit a Request to Speak online at <http://www.avondaleaz.gov/requesttospeak> prior to consideration of that agenda item.

CITY COUNCIL REGULAR MEETING 5:30 PM

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

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

1. ROLL CALL BY THE CITY CLERK

2. PRESENTATION ITEMS (DISCUSSION ONLY)

a. PROCLAMATION - JUNETEENTH DAY OF OBSERVATION

City Council will present a Proclamation recognizing Juneteenth Day of Observation. 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 19, 2025 City Council meeting minutes. The Council will take appropriate action.

b. SECOND AMENDMENT TO MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF AVONDALE AND AVONDALE PROFESSIONAL FIREFIGHTERS ASSOCIATION LOCAL 3924

City Council will consider a request to amend the Memorandum of Understanding (MOU) between the City of Avondale and Avondale Professional Firefighters Association (APFFA) Local 3924 to incorporate language allowing for represented employees who are at the maximum salary of their respective FY2026 step plan to receive a one-time lump sum payment equal to 2% of their FY2026 step rate (annualized) and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

c. RESOLUTION 1029-0625 - ADOPTION OF THE FISCAL YEAR 2026 PENSION FUNDING POLICY

City Council will consider a request to adopt Resolution 1029-0625, approving an updated Pension Funding Policy for Fiscal Year 2026 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 1030-0625 - DESIGNATION OF CHIEF FISCAL OFFICER FOR THE ANNUAL EXPENDITURE LIMITATION REPORT (AELR)

City Council will consider a request to adopt Resolution 1030-0625, designating Renee Weatherless as the Chief Fiscal Officer for the submittal of the Annual Expenditure Limitation Report and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

e. RESOLUTION 1031-0625 - COMPREHENSIVE FINANCIAL POLICIES

City Council will consider a request to adopt Resolution 1031-0625, 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.

f. ORDINANCE 2022-0625 – ACCEPTING A DONATION OF REAL PROPERTY FOR A PUBLIC SEWER LIFT STATION AT THREE RIVERS RANCH

City Council will consider a request to adopt Ordinance 2022-0625, authorizing the acceptance of real property for a public sewer lift station located generally north of Southern Avenue and west of Dysart Road and 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 AND RESOLUTION 1032-0625 - 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 adopt Resolution 1032-0625, setting forth the City's intent to levy primary property taxes in the amount of \$0.6095 per hundred (\$100) of assessed valuation and secondary property taxes in the amount of \$0.8497 per hundred (\$100) of assessed valuation and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

b. PUBLIC HEARING - FISCAL YEAR 2026 FINAL BUDGET

City Council will hold a public hearing to receive comment on the final budget for fiscal year 2025 - 2026 (FY2026). This item is for discussion only; no action is required.

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

7. ADJOURNMENT

**CITY COUNCIL
SPECIAL MEETING
Convene immediately following the City Council Regular Meeting**

CALL TO ORDER BY MAYOR

- 1. ROLL CALL BY THE CITY CLERK**
 - 2. RESOLUTION 1033-0625 - SETTING FORTH THE FINAL BUDGET FOR FISCAL YEAR 2025-2026**
City Council will consider a request to adopt Resolution 1033-0625, approving the final budget for fiscal year 2025-2026 (FY2026) in the amount of \$486,614,500 and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.
 - 3. ADJOURNMENT**
-

**ALAMAR COMMUNITY FACILITIES DISTRICT BOARD
REGULAR MEETING
Convene immediately following the City Council Special Meeting**

CALL TO ORDER BY DISTRICT CHAIR

- 1. ROLL CALL BY THE DISTRICT CLERK**
 - 2. PUBLIC HEARING - PROPOSED FISCAL YEAR 2026 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 2026 (FY2026). This item is for discussion only; no action is required.
 - 3. ADJOURNMENT**
-

**ALAMAR COMMUNITY FACILITIES DISTRICT BOARD
SPECIAL MEETING
Convene immediately following the Alamar Community Facilities District Board
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 or have been previously studied by the Board at a work session. 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 19, 2025 Alamar Community Facilities District Board meeting minutes. The Board will take appropriate action.

b. CFD RESOLUTION 3-2025 - SETTING FORTH THE FINAL BUDGET FOR FISCAL YEAR 2026

The District Board will consider a request to adopt CFD Resolution 3-2025, approving the final budget for fiscal year 2026 (FY2026) 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 4-2025 - SETTING THE PROPERTY TAX LEVY FOR THE FISCAL YEAR ENDING JUNE 30, 2026

The District Board will consider a request to adopt CFD Resolution 4-2025, 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, 2026 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
SPECIAL MEETING**

AUTHORIZING THE HOLDING OF AN EXECUTIVE SESSION MEETING

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

CALL TO ORDER BY MAYOR

1. ROLL CALL BY THE CITY CLERK

2. ADJOURNMENT INTO EXECUTIVE SESSION

City Council will consider a request to adjourn the Special Meeting and hold an executive session pursuant to: a) Ariz. Rev. Stat. § 38--431.03(A)(1) for discussion of the evaluation and salary of the City Auditor; b) Ariz. Rev. Stat. § 38--431.03(A)(1) for discussion of the evaluation and salary of the City Attorney; and c) Ariz. Rev. Stat. § 38--431.03(A)(1) for discussion of the evaluation and salary of the City Manager.

Councilmembers 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.a.

SUBJECT: PROCLAMATION - JUNETEENTH DAY OF OBSERVATION

MEETING DATE: 6/2/2025

TO: Mayor and Council

FROM: Marcella Sarmiento, City Clerk

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:

- Innovative Program and Service Delivery - Avondale will continue to serve as a model of innovative, efficient, and responsive government.
-

PURPOSE:

City Council will present a Proclamation recognizing Juneteenth Day of Observation. This item is for discussion only.

BACKGROUND:

The City Council will present a Proclamation recognizing Juneteenth Day of Observation.

DISCUSSION:

June 19th was officially declared an Arizona State holiday when Governor Doug Ducey signed HB2226 into law on March 17, 2016, and as a Federal holiday by President Joe Biden on June 18, 2021.

Juneteenth was first recognized by enslaved Black Americans in Galveston, Texas on June 19, 1865, as the date on which word was finally received that they were free from bondage, more than 2 years after President Lincoln signed the Emancipation Proclamation. As those who were formerly enslaved were recognized for the first time as citizens, Black Americans came to commemorate Juneteenth with celebrations across the country, building new lives and a new tradition that we honor today. Juneteenth is a day that should be recognized by all Americans, Arizonans, and Avondale residents as a celebration of freedom.

On Juneteenth, we recommit ourselves to the work of equity, equality, and justice as we celebrate the centuries of struggle, courage, and hope that have brought us to this time of progress and possibility. That work has been led throughout our history by abolitionists and educators, civil rights advocates and lawyers, courageous activists and trade unionists, public officials, and everyday Americans who have helped make real the ideals of our founding documents for all. Recognizing Juneteenth as a holiday in Avondale is one

significant step amongst many in our seventy-five year history which commits the City to eradicate racism.

The City invites the public to attend its upcoming Juneteenth Celebration, taking place on Saturday, June 14, from 6 to 9 p.m. at the Civic Center. This family-friendly event will highlight live music, cultural performances, educational activities, and themed vendors, all in honor of the Juneteenth holiday.

BUDGET IMPACT:

This item does not have a budget impact.

RECOMMENDATION:

This item is for presentation only.

Contact person for document distribution: n/a



JUNETEENTH PROCLAMATION

June 19, 2025

Whereas, on January 1, 1863, President Abraham Lincoln signed the Emancipation Proclamation granting freedom to all those who were enslaved; and

Whereas, the news of freedom did not become an immediate reality for the more than 250,000 enslaved Black people of Texas; and

Whereas, on June 19, 1865, over two years after President Lincoln signed the Emancipation Proclamation, enslaved Americans in Galveston, Texas, finally received word that they were free from bondage; and

Whereas, those who were formerly enslaved were recognized for the first time as citizens, and Black Americans came to commemorate June 19th, as Juneteenth with celebrations across the country, building new lives and a new tradition that we honor today; and

Whereas, on Juneteenth, we recommit ourselves to the work of equity, equality, and justice as we celebrate the centuries of struggle, courage, and hope that have brought us to this time of progress and possibility; and

Whereas, on March 17, 2016, Governor Doug Ducey signed HB2226, sponsored by Representative Reginald Bolding, recognizing June 19th, as Juneteenth Day in Arizona and making Arizona the 45th State to recognize Juneteenth as a State holiday; and

Whereas, Avondale officially recognized June 19th, as the Juneteenth holiday as of February 22, 2022, which represents one significant step amongst many in our 79-year history which commits the City to eradicate racism against the descendants of former enslaved Black Americans of African descent.

NOW, THEREFORE, the Mayor and Council of the City of Avondale, Arizona, do hereby proclaim June 19, 2025, as Juneteenth and encourage all Avondale residents to reflect upon the value of freedom and join in Juneteenth celebrations across the valley.

Mayor

ATTEST:

City Clerk

ITEM NUMBER: 4.a.

SUBJECT: Minutes

MEETING DATE: 6/2/2025

TO: Mayor and Council

FROM: Marcella Sarmiento, City Clerk

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. 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 19, 2025 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 19, 2025 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 19, 2025

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 5:30 p.m.

Mayor Mike Pineda led the Pledge of Allegiance, followed by a moment of silent reflection.

Members Present: Mayor Mike Pineda; Vice Mayor Curtis Nielson; Councilmembers Tina Conde, Jeannette Garcia, Gloria Solorio, and Max White*.

**Councilmember White attended the meeting virtually.*

Members Absent: Councilmember Shari Weise.

Other Municipal Officials Present: Ron Corbin, City Manager; Tracy Stevens, Assistant City Manager; Katie Gregory, Assistant City Manager; Dale Nannenga, Deputy City Manager; Nicholle Harris, City Attorney; Chris Pierson, City Clerk Specialist; Liz Barker Alvarez, Intergovernmental Affairs Administrator; Harold Siguenza, Public Works Assistant Director; Eric Bay, Public Works Assistant Director; Barbara Coppage, City Auditor; Joel Evans, Facilities Director; Craig Jennings, Judge; Corey Larriva, Parks and Recreation Director; Chris Lopez, Neighborhood and Family Services Director; Andy Mesquita, Human Resources Director; Kimberly Moon, Engineering Director; Jodie Novak, Development Services Director; Abril Ruiz-Ortega, Court Administrator; Larry Rooney, Fire Chief; Jeffrey Scheetz, Chief Information Officer; Pier Simeri, Marketing and Public Relations Director; Cheryl Cover, Economic Development Assistant Director; and Renee Weatherless, Finance and Budget Director.

Audience: Approximately 25 members of the public were present.

1. ROLL CALL BY THE CITY CLERK

2. PRESENTATION ITEMS (DISCUSSION ONLY)

a. EMPLOYEE ANNOUNCEMENTS

The following employees were introduced to City Council. This item was for discussion only.

Court

- Gregory Leppert, Court Clerk I
- Joanna Millan-Romero, Court Clerk I

Development Services Department

- Kari Sroufe, Building Permit Tech. II
- Monika Smriti, Senior Planner

Fire & Medical Department

Parks, Recreation, & Libraries Department

- Desirae Gonzalez, Recreation Programmer
- Marissa Dailey, Arts, Culture, & Lib. Mgr.
- Angelica Acero, Recreation Programmer
- Blake Comella, Parks Maintenance Supervisor
- Mariana Manzanarez, Administrative Assistant
- Dani Cornejo, Promotion to Librarian II

Public Works Department

(Newly Certified Paramedics)

- Justin Conn, Firefighter
- Jordan Utti, Firefighter
- Oscar Lopez Coronel, Firefighter
- Brock Jacobo, Firefighter
- Anthony Johnson, Street Maintenance Worker II
- Flavio Alfaro, SCADA Technician
- Ryan Willard, Wastewater Collections Operator
- Douglas Pena, Solid Waste Equipment Operator

b. INDUSTRIAL COMMISSION OF ARIZONA - PUBLIC ENTITY PARTNERSHIP PROGRAM (PEPP) LARGE CITY EMPLOYER RECOGNITION AWARD FOR CITY OF AVONDALE

City Council received an update from staff on the 2025 Industrial Commission of Arizona awards, recognizing Avondale for their industry-leading practices dedicated to workplace safety. This item was for discussion only.

c. PROCLAMATION – NATIONAL PUBLIC WORKS WEEK

City Council presented a proclamation recognizing May 18 through May 24, 2025, as National Public Works Week. This item was for discussion only.

d. CITIZEN’S WATER ACADEMY RECOGNITION

The 2025 Avondale Citizen’s Water Academy graduates will be recognized for completion of the program. This item was for discussion only.

e. READ BETTER BE BETTER - PATHWAY TO CIVIC LEADERSHIP

City Council received a presentation from Read Better Be Better along with high school students of the Pathway to Civic Leadership program. This item was for discussion only.

3. UNSCHEDULED PUBLIC APPEARANCES

None.

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. Councilmembers may pull items from consent if they would like them considered separately.

Mayor Pineda asked if any Councilmember wished to have an item removed from the Consent Agenda. Councilmember Conde requested item 4f be pulled from the consent agenda to be considered separately. Motion was made by Councilmember Conde, seconded by Vice Mayor Nielson, to approve the Consent Agenda with the exception of item 4f.

Upon vote, the motion was carried unanimously 6 to 0.

Councilmember Conde	Aye
Councilmember Garcia	Aye
Councilmember Solorio	Aye
Councilmember White	Aye
Vice Mayor Nielson	Aye
Mayor Pineda	Aye

a. ANNUAL AUDIT PLAN ADOPTION

City Council adopted the Annual Audit Plan and authorized the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

b. RE-APPOINTMENT OF JUDGES PRO TEMPORE

City Council (a) appointed the Honorable Manuel Delgado and the Honorable Maria Brewer as a judge pro tempore for a two-year term to expire on June 1, 2027; (b) re-appointed the four existing judges pro tempore to two-year terms expiring on June 1, 2027; and (c) authorized the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

c. SETTLEMENT AGREEMENT AND PAYMENT FOR THE CLAIM OF KEITHA TUCKER AND ANTOINE HOPE ON BEHALF OF THE ESTATE OF AMARION HOPE

City Council approved the settlement agreement with Keitha Tucker and Antoine Hope for the Estate of Amarion Hope (collectively, the "Plaintiffs") in the amount of \$3,000,000.00 and authorized the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

d. RESOLUTION 1024-0525 - SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT BIOMASS POWER PRODUCTION COST-SHARE AGREEMENT

City Council approved Resolution 1024-0525, authorizing entry into the Salt River Project Agricultural Improvement and Power District Biomass Power Production cost-share agreement, and authorized the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

e. RESOLUTION 1025-0525 - GRANT ACCEPTANCE OF OUT-OF-SCHOOL INITIATIVE GRANT FROM THE NATIONAL PARK AND RECREATION ASSOCIATION

City Council adopted Resolution 1025-0525 authorizing the City of Avondale's acceptance of grant funding through the National Park and Recreation Association in the amount of \$60,000 to the City of Avondale Parks, Recreation and Libraries over the period July 1, 2025, through September 30, 2027, and authorized the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

f. RESOLUTION 1026-0525 - AMENDMENT NO. 2 TO THE INTERGOVERNMENTAL AGREEMENT WITH MARICOPA COUNTY HUMAN SERVICES DEPARTMENT - EXPANSION OF HOMELESS SERVICES

This item was pulled from the consent agenda for further discussion. Item is listed below in more detail.

g. RESOLUTION 1027-0525 AND RESOLUTION 1028-0525 - MAINTENANCE IMPROVEMENT DISTRICT NO. 44 FOR ENTRADA PHASE 3

City Council (a) approved the Petition for Formation; (b) adopted Resolution 1027-0519 declaring its intention to form the City of Avondale Maintenance Improvement

District No. 44, Entrada Phase 3, providing for the assessment; (c) adopted Resolution 1028-0519, declaring its intention to order the improvements within the newly established maintenance improvement district, providing for the assessment and declaring an emergency; and (d) authorized the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

h. ORDINANCE 2021-0519 – ACCEPTANCE OF A PUBLIC UTILITY EASEMENT FROM D.R. HORTON, INC.

City Council adopted Ordinance 2021-0519, authorizing the acceptance of a Public Utility Easement from D.R. Horton, Inc., and authorized the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

i. MINUTES

City Council approved the May 5, 2025 City Council meeting minutes.

NOTE FROM THE CITY CLERK: THE FOLLOWING ITEM WAS PULLED FROM THE CONSENT AGENDA TO BE VOTED ON SEPARATELY.

f. RESOLUTION 1026-0525 - AMENDMENT NO. 2 TO THE INTERGOVERNMENTAL AGREEMENT WITH MARICOPA COUNTY HUMAN SERVICES DEPARTMENT - EXPANSION OF HOMELESS SERVICES

City Council considered a request to adopt Resolution 1026-0525, approving Amendment No. 2 to the Intergovernmental Agreement with the Maricopa County Human Services Department for a grant in the amount of \$262,500 for the expansion of homeless services in Avondale and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

Chris Lopez, Director of the Neighborhood & Family Services Department, provided background and context regarding the recent changes to the I-HELP program. Lutheran Social Services (LSS) notified all funders and partners that it would discontinue all I-HELP services valley-wide, effective April 1, 2025, due to significant disruptions in funding streams.

Following LSS's announcement, the City's Homeless Services Division and SONAR collaborated with LSS to find alternative shelter options for the individuals affected. As a result, eight of the twelve individuals enrolled in the program were successfully placed in alternative shelters, while four individuals chose to remain with I-HELP.

After LSS discontinued operations, the I-HELP program was operated independently by local churches; however, the program was eventually paused due to a decrease in participating church partners and a need to generate funding to sustain services.

Throughout this transition, the department continued to help by shadowing the process, offering support, and providing recommendations as needed. Mr. Lopez emphasized that while the I-HELP program had been a valuable resource in the community, the department has access to a broad network of partners and resources to address homelessness and family support.

As part of the response to the transition, the residual funding that was initially designated for I-HELP will now be reallocated to A New Leaf through a second amendment. A New Leaf is a trusted partner that provides essential services such as support for family stability, case management, and other resources to ensure families remain sheltered. Mr. Lopez stated that the tentative restart date for the I-HELP program is September 1, 2025.

Mr. Lopez also provided an update on the City's heat relief efforts. Beginning May 31, 2025, the Avondale Police Department will launch a non-emergency phone line to assist residents in need of heat relief or transportation to local cooling centers. Currently, The Salvation Army continues to operate as a designated heat relief site, and Avondale Baptist Church is in the process of being onboarded as an additional site. The total number of heat relief locations in the community will be three. Mr. Lopez reminded the Council that the department continues to offer other vital support services, including the Community Action Program, Crisis Assistance Funding, and the Portable A/C Loan Program.

Mayor Pineda shared a recent experience in which a resident contacted him during a crisis regarding a water bill and the potential shutoff of water service, and the Neighborhood and Family Services Department assisted the resident. Mayor Pineda expressed appreciation to Mr. Lopez, the department staff, and all provider partners.

Councilmember Conde spoke about the importance of relaunching the I-HELP program and emphasized the need for additional church partners to support its operations. She encouraged anyone with a church who is interested in participating to contact Pastor Jack at Avondale Baptist Church. Councilmember Conde also expressed her gratitude for the City's proactive heat relief efforts, particularly as the summer season approaches.

Councilmember Solorio moved to adopt Resolution 1026-0525, approving Amendment No. 2 to the Intergovernmental Agreement with the Maricopa County Human Services Department for a grant in the amount of \$262,500 for the expansion of homeless services in Avondale and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents; Vice Mayor Nielson seconded the motion.

Upon vote, the motion was carried unanimously 5 to 1.

Councilmember Conde	Aye
Councilmember Garcia	No
Councilmember Solorio	Aye
Councilmember White	Aye
Vice Mayor Nielson	Aye
Mayor Pineda	Aye

5. SUMMARY OF CURRENT EVENTS FROM MAYOR, VICE MAYOR, AND COUNCILMEMBERS

Councilmember Garcia attended the Colados & Conversations meeting with the Police and Fire & Medical Departments, which was an event held during National Police Week. Additionally, she attended the Mother's Day Event held at the Avondale Resource Center which was an event hosted by the Senior Services Division.

Mayor Pineda congratulated the owners of Paloma Mexican Street Food who were recognized by the West Valley Regional Chamber. Additionally, he thanked staff for the recent driving tour opportunity, highlighting future projects and areas in need.

Councilmember White thanked staff for supporting her participation in Leadership West. She noted she attended the grand re-opening of Silver Birch with Councilmembers Garcia and Conde. Lastly, she noted she attended the City of Goodyear's groundbreaking ceremony for the future Buc-ee's travel center as well as the City of Goodyear's ribbon cutting ceremony for Dave's Hot Chicken.

6. ADJOURNMENT

There being no further business before the Council, Councilmember Conde moved to adjourn the Regular Meeting; Councilmember Solorio seconded the motion.

Upon vote, the motion was carried unanimously 6 to 0.

Councilmember Conde	Aye
Councilmember Garcia	Aye
Councilmember Solorio	Aye
Councilmember White	Aye
Vice Mayor Nielson	Aye
Mayor Pineda	Aye

The meeting was adjourned at 6:37 p.m.

Mike Pineda, 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 19th day of May 2025. 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: Second Amendment to Memorandum of Understanding Between the City of Avondale and Avondale Professional Firefighters Association Local 3924

MEETING DATE: 6/2/2025

TO: Mayor and Council

FROM: Andy Mesquita, Human Resources 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 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 amend the Memorandum of Understanding (MOU) between the City of Avondale and Avondale Professional Firefighters Association (APFFA) Local 3924 to incorporate language allowing for represented employees who are at the maximum salary of their respective FY2026 step plan to receive a one-time lump sum payment equal to 2% of their FY2026 step rate (annualized) 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 of Avondale will be providing employees with a 3% Cost-of-Living Adjustment (COLA) and up to a 2% merit increase in FY2026. Employees who reach the maximum of their respective salary range before realizing the full 2% merit increase will receive the remainder of the merit increase as a one-time lump sum payment (annualized). The City of Avondale intends to provide police officers and sergeants who are at the maximum salary of their respective FY2026 step plan to receive a one-time lump sum payment equal to 2% of their FY2026 step rate (annualized).

DISCUSSION:

In order to ensure that represented employees in the Fire & Medical Department are treated consistently with other employees, an amendment to the current MOU is necessary to memorialize the ability to provide a one-time lump sum payment in FY2026 for employees who are at the maximum salary of their respective FY2026 step plan.

BUDGET IMPACT:

The cost associated with this item has been factored into the FY2026 final budget.

RECOMMENDATION:

Staff recommends City Council amend the Memorandum of Understanding (MOU) between the City of Avondale and Avondale Professional Firefighters Association (APFFA) Local 3924 and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

Contact person for document distribution: Andrew Mesquita

**SECOND AMENDMENT
TO
MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF AVONDALE
AND
AVONDALE PROFESSIONAL FIREFIGHTERS ASSOCIATION
LOCAL 3924
(July 2024 through June 2026)**

THIS SECOND AMENDMENT TO THE JULY 2024 TO JUNE 2026 MEMORANDUM OF UNDERSTANDING (this “Second Amendment”) is entered into as of July 1, 2025, between the City of Avondale, an Arizona municipal corporation (the “City”), and the Avondale Professional Firefighters Association, International Association of Fire Fighters, Local 3924 (the “Association” or “Employee Organization”).

RECITALS

A. The City and the Employee Organization entered into the July 2024 to June 2026 Memorandum of Understanding (“MOU”), setting out the parties’ agreement concerning wages, hours, and benefits of certain employees in the positions of Firefighter, Fire Engineer, and Fire Captain (the “Represented Employees”). All capitalized terms not otherwise defined in this Second Amendment have the same meaning as contained in the MOU.

B. The MOU Article 4 (Employee Compensation & Hours of Work), Section 4.10 (Market Analysis Article and Resemblance Pay) outlines future of Cost of Living Adjustments (COLA) and Merit Increases. Section 4.10 states “[m]embers who are topped out in their rank will only be eligible for the 3% COLA” increase.

C. Since the approval of the MOU, the City Manager’s Fiscal Year 2025-2026 budget provides that members topped out in their rank, if eligible, may receive the 3% COLA increase and a one-time 2% merit increase to be paid in a one-time lump sum payment.

D. The City and the Employee Organization desire to enter into this Second Amendment to the MOU to modify Section 4.10 of the MOU to reflect the additional one-time 2% merit increase to be paid in a one-time lump sum payment as allocated in the City Manager’s Fiscal Year 2025-2026 Approved Budget.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Employee Organization hereby agree as follows:

1. The MOU Article 4 (Employee Compensation & Hours of Work), Section 4.10 (Market Analysis Article and Resemblance Pay) subsection A is deleted in its entirety and replaced with following language which shall read as the following:

Section 4.10 Market Analysis Article and Resemblance Pay

A. Compensation

1. The City of Avondale will provide Members with a 3% Cost of Living Adjustment (COLA) and a one step merit increase for Fiscal Year 2026.
2. Members who are topped out in their rank will be eligible for the 3% COLA adjustment and a one-time 2% merit increase to be paid in a one-time lump sum payment.
3. If the City of Avondale provides a COLA to all non-represented employees that is greater than 3%, the City of Avondale agrees to provide Members with a COLA equal to the higher percentage.
2. Effect of Amendment. In all other respects, the MOU is affirmed and ratified and, except as expressly modified herein, all terms and conditions of the MOU shall remain in full force and effect.
3. Effective Date of Amendment. This Amendment is effective as of July 1, 2025.
4. Non-Default. By executing this Second Amendment, the Employee Organization affirmatively asserts that (i) the City is not currently in default, nor has been in default at any time prior to this Second Amendment, under any of the terms or conditions of the MOU and (ii) any and all claims, known and unknown, relating to the MOU and existing on or before the date of this Second Amendment are forever waived.
5. Conflict of Interest. This Second Amendment and the MOU may be canceled by the City pursuant to ARIZ. REV. STAT. § 38-511.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Second Amendment as of the date and year first set forth above.

CITY OF AVONDALE,
An Arizona municipal corporation

AVONDALE PROFESSIONAL
FIREFIGHTERS ASSOCIATION,
IAFF LOCAL 3924

Ron Corbin, City Manager

Ryan Tussing, President

ATTEST:

Marcella Sarmiento, City Clerk

ITEM NUMBER: 4.c.

SUBJECT: Resolution 1029-0625 - Adoption of the Fiscal Year 2026 Pension Funding Policy

MEETING DATE: 6/2/2025

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 1029-0625, approving an updated Pension Funding Policy for Fiscal Year 2026 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, amending Arizona Revised Statutes 38-846.01, 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 FY2026 updates the city plans' assets, liabilities and funded status percentages recently provided by the PSPRS' actuarial firm for FY2024. 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 FY2024. The required contribution for FY2026 is \$5,243,556, and the city is planning to contribute \$9,350,800. 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.

BUDGET IMPACT:

There is no budgetary impact associated with this action. The City's required contributions to PSPRS are included in the FY2026 proposed budget.

RECOMMENDATION:

Staff recommends Council adopt the updated Pension Funding Policy for FY2026.

Contact person for document distribution: Aaron White

RESOLUTION NO. 1029-0625

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, ADOPTING THE PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM PENSION FUNDING POLICY AND FORMALLY ACCEPTING THE EMPLOYER'S SHARE OF THE ASSETS AND LIABILITIES UNDER THE SYSTEM, BASED ON THE SYSTEM'S ACTUARIAL VALUATION REPORT.

WHEREAS, ARIZ. REV. STAT. § 38-863.01 requires the governing bodies of all Public Safety Personnel Retirement System (PSPRS) employers to adopt a pension funding policy and formally accept their share of the assets and liabilities based on the PSPRS actuarial valuation report annually; and

WHEREAS, the City of Avondale desires to adopt a PSPRS pension funding policy to clearly communicate the Council's pension funding objectives and its commitment to City employees and the sound financial management of the City and to comply with the statutory requirements contained in ARIZ. REV. STAT. § 38-863.01.

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. To meet the Arizona statutory requirements contained in ARIZ. REV. STAT. § 38-863.01, the City of Avondale hereby adopts the PSPRS Pension Funding Policy (the "Policy") attached hereto as Exhibit A and incorporated herein by this reference and hereby accepts, as set forth in the Policy, the City's share of the assets and liabilities based on the PSPRS actuarial valuation report.

SECTION 3. 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 2, 2025.

Mike Pineda, Mayor

ATTEST:

Marcella Sarmiento, City Clerk

APPROVED AS TO FORM:

Nicholle Harris, City Attorney

EXHIBIT A
TO
RESOLUTION NO. 1029-0625

[Public Safety Retirement System Pension Funding Policy]

See following pages.

City of Avondale

Public Safety Personnel Retirement System

FY2026 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 a percentage of the current payroll. It 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. According to PSPRS policy, gains and losses for Tiers 1 & 2 for both PSPRS and CORP beginning with 6/30/2020 actuarial valuation will be amortized as a new layer over the same amortization period as the regular unfunded liability to a minimum of 15 years.

Starting in fiscal year 2022, each year's gains and losses will be amortized as a new layer amortized over 15 years.

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 commingle 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 into 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 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, 2024 actuarial valuation, which are detailed below.

Trust Fund	Assets	Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio
Avondale Police	\$59,535,974	\$83,961,804	\$24,425,830	70.9%
Avondale Fire	\$47,016,202	\$61,023,001	\$14,006,799	77.0%
Detention CORP	\$3,176,930	\$3,760,531	\$583,601	84.5%
City of Avondale Totals	\$109,729,106	\$148,745,336	\$39,016,230	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 underfunded, but the funded ratio has been increasing over the last several years. Fully funding the ARC allows the City to maintain stable contribution rates while progressing towards 100% funding.

The Council's PSPRS funding ratio goal is 100% (fully funded) by fully funding the ACR each year and making additional contributions as outlined below.

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.

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 FY2026 is

\$5,243,556 and will be able to be paid from operating funds without diminishing City services.

- The ARC payments include a 15-year amortization schedule of unfunded liabilities accrued in any given year.

Additional payments above the ARC

- **Prepay the employer ARC within the first 90 days of the fiscal year** – Pre-funding the full city contribution has an immediate impact on long-term funding due to the increased investment returns applied directly to the City's PSPRS trust accounts.
- **Pay the budgeted employer contribution** – 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.

FY2026 Budgeted Employer Contributions	
Plan	
Avondale Police	\$ 5,652,300
Avondale Fire	\$ 3,549,400
Detention CORP	\$ 149,100
City of Avondale Totals	\$ 9,350,800

- **Additional contributions** – 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 pension contributions in excess of budgeted per employee amount. This contribution may include the utilization of a portion of vacancy salary savings accrued during the fiscal year.

ITEM NUMBER: 4.d.

SUBJECT: Resolution 1030-0625 - Designation of Chief Fiscal Officer for the Annual Expenditure Limitation Report (AELR)

MEETING DATE: 6/2/2025

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 1030-0625, designating Renee Weatherless as the Chief Fiscal Officer for the submittal of the Annual Expenditure Limitation Report 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.

RESOLUTION NO. 1030-0625

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, DESIGNATING THE CHIEF FISCAL OFFICER FOR OFFICIALLY SUBMITTING THE FISCAL YEAR 2026 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 2026 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 2, 2025.

Mike Pineda, Mayor

ATTEST:

Marcella Sarmiento, City Clerk

REVIEWED BY:

Ron Corbin, City Manager

APPROVED AS TO FORM:

Nicholle Harris, City Attorney

ITEM NUMBER: 4.e.

SUBJECT: Resolution 1031-0625 - Comprehensive Financial Policies

MEETING DATE: 6/2/2025

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 1031-0625, 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 practices, staff review the policies annually and recommend revisions. These policies were last adopted formally by City Council on June 3, 2024.

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:

- Allow a temporary overlap when filling critical positions
- Enhance the debt management policy to conform with best practices
- Delegates authority to transfer realized vacancy savings for employee payouts
- Reformat the investment policy to match the other financial policies

- Included a Table of Contents for easier document navigation

The proposed Financial Policies are included as an exhibit to the resolution.

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: Renee Weatherless

City of Avondale Comprehensive Financial Policies
Amended June 2, 2025

Contents

Introduction 1

Fiscal Planning..... 1

Fund Balance and Reserves 2

Revenues, Collections and Fees 4

Expenditure and Budget Control 4

Capital Planning and Asset Management 7

Capital Assets 8

Debt Management..... 9

Accounting, Auditing, and Reporting.....10

Enterprise and Internal Service Funds.....10

Accounting Principles and Budget11

Investment Policy12

Changes to Financial Policies.....19

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 recover a portion of 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 annually and may be adopted or amended by Council in accordance with Arizona Revised Statutes (A.R.S.) §9-499.15.

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 out specific activities or attaining certain objectives in accordance to special regulations, restrictions, or limitations. Staff may add additional administrative funds for tracking 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. Seasonal, temporary, or positions with irregular hours may be 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.

To ensure continuity of operations, the City Manager and Human Resources Director may authorize departments to temporarily exceed budgeted staffing levels to fill critical positions when the current incumbent in a critical position has formally announced their retirement. This temporary overlap is intended to provide adequate time for training and knowledge transfer.

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.

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 directors 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 will 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.

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 formally 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. Finance and Budget staff may transfer realized vacancy savings from the non-departmental budget to department budgets to cover budget overages caused by vacation payouts, separation payouts, and other payouts.
- Department directors 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 and procedures 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. Grant opportunities will be reviewed and approved by the Finance & Budget Department Director or their designee prior to the creation of the grant 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 shall cover a planning period of 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. The proceeds from General Obligation, Excise, and Utility Revenue bonds may be used as a funding source for the capital improvement plan. The City shall not use derivatives for debt management.

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, within the limits established in Article 9, Section 8 of the Arizona Constitution, 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. Bonds which pledge water, sewer, or solid waste revenue will be issued only when minimum fund reserves are projected to be maintained. 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.

Debt shall be structured to provide a stable property tax rate and must abide by Arizona Revised Statute Title 35, Chapter 3 and the authorizing documents.

The City shall contract with a municipal advisor professional registered with the Municipal Securities Rulemaking Board and bond counsel to assist with the issuance of debt. In consultation with the financial advisor, the Finance and Budget Department Director or their designee will determine the method of sale most advantageous to the City for the specific debt issuance, including competitive,

negotiated, private placement, or bank loan. The financial advisor shall provide bond pricing services or market indices to evaluate final bond pricing. The City will endeavor to obtain the best bond pricing through the use of credit rating agencies or the acquisition of bond insurance. The financial advisor shall assist with obtaining the best pricing, including determining the number of ratings, the selection of rating services, the selection of bond insurance providers, and the selection of underwriters.

The Finance and Budget Department Director shall have written documentation related to the investment of bond proceeds, continuing disclosure procedures, tax law compliance monitoring, arbitrage rebate monitoring, federal and state law compliance practices, and ongoing investor relations efforts.

Debt service shall be included in all budgets and long-term financial plans to ensure adequate resources are available to make payments on time. The City shall utilize a bond paying agent to distribute interest and principal payments to bondholders.

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, and 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.

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 and reporting fund balances for budgeting purposes. 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.
- Changes in the fair value of investments are treated as adjustments to revenue on a GAAP basis only.
- Leases receivable is recorded on a GAAP basis only.
- Cash from interfund loans are reported as fund balance for budgeting purposes but the associated asset and liability are not reported for budgeting purposes.

Investment Policy

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.

This policy is designed to apply to the investment program of the City.

- The City will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies regarding investment management pricing, safekeeping costs and administration costs. Cash in certain restricted and/or trust funds

with investment restrictions may be kept separate.

- Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.
- 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.) may be deposited into a separate account and invested in a manner that meets arbitrage guidelines permitted by the IRS.

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.

The Standards of Care for the City are:

- 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.
- 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.

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

- The advisor(s) shall comply with this Policy and other written instructions provided by the Finance and Budget Director.
- The Finance and Budget Director will be responsible for:

1. Periodic investment portfolio reporting;
2. Evaluating the performance of the externally managed portfolio;
3. Monitoring manager compliance with the investment policy;
4. Conveying the investment needs of the City to the external manager/Investment Advisor(s);
5. Developing investment strategy with the external manager and/or Investment Advisor(s).

A list will be maintained of financial institutions and depositories authorized to provide investment services.

All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines.
- Proof of Financial Industry Regulatory Authority (FINRA) certification (not applicable to Certificate of Deposit counterparties).
- Proof of state registration.
- Completed broker/dealer questionnaire (not applicable to Certificate of Deposit counterparties).
- Certification of having read and understood and agreeing to comply with the City's investment policy.
- Evidence of adequate insurance coverage.

An annual review of the financial condition and registration of all qualified financial institutions and broker/dealers will be conducted by the Finance and Budget Department.

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.

The following standards related to Safekeeping and Custody shall be followed:

- All security transactions entered into by the City shall be conducted on a delivery versus payment basis.
- Securities shall be held by a custodian designated by the City and evidenced by custodial reports.
- Securities will be held by an independent third-party custodian selected by the entity as with all securities held in the City's name.
- 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).

The City shall establish written internal controls to regulate the activities of investment personnel, which shall include:

- Control of Collusion: Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
- Segregation of duties: By separating the person who authorizes or performs the transaction, a good separation of duties is achieved.

- Custodial Safekeeping: Securities purchased from any bank or dealer, including appropriate collateral, shall be placed into an independent third-party institution for custodial safekeeping.
- 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.
- 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.
- 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.
- 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.
- Authorization representing the government shall be in compliance with the policy for all transfers.
- 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.)
- Insurance may be secured at appropriate levels to bond employees charged with investment and cash handling responsibilities.

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.

Unless part of the above lists of permitted investments, all other investments instruments are hereby prohibited from consideration.

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 Investment

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%

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.

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 to control risk. The Finance and Budget Director will display prudence in the selection of securities 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 and Budget Director shall review, and if appropriate, proceed to liquidate securities having comparable risks.

The Finance & Budget Director shall periodically adjust guidelines and strategies to control risks of default, market price changes and illiquidity.

It is the policy of the City to diversify its investment portfolio.

- 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.
- Diversification strategies shall be periodically reviewed by the Investment Advisory Committee.

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.

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.

Maturity decisions will be made based on a variety of factors, including the following:

- Internal factors, such as cash flow projections, debt service, potential CIP outlays, etc.
- The yield curve at various maturity sectors of the market.
- Federal Reserve Bank policy and the financing plans of the U.S. Treasury and Agencies.

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.

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.

A report containing balance and yield information 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.

The following reports related to third party managed investment securities will be provided to the Finance & Budget Director.

- 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.
- Quarterly
 1. Monthly average rate of return on the portfolio.
 2. Average days to maturity.
 3. Monthly portfolio composition.

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

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 2, 2025	• Allow a temporary overlap when filling critical positions • Enhance the debt management policy to conform with best practices • Delegates authority to transfer realized vacancy savings for employee payouts • Reformat the investment policy to match the other financial policies • Included a Table of Contents for easier document navigation
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

RESOLUTION NO. 1031-0625

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, AMENDING THE CITY OF AVONDALE COMPREHENSIVE FINANCIAL POLICIES.

WHEREAS, on June 3, 2024, by Resolution No. 1053-0624, the Council of the 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 2, 2025, 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 2, 2025.

Mike Pineda, Mayor

ATTEST:

Marcella Sarmiento, City Clerk

APPROVED AS TO FORM:

Nicholle Harris, City Attorney

EXHIBIT A
TO
RESOLUTION NO. 1031-0625

[City of Avondale Comprehensive Financial Policies, Amended June 2, 2025]

See following pages.

City of Avondale Comprehensive Financial Policies
Amended, June 2, 2025

Contents

Introduction 1

Fiscal Planning..... 1

Fund Balance and Reserves..... 2

Revenues, Collections and Fees..... 4

Expenditure and Budget Control..... 5

Capital Planning and Asset Management..... 8

Capital Assets..... 9

Debt Management10

Accounting, Auditing, and Reporting.....11

Enterprise and Internal Service Funds.....12

Accounting Principles and Budget13

Investment Policy.....14

Changes to Financial Policies21

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 recover a portion of 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 annually and may be adopted or amended by Council in accordance with Arizona Revised Statutes (A.R.S.) §9-499.15.

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 out specific activities or attaining certain objectives in accordance to special regulations, restrictions, or limitations. Staff may add additional administrative funds for tracking 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. Seasonal, temporary, or positions with irregular hours may be 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.

To ensure continuity of operations, the City Manager and Human Resources Director may authorize departments to temporarily exceed budgeted staffing levels to fill critical positions when the current incumbent in a critical position has formally announced their retirement. This temporary overlap is intended to provide adequate time for training and knowledge transfer

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.

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 directors 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 will 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.

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 formally 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. Finance and Budget staff may transfer realized vacancy savings from the non-departmental budget to department budgets to cover budget overages caused by vacation payouts, separation payouts, and other payouts.

- Department directors 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 and procedures 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. Grant opportunities will be reviewed and approved by the Finance & Budget Department Director or their designee prior to the creation of the grant 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 shall cover a planning period of 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. The proceeds from General Obligation, Excise, and Utility Revenue bonds may be used as a funding source for the capital improvement plan. The City shall not use derivatives for debt management.

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, within the limits established in Article 9, Section 8 of the Arizona Constitution, 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. Bonds which pledge water, sewer,

or solid waste revenue will be issued only when minimum fund reserves are projected to be maintained. 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.

Debt shall be structured to provide a stable property tax rate and must abide by Arizona Revised Statute Title 35, Chapter 3 and the authorizing documents.

The City shall contract with a municipal advisor professional registered with the Municipal Securities Rulemaking Board and bond counsel to assist with the issuance of debt. In consultation with the financial advisor, the Finance and Budget Department Director or their designee will determine the method of sale most advantageous to the City for the specific debt issuance, including competitive, negotiated, private placement, or bank loan. The financial advisor shall provide bond pricing services or market indices to evaluate final bond pricing. The City will endeavor to obtain the best bond pricing through the use of credit rating agencies or the acquisition of bond insurance. The financial advisor shall assist with obtaining the best pricing, including determining the number of ratings, the selection of rating services, the selection of bond insurance providers, and the selection of underwriters.

The Finance and Budget Department Director shall have written documentation related to the investment of bond proceeds, continuing disclosure procedures, tax law compliance monitoring, arbitrage rebate monitoring, federal and state law compliance practices, and ongoing investor relations efforts.

Debt service shall be included in all budgets and long-term financial plans to ensure adequate resources are available to make payments on time. The City shall utilize a bond paying agent to distribute interest and principal payments to bondholders.

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, and 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.

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 and reporting fund balances for budgeting purposes. 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.
- Changes in the fair value of investments are treated as adjustments to revenue on a GAAP basis only.
- Leases receivable is recorded on a GAAP basis only.
- Cash from interfund loans are reported as fund balance for budgeting purposes but the associated asset and liability are not reported for budgeting purposes.

Investment Policy

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.

This policy is designed to apply to the investment program of the City.

- The City will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies regarding investment management pricing, safekeeping costs and administration costs. Cash in certain restricted and/or trust funds with investment restrictions may be kept separate.
- Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.
- 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.) may be deposited into a separate account and invested in a manner that meets arbitrage guidelines permitted by the IRS.

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.

The Standards of Care for the City are:

- 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.
- 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.

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

- The advisor(s) shall comply with this Policy and other written instructions provided by the Finance and Budget Director.
- The Finance and Budget Director will be responsible for:
 1. Periodic investment portfolio reporting;
 2. Evaluating the performance of the externally managed portfolio;
 3. Monitoring manager compliance with the investment policy;
 4. Conveying the investment needs of the City to the external manager/Investment Advisor(s);
 5. Developing investment strategy with the external manager and/or Investment Advisor(s).

A list will be maintained of financial institutions and depositories authorized to provide

investment services.

All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines.
- Proof of Financial Industry Regulatory Authority (FINRA) certification (not applicable to Certificate of Deposit counterparties).
- Proof of state registration.
- Completed broker/dealer questionnaire (not applicable to Certificate of Deposit counterparties).
- Certification of having read and understood and agreeing to comply with the City's investment policy.
- Evidence of adequate insurance coverage.

An annual review of the financial condition and registration of all qualified financial institutions and broker/dealers will be conducted by the Finance and Budget Department.

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.

The following standards related to Safekeeping and Custody shall be followed:

- All security transactions entered into by the City shall be conducted on a delivery versus payment basis.
- Securities shall be held by a custodian designated by the City and evidenced by custodial reports.
- Securities will be held by an independent third-party custodian selected by the entity as with all securities held in the City's name.
- 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).

The City shall establish written internal controls to regulate the activities of investment personnel, which shall include:

- Control of Collusion: Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
- Segregation of duties: By separating the person who authorizes or performs the transaction, a good separation of duties is achieved.
- Custodial Safekeeping: Securities purchased from any bank or dealer, including appropriate collateral, shall be placed into an independent third-party institution for custodial safekeeping.
- 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.

- 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.
- 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.
- 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.
- Authorization representing the government shall be in compliance with the policy for all transfers.
- 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.)
- Insurance may be secured at appropriate levels to bond employees charged with investment and cash handling responsibilities.

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.

Unless part of the above lists of permitted investments, all other investments instruments are hereby prohibited from consideration.

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 Investment

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%

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.

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 to control risk. The Finance and Budget Director will display prudence in the selection of securities 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 and Budget Director shall review, and if appropriate, proceed to liquidate securities having comparable risks.

The Finance & Budget Director shall periodically adjust guidelines and strategies to control risks of default, market price changes and illiquidity.

It is the policy of the City to diversify its investment portfolio.

- 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.
- Diversification strategies shall be periodically reviewed by the Investment Advisory Committee.

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.

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.

Maturity decisions will be made based on a variety of factors, including the following:

- Internal factors, such as cash flow projections, debt service, potential CIP outlays, etc.
- The yield curve at various maturity sectors of the market.
- Federal Reserve Bank policy and the financing plans of the U.S. Treasury and Agencies.

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.

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.

A report containing balance and yield information 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.

The following reports related to third party managed investment securities will be provided to the Finance & Budget Director.

- 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.
- Quarterly
 1. Monthly average rate of return on the portfolio.
 2. Average days to maturity.
 3. Monthly portfolio composition.

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

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 2, 2025	• Allow a temporary overlap when filling critical positions • Enhance the debt management policy to conform with best practices • Delegates authority to transfer realized vacancy savings for employee payouts • Reformat the investment policy to match the other financial policies • Included a Table of Contents for easier document navigation
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.f.

SUBJECT: Ordinance 2022-0625 – Accepting a Donation of Real Property for a Public Sewer Lift Station at Three Rivers Ranch

MEETING DATE: 6/2/2025

TO: Mayor and Council

FROM: Kimberly Moon, Director, Engineering Department

THROUGH: Katie Gregory, Assistant City Manager, (623) 333-1015

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 adopt Ordinance 2022-0625, authorizing the acceptance of real property for a public sewer lift station located generally north of Southern Avenue and west of Dysart Road 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 Council approved the master plat for Three Rivers Ranch on May 20, 2024, and recorded in Book of Maps 1802, Page 46 of the Maricopa County Recorder's Office. The master plat established the boundaries for Parcels 1 through 7. The final plats for Parcels 1 through 5 were approved by City Council on June 17, 2024.

DISCUSSION:

Three Rivers Ranch Parcels 4 and 5 will require the construction of a public sewer lift station to allow for the development of 107 and 89 single-family residential lots, respectively. The City will accept the donation of 3,240 square feet (0.074 acres) of real property located generally north of Southern Avenue and west of Dysart Road. The Three Rivers Ranch developer will construct the sewer lift station and the City will operate and maintain it upon acceptance of the lift station by the City Engineer.

BUDGET IMPACT:

There is no impact to the budget for this action.

RECOMMENDATION:

Staff recommends City Council adopt an Ordinance authorizing the acceptance of real property for a public sewer lift station located generally north of Southern Avenue and west of Dysart Road and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

Contact person for document distribution: Yulonda Moore, Terry Dorschied

VICINITY MAP



Proposed Lift Station

PROPOSED LIFT STATION



ORDINANCE NO. 2022-0625

AN ORDINANCE OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, ACCEPTING THE DONATION OF REAL PROPERTY FROM THREE RIVERS RANCH LLC FOR PUBLIC USE AS A LIFT STATION RELATED TO THE THREE RIVERS RANCH DEVELOPMENT.

WHEREAS, Article I, Section 3 of the Avondale City Charter authorizes the City of Avondale (the “City”) to acquire real property in fee simple or any lesser interest, inside or outside its corporate limits for any City purpose, when the public convenience requires it and in accordance with the provisions of State law; and

WHEREAS, the City Council desires to accept, from Three Rivers Ranch LLC, the donation of real property for public use as a lift station related to the Three Rivers Ranch development, generally located north of West Southern Avenue and west of South Dysart Road in Avondale, Arizona.

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 donation of ± 0.074 acres of real property, generally located north of West Southern Avenue and west of South Dysart Road in Avondale, Arizona, as more particularly described and depicted on Exhibit A, attached hereto and incorporated herein by reference, is hereby accepted by the City from Three Rivers Ranch LLC for public use as a lift station related to the Three Rivers Ranch development.

SECTION 3. The Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to take all steps and to 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 2, 2025.

Mike Pineda, Mayor

ATTEST:

Marcella Sarmiento, City Clerk

APPROVED AS TO FORM:

Nicholle Harris, City Attorney

EXHIBIT A
TO
ORDINANCE NO. 2022-0625

[Legal Description and Map]

See following pages.

LEGAL DESCRIPTION

A PORTION OF THE MASTER PLAT OF "THREE RIVERS RANCH" RECORDED IN BOOK 1802 OF MAPS, PAGE 46 LOCATED IN NORTH HALF OF SECTION 27, TOWNSHIP 1 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF PARCEL 5 AS SHOWN ON SAID MASTER PLAT FROM WHICH THE SOUTHEAST CORNER OF SAID PARCEL 5, BEARS SOUTH 88°28'30" EAST, A DISTANCE OF 720.23 FEET;

THENCE ALONG THE SOUTH LINE OF SAID PARCEL 5, SOUTH 88°28'30" EAST, A DISTANCE OF 118.65 FEET TO THE POINT OF BEGINNING;

THENCE LEAVING SAID SOUTH LINE, NORTH 00°06'28" EAST, A DISTANCE OF 54.86 FEET;

THENCE SOUTH 89°53'32" EAST, A DISTANCE OF 58.30 FEET;

THENCE SOUTH 00°06'28" WEST, A DISTANCE OF 56.30 FEET TO THE SOUTH LINE OF SAID PARCEL 5;

THENCE ALONG SAID SOUTH LINE, NORTH 88°28'30" WEST, A DISTANCE OF 58.32 FEET TO THE POINT OF BEGINNING.

TOTAL CONTAINING 3,240 SQUARE FEET, OR 0.074 ACRES MORE OR LESS.



CHAD W. HUBER
RLS 35316
chad.huber@kimley-horn.com

Kimley»Horn

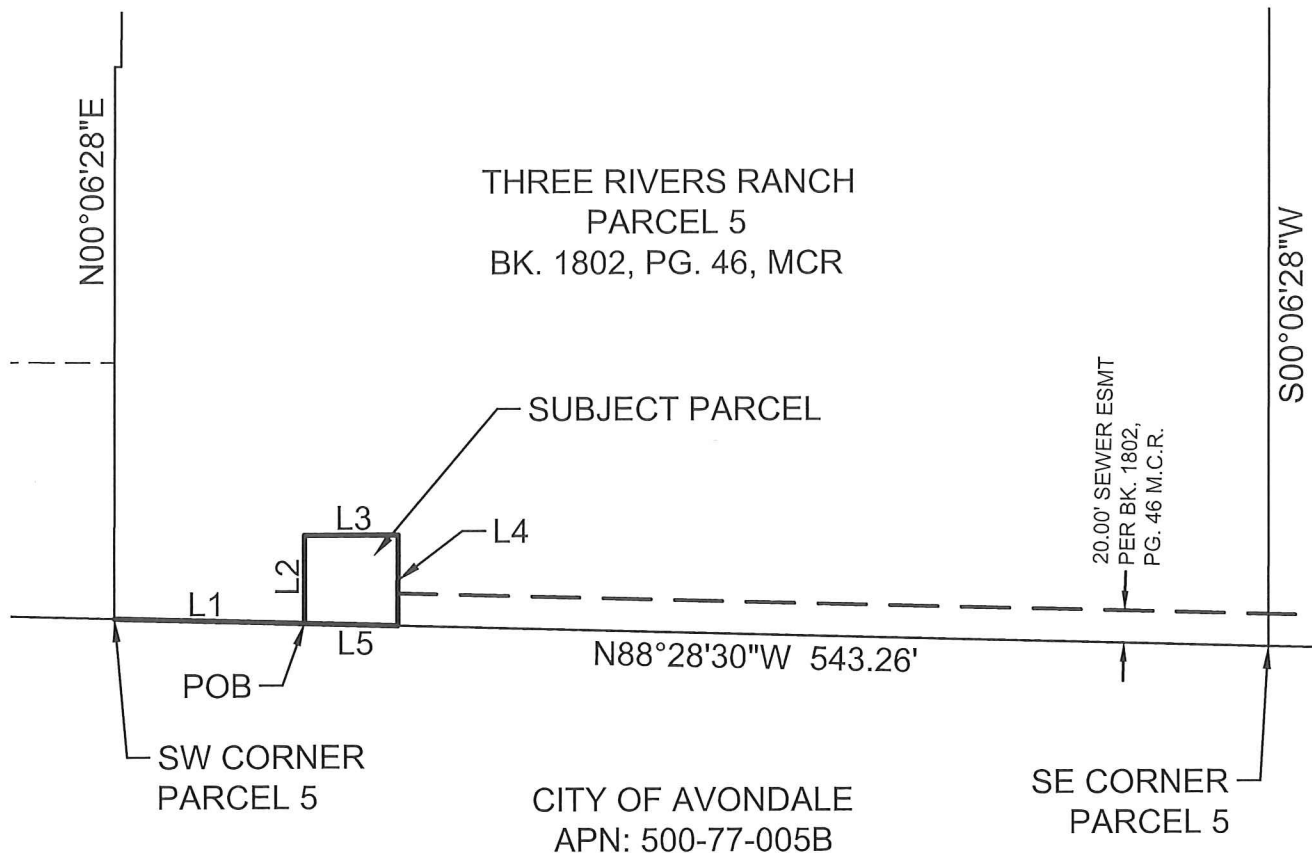
1661 E. CAMELBACK RD, SUITE 400
PHOENIX, AZ 85016 Tel. No. (602) 837-5511

PROPOSED LIFT STATION
APN: 500-60-011

<u>Scale</u>	<u>Drawn by</u>	<u>Checked by</u>	<u>Date</u>	<u>Project No.</u>	<u>Sheet No.</u>
N.T.S.	KEG	CWH	05/21/2025	291705009	1 OF 2



EXHIBIT A



LEGEND

POC = POINT OF COMENCEMENT
POB = POINT OF BEGINNING
R.O.W. = RIGHT OF WAY
APN = ASSESSOR PARCEL NUMBER
BCHH = BRASS CAP IN HAND HOLE



LINE TABLE

L1 = S88°28'30"E	118.65'
L2 = N00°06'28"E	54.86'
L3 = S89°53'32"E	58.30'
L4 = S00°06'28"W	56.30'
L5 = N88°28'30"W	58.32'

Kimley»Horn

1661 E. CAMELBACK RD, SUITE 400
PHOENIX, AZ 85016 Tel. No. (602) 837-5511

PROPOSED LIFT STATION
APN: 500-60-011

CHAD W. HUBER
RLS 35316
chad.huber@kimley-horn.com

Scale
N.T.S.

Drawn by
KEG

Checked by
CWH

Date
05/21/2025

Project No.
291705009

Sheet No.
2 OF 2

ITEM NUMBER: 5.a.

SUBJECT: Public Hearing and Resolution 1032-0625 - Truth in Taxation Hearing Setting Forth the Intent to Raise the Property Tax Levy

MEETING DATE: 6/2/2025

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 adopt Resolution 1032-0625, setting forth the City's intent to levy primary property taxes in the amount of \$0.6095 per hundred (\$100) of assessed valuation and secondary property taxes in the amount of \$0.8497 per hundred (\$100) of assessed valuation 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 FY2026 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 FY2026 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 FY2026 tax levies is scheduled for adoption at the June 16, 2025 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 16 and May 23 in the

Southwest Valley Republic in compliance with state statute. For FY2026, the primary property tax rate will decrease from \$0.6241 per \$100 of assessed valuation to \$0.6095 per \$100 of assessed valuation. The primary property tax levy is projected to increase from \$4,041,254 to \$4,336,412. 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 increases 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 FY2026, the secondary property tax rate will increase from \$0.8351 per \$100 of assessed valuation to \$0.8497 per \$100 of assessed valuation. The levy will increase from \$5,407,729 in FY2024 to \$6,045,332 in FY2026.

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 FY2026 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 FY2026.

Contact person for document distribution: Robert Baer; Renee Weatherless

RESOLUTION NO. 1032-0625

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, APPROVING THEIR INTENT TO RAISE THE PRIMARY PROPERTY TAX LEVY.

WHEREAS, the Council of the City of Avondale (the “City Council”) in accordance with the provisions of ARIZ. REV. STAT. §§ 42-17104 and 42-17107, on June 2, 2025, held a hearing regarding the intent to assess a primary property tax rate of \$0.6095 per \$100 of assessed valuation of property within the corporate limits of the City of Avondale (the “City”); and

WHEREAS, in accordance with the provisions of ARIZ. REV. STAT. §§ 42-17104 and 42-17107, and following due public notices, given in the manner and within the time provided by law, the City Council met on June 2, 2025, at which meeting any taxpayer was privileged to appear and be heard in favor of or against the proposed tax levies; and

WHEREAS, notification has been duly made as required by law, through advertisements in a newspaper of general circulation, that the City Council intends to meet on June 16, 2025 in the City Council Chamber for the purpose of considering tax levies as set forth in said estimates; and giving notice that the City Council intends to adopt its tax levy resolution on June 16, 2025; and

WHEREAS, ARIZ. REV. STAT. §§ 42-17104 and 42-17107 requires the City to notify its property taxpayers of an increase to the primary property tax levy should the stated tax rate generate additional taxes on existing properties.

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, by roll call vote, approve this Resolution notifying its property taxpayers of its intention to raise its primary property tax levy on existing properties over last year’s level by \$84,665 or 2%.

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 2, 2025.

Mike Pineda, Mayor

ATTEST:

Marcella Sarmiento, City Clerk

APPROVED AS TO FORM:

Nicholle Harris, City Attorney

ITEM NUMBER: 5.b.

SUBJECT: Public Hearing - Fiscal Year 2026 Final Budget

MEETING DATE: 6/2/2025

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 to receive comment on the final budget for fiscal year 2025 - 2026 (FY2026). This item is for discussion only; no action is required.

BACKGROUND:

The tentative budget for FY2026 was adopted on May 5, 2025 and a summary of the budget was published in the May 16 and May 23 editions of the Southwest Valley Republic. As required by A.R.S. §42-17103, the tentative budget was posted within seven days of adoption in a prominent location on the City's website. A public hearing must be held and a special meeting convened for adoption of the final budget after the close of the public hearing.

DISCUSSION:

The FY2026 expenditure limitation of \$486,614,500 has not changed in total from the tentative budget adopted on May 5, 2025.

The following changes have been made since the tentative budget adopted on May 5:

- Increased the budget for the Pickleball Court Construction at Friendship Park (P0333) by \$609,000. The additional budget was offset by a decrease to the General Fund contingency appropriation.
- Increased the budget for the Dog Park Enhancements at Friendship Park (P0332) by \$169,000. The additional budget was offset by a decrease to the General Fund contingency appropriation.
- Increased carryover by \$300,000 for project T0408 - Traffic Signal - 116th Ave and McDowell. The increase was offset by a decrease to the unanticipated revenue line item.
- Added \$25,000 for the City's one-time contribution to the City's vision plan. The additional budget was offset by a decrease in Human Resources' request for "Human Resources Information System Enhancements".
- Added 7.75 full-time equivalent (FTE) positions to the Parks, Recreation, and Libraries Department.

These positions were previously considered temporary pooled positions. The budget for Parks, Recreation and Libraries did not increase, as it is anticipated that the costs of these positions will be covered through vacancy savings.

- Added \$60,000 for the Out of School grant for Parks, Recreation, and Libraries. The budget for this grant was offset by a decrease to the unanticipated revenue line item.
- Added \$400,000 for the Victims of Crime Act (VOCA) grant to the Southwest Family Advocacy Center in the Police Department. The budget for this grant was offset by a decrease to the unanticipated revenue line item.
- Reduced the appropriation for the 911 grant in the Police department by \$13,900 based on the amount requested in the grant application. The decrease was offset by an increase to the unanticipated revenue line item.
- Various adjustments to carryover appropriations totaling a decrease of \$4,000. The decrease was offset by an increase to the unanticipated revenue line item.

BUDGET IMPACT:

This public hearing is a necessary step in the budget adoption process, allowing residents to comment on the FY2026 final budget.

RECOMMENDATION:

Staff recommends the City Council hold a public hearing to receive comment on the final budget for FY2026.

Contact person for document distribution: Robert Baer; Renee Weatherless

ITEM NUMBER: 2.

SUBJECT: Resolution 1033-0625 - Setting forth the Final Budget for Fiscal Year 2025-2026

MEETING DATE: 6/2/2025

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:

The agenda item supports all Avondale Strategic Outcome Areas. The Strategic Plan guides the allocation of funding to the highest priorities.

PURPOSE:

City Council will consider a request to adopt Resolution 1033-0625, approving the final budget for fiscal year 2025-2026 (FY2026) in the amount of \$486,614,500 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 tentative fiscal year 2025-2026 (FY2026) budget was adopted on May 5, 2025 and was published in the May 16 and May 23 editions of the Arizona Republic. As required by §42-17103, the tentative budget was posted within seven days of adoption in a prominent location on the City's website. A public hearing was held on June 2, 2025 as required by A.R.S. §42-17104. As required by A.R.S. §42-17105, a special meeting must be convened for adoption of the final budget.

DISCUSSION:

By state statute, the total amount of the final budget may not be greater than the budget tentatively adopted on May 5, 2025. Any increases to the budget require an offsetting decrease in another line item included in the budget.

The following changes have been made since the tentative budget adopted on May 5:

- The following changes have been made since the tentative budget adopted on May 5:
- Increased the budget for the Pickleball Court Construction at Friendship Park (P0333) by \$609,000. The additional budget was offset by a decrease to the General Fund contingency appropriation.
- Increased the budget for the Dog Park Enhancements at Friendship Park (P0332) by \$169,000. The additional budget was offset by a decrease to the General Fund contingency appropriation.
- Increased carryover by \$300,000 for project T0408 - Traffic Signal - 116th Ave and McDowell. The increase was offset by a decrease to the unanticipated revenue line item.
- Added \$25,000 for the City's one-time contribution to the City's vision plan. The additional budget was

offset by a decrease in Human Resources' request for "Human Resources Information System Enhancements".

- Added 7.75 full-time equivalent (FTE) positions to the Parks, Recreation, and Libraries Department. These positions were previously considered temporary pooled positions. The budget for Parks, Recreation and Libraries did not increase, as it is anticipated that the costs of these positions will be covered through vacancy savings.
- Added \$60,000 for the Out of School grant for Parks, Recreation, and Libraries. The budget for this grant was offset by a decrease to the unanticipated revenue line item.
- Added \$400,000 for the Victims of Crime Act (VOCA) grant to the Southwest Family Advocacy Center in the Police Department. The budget for this grant was offset by a decrease to the unanticipated revenue line item.
- Reduced the appropriation for the 911 grant in the Police department by \$13,900 based on the amount requested in the grant application. The decrease was offset by an increase to the unanticipated revenue line item.
- Various adjustments to carryover appropriations totaling a decrease of \$4,000. The decrease was offset by an increase to the unanticipated revenue line item.

Included with the final budget is a schedule specifying certain budgeted items in excess of \$100,000. The Avondale Procurement Code specifies that for budgeted line items in excess of \$100,000 that were considered during the budget process, the procurement agent or authorized designee may approve the award for these items. This schedule is intended to provide greater transparency into these budgeted line items. Any items where the award is greater than what is indicated on the schedule will return to City Council in the future for separate consideration and action.

The final budget includes a schedule of interfund transfers for FY2026. This schedule is intended to set the maximum amounts for these interfund transfers although actuals may be lower than the schedule indicates. Any transfers in excess of these amounts will return to council for consideration.

Also included with the final budget is a schedule showing the five-year Capital Improvement Plan (CIP) with the total project budget for projects included in the CIP.

BUDGET IMPACT:

This will establish the formal expenditure limit and annual budget for FY2026.

RECOMMENDATION:

Staff recommends the Mayor and Council adopt a Resolution, Setting forth the Final Budget for Fiscal Year 2025-2026.

Contact person for document distribution: Robert Baer; Renee Weatherless

RESOLUTION NO. 1033-0625

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, SETTING FORTH THE FINAL BUDGET FOR FISCAL YEAR 2025-2026.

WHEREAS, pursuant to the provisions of the laws of the State of Arizona and the City Charter, the Council of the City of Avondale (the “City Council”) is required to adopt an annual budget for the City of Avondale (the “City”); and

WHEREAS, in accordance with ARIZ. REV. STAT. § 42-17102, the City Manager prepared and filed with the City Council the City Manager’s Budget estimates for the fiscal year beginning July 1, 2025 and ending June 30, 2026; and

WHEREAS, on May 5, 2025 the City Council approved Resolution 1021-0525, adopting (i) an expenditure limitation and (ii) the estimates of expenditures for the fiscal year beginning July 1, 2025, and ending June 30, 2026, as the tentative budget for the City; and

WHEREAS, Resolution 1021-0525 also directed the City Manager or designee to: (i) publish in the official City newspaper once per week for two consecutive weeks, (a) the official tentative budget and (b) a notice of the public hearing of the City Council to hear taxpayers and make tax levies at designated times and places; and (ii) not later than seven business days following consideration of Resolution 1021-0525 by the City Council, (a) make available at the Avondale Civic Center Library, the Sam Garcia Western Avenue Library and the Avondale City Hall a complete copy of the tentative budget, and (b) post the tentative budget on the City’s website; and

WHEREAS, due notice has been given by the City Clerk as required by law that the City Council would meet on June 2, 2025, at the City Council Chambers for the purposes (i) hearing taxpayers on the proposed expenditures and proposed tax levies as set forth in the estimates and (ii) adopting the tentative budget as final; and

WHEREAS, on June 2, 2025, the City Council held a public hearing on the final budget as required by law; and

WHEREAS, the City of Avondale Procurement Code 25-6 specifies that budgeted line items approved by the City Council in the review and adoption of the annual budget of the City, and for which an award is within the allocated expenditure, may be approved by the procurement agent or authorized designee.

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 statements and schedules hereto as Exhibit A and incorporated herein by reference are hereby formally adopted as the official final budget for the City for the fiscal year beginning July 1, 2025 and ending June 30, 2025.

SECTION 3. The statements and schedules hereto as Exhibit B and incorporated herein by reference are hereby identified as specifically budgeted line items greater than \$100,000 for the City of Avondale, Arizona for the fiscal year July 1, 2025 through June 30, 2026.

SECTION 4. The statements and schedules hereto as Exhibit C and incorporated herein by reference are hereby identified as the scheduled Interfund Transfers and scheduled Interfund Loans for the City of Avondale, Arizona for the fiscal year July 1, 2025 through June 30, 2026.

SECTION 5. The statements and schedules hereto as Exhibit D and incorporated herein by reference are hereby identified as the Capital Improvement Plan for the City of Avondale, Arizona for the fiscal year July 1, 2025 through June 30, 2026.

SECTION 6. Upon the recommendation by the City Manager and with approval of the City Council, transfers of appropriation from the non-departmental contingencies are permissible.

SECTION 7. Money from any fund may be used for any of these appropriations except money specifically restricted by State Law, City Ordinance, City Council action or City Charter.

SECTION 8. If any section, subsection, sentence, clause, phrase or portion of this Resolution or any part of the statements and schedules or fee schedule 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 9. 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 2, 2025.

Mike Pineda, Mayor

ATTEST:

Marcella Sarmiento, City Clerk

APPROVED AS TO FORM:

Nicholle Harris, City Attorney

EXHIBIT A
TO
RESOLUTION NO. 1033-0625

[Statements and Schedules]

See following pages.

City of Avondale
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2026

Fiscal Year	S c h		FUNDS							
			General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Trust & Agency Fund	Enterprise Funds Available	Internal Service Funds	Total All Funds
2025 Adopted/Adjusted Budgeted Expenditures/Expenses*	E	1	196,915,477	116,784,656	7,868,000	14,129,042	13,456,700	83,768,025	10,299,100	443,221,000
2025 Actual Expenditures/Expenses**	E	2	177,752,477	82,364,131	7,868,000	14,129,042	13,456,700	81,268,025	10,299,100	387,137,475
2026 Fund Balance/Net Position at July 1***		3	140,589,999	50,123,995	992,853	45,873,272	3,792,860	113,625,863	12,271,678	367,270,520
2026 Primary Property Tax Levy	B	4	4,336,412							4,336,412
2026 Secondary Property Tax Levy	B	5			6,045,322					6,045,322
2026 Estimated Revenues Other than Property Taxes	C	6	113,407,300	68,088,200	20,000	7,548,500	12,715,000	51,926,900	11,842,100	265,548,000
2026 Other Financing Sources	D	7	0	0	0	0	0	31,794,000	0	31,794,000
2026 Other Financing (Uses)	D	8	0	0	0	0	0	0	0	0
2026 Interfund Transfers In	D	9	70,525,000	4,694,400	2,439,000	3,500,000	0	41,083,000	0	122,241,400
2026 Interfund Transfers (Out)	D	10	(75,530,400)	(4,167,000)	0	0	0	(42,544,000)	0	(122,241,400)
2026 Reduction for Amounts Not Available:		11								
LESS: Amounts for Future Debt Retirement:										0
Future Capital Projects										0
Maintained Fund Balance for Financial Stability			37,263,000	3,157,000				16,297,000		56,717,000
										0
										0
2026 Total Financial Resources Available		12	253,328,311	118,739,595	9,497,175	56,921,772	16,507,860	195,885,763	24,113,778	674,994,254
2026 Budgeted Expenditures/Expenses	E	13	215,386,900	98,810,200	8,896,000	18,546,000	13,092,800	118,380,200	13,502,400	486,614,500

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

2025	2026
\$ 443,221,000	\$ 486,614,500
443,221,000	486,614,500
	96,473,000
\$ 443,221,000	\$ 390,141,500
\$ 443,221,000	\$ 628,793,800

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

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

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

City of Avondale
Tax Levy and Tax Rate Information
Fiscal Year 2026

	<u>2025</u>	<u>2026</u>
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ <u>4,041,254</u>	\$ <u>4,336,412</u>
2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ _____	
3. Property tax levy amounts		
A. Primary property taxes	\$ <u>4,041,254</u>	\$ <u>4,336,412</u>
B. Secondary property taxes	<u>5,407,729</u>	<u>6,045,322</u>
C. Total property tax levy amounts	\$ <u>9,448,983</u>	\$ <u>10,381,734</u>
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ <u>4,041,254</u>	
(2) Prior years' levies	<u>(30,500)</u>	
(3) Total primary property taxes	\$ <u>4,010,754</u>	
B. Secondary property taxes		
(1) Current year's levy	\$ <u>5,407,729</u>	
(2) Prior years' levies	<u>(40,800)</u>	
(3) Total secondary property taxes	\$ <u>5,366,929</u>	
C. Total property taxes collected	\$ <u>9,377,683</u>	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	<u>0.6241</u>	<u>0.6095</u>
(2) Secondary property tax rate	<u>0.8351</u>	<u>0.8497</u>
(3) Total city/town tax rate	<u>1.4592</u>	<u>1.4592</u>
B. Special assessment district tax rates		
Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating <u>1</u> special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.		

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

City of Avondale
Revenues Other Than Property Taxes
2026

SOURCE OF REVENUES	ESTIMATED REVENUES 2025	ACTUAL REVENUES* 2025	ESTIMATED REVENUES 2026
GENERAL FUND			
Local taxes			
Local Sales Tax	\$ 54,088,000	\$ 57,146,300	\$ 56,329,000
SRP Payment in lieu of property tax	43,000	46,000	46,000
Other Taxes	7,000	0	0
Licenses and permits			
Franchise Fees	1,245,000	1,536,000	1,496,000
Building & Development Permits	2,586,000	2,786,000	3,976,000
Licenses	53,000	57,000	57,000
Other Permits	0	0	0
Intergovernmental			
State Urban Revenue Sharing	19,676,000	19,900,000	18,614,000
City's Share of St. Sales Tax	14,255,000	14,283,000	14,842,000
Auto Lieu Tax	4,435,000	4,796,000	4,892,000
State Reimbursements	0	347,000	0
Other State Sources	636,000	655,000	655,000
Other Cities & Towns	1,536,300	1,732,000	1,961,900
Other Governments	842,400	841,400	865,800
Charges for services			
Development Charges for Service	1,065,600	3,001,600	1,667,600
Other Charges for Service	502,500	453,500	468,500
Recreation Charges for Service	862,400	946,000	856,000
Fines and forfeits			
Court Fines	875,000	1,254,000	1,246,000
Other Fines	500	75	0
Interest on investments			
Interest	4,129,000	8,800,000	3,466,000
Miscellaneous			
Sale of Assets	5,000	5,000	0
Other Revenue	955,900	856,616	762,000
Donations	0	8,200	6,000
Operating Lease	1,200,500	1,202,000	1,200,500
	\$ 108,999,100	\$ 120,652,691	\$ 113,407,300
Developer Contributions			
Development Charges for Service	\$ 1,094,000	\$ 1,094,000	\$ 0
	\$ 1,094,000	\$ 1,094,000	\$ 0
Total General Fund	\$ 110,093,100	\$ 121,746,691	\$ 113,407,300

* 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.

SPECIAL REVENUE FUNDS

Highway User Revenue Fund

Highway User Revenue Fees	\$ 7,061,000	\$ 7,061,000	\$ 7,202,000
Federal Sources	413,200	0	32,100
	7,061,000	7,061,000	7,234,100

Senior Nutrition

Federal Sources	413,200	413,200	418,000
Other Revenue	37,700	37,700	44,500
	450,900	450,900	462,500

City of Avondale
Revenues Other Than Property Taxes
2026

SOURCE OF REVENUES	ESTIMATED REVENUES 2025	ACTUAL REVENUES* 2025	ESTIMATED REVENUES 2026
Community Action Program			
Federal Sources	300,000	300,000	364,400
Interest	1,000	1,000	0
Other Cities and Towns	25,000	25,000	25,000
	326,000	326,000	389,400
HOME Grant			
Federal Sources	675,000	675,000	1,429,200
	675,000	675,000	1,429,200
Other Grants			
Other State Sources	916,000	1,222,050	1,344,000
Other Federal Sources	7,648,000	9,919,969	6,408,900
Other Grants and Donations	441,200	851,900	1,576,700
Other Revenue	15,050,000	11,297,581	14,401,900
	24,055,200	23,291,500	23,731,500
Other Interest Bearing Grants			
Other Revenue	602,000	602,000	522,000
	602,000	602,000	522,000
Cemetery Maintenance Fund			
Interest	8,000	10,000	5,500
	8,000	10,000	5,500
Transit Fund			
Other Revenue	0	65,500	0
Other Grants and Donations	1,000,000	1,000,000	240,000
Arizona Lottery Fund	225,800	225,000	225,800
	1,225,800	1,290,500	465,800
County RICO			
Seizure of Property	0	363,700	0
	0	363,700	0
Court Enhancements			
Court Fines	32,000	42,000	42,000
	32,000	42,000	42,000
Judicial Collection Enhancement			
Court Fines	17,000	18,000	18,000
	17,000	18,000	18,000
Fill the Gap			
Court Fines	8,000	8,000	8,000
	8,000	8,000	8,000
Regional Family Advocacy			
Federal Sources	0	400,000	515,600
Other Cities and Towns	1,445,200	1,445,200	1,652,900
	1,445,200	1,845,200	2,168,500
0.5% Dedicated Sales Tax			
City Sales Tax	13,465,000	14,461,200	14,021,000
Interest	0	4,400	0
	13,465,000	14,465,600	14,021,000
Public Safety Dedicated Sales Tax			
City Sales Tax	13,465,000	14,461,200	14,021,000
	13,465,000	14,461,200	14,021,000
Community Development Block Grant			
Other Federal Sources	1,486,000	1,486,000	1,736,100
	1,486,000	1,486,000	1,736,100
Environmental Programs Fund			

City of Avondale
Revenues Other Than Property Taxes
2026

SOURCE OF REVENUES	ESTIMATED REVENUES 2025	ACTUAL REVENUES* 2025	ESTIMATED REVENUES 2026
Environmental Fee	305,000	333,000	340,000
	305,000	333,000	340,000
Wildland Fire Deployment			
Other State Sources	250,000	250,000	250,000
	250,000	250,000	250,000
Tow Impound Fund			
Other Fines	50,000	70,000	70,000
	50,000	70,000	70,000
American Rescue Plan Act			
Federal Sources	0	0	130,600
	0	0	130,600
Employee Assistance			
Interest	0	1,397	0
	0	1,397	0
One AZ Opioid Settlement			
Other State Sources	192,300	192,300	923,000
Interest	2,000	2,000	0
	194,300	194,300	923,000
Tourism Fund			
Other State Sources	120,000	100,000	120,000
	120,000	100,000	120,000
Total Special Revenue Funds	\$ 65,241,400	\$ 67,345,297	\$ 68,088,200

* 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.

DEBT SERVICE FUNDS

General Obligation			
Interest	\$ 1,000	\$ 7,500	\$ 3,000
	\$ 1,000	\$ 7,500	\$ 3,000
PRO Debt Service			
Interest	\$ 0	\$ 100	\$ 0
	\$ 0	\$ 100	\$ 0
2019 PRO Debt Service			
Interest	\$ 0	\$ 100	\$ 0
	\$ 0	\$ 100	\$ 0
2021 PRO Debt Service			
Interest	\$ 0	\$ 100	\$ 0
	\$ 0	\$ 100	\$ 0
Dysart Road MDC			
Interest	\$ 21,000	\$ 24,200	\$ 17,000
	\$ 21,000	\$ 24,200	\$ 17,000
Total Debt Service Funds	\$ 22,000	\$ 32,000	\$ 20,000

CAPITAL PROJECTS FUNDS

Landscaping Landfill Remediation			
Other Revenue	65,000	0	82,000
Interest	70,000	71,700	53,500
Franchise Fees	0	82,000	0
	135,000	153,700	135,500
Streets Development Impact Fee Fund			
Development Impact Fees	1,211,000	1,400,000	1,773,000
Interest	214,000	269,900	242,000
	1,425,000	1,669,900	2,015,000

City of Avondale
Revenues Other Than Property Taxes
2026

SOURCE OF REVENUES	ESTIMATED REVENUES 2025	ACTUAL REVENUES* 2025	ESTIMATED REVENUES 2026
Police Development Impact Fee Fund			
Development Impact Fees	932,000	1,200,000	1,364,000
Interest	253,000	277,500	312,000
	1,185,000	1,477,500	1,676,000
Fire Development Impact Fee Fund			
Development Impact Fees	1,519,000	1,200,000	2,223,000
Interest	276,000	185,800	259,000
	1,795,000	1,385,800	2,482,000
Parks Development Impact Fee Fund			
Development Impact Fees	1,256,000	1,256,000	1,073,000
Interest	62,000	66,500	105,000
	1,318,000	1,322,500	1,178,000
General Obligation Construction 2021			
Interest	0	19,300	0
	0	19,300	0
PRO Bond Construction 2021			
Interest	0	300	0
	0	300	0
Vehicle Replacement			
Sale of Assets	160,000	100,000	62,000
Interest	0	0	0
	160,000	\$ 100,000	\$ 62,000
Total Capital Projects Funds	\$ 6,018,000	\$ 6,129,000	\$ 7,548,500

* 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.

Trust and Agency

Employee Benefit Trust

Contributions	\$ 10,852,000	12,027,124	\$ 12,371,000
Interest	95,000	183,200	44,000
Other Revenue	300,000	0	300,000
	\$ 11,247,000	\$ 12,210,324	\$ 12,715,000
Total Permanent Funds	\$ 11,247,000	\$ 12,210,324	\$ 12,715,000

ENTERPRISE FUNDS

Water Fund

Water Sales	\$ 19,468,000	\$ 19,310,000	\$ 20,810,000
Interest	118,000	1,701,000	183,000
Operating Lease	0	40,170	41,400
Sale of Assets	0	3,540	0
Other Revenue	15,000	15,355	15,000
Other Fines	5,000	16,745	5,000
	\$ 19,606,000	\$ 21,086,810	\$ 21,054,400

Sewer Operations

Sewer Fees	\$ 13,950,000	\$ 14,100,000	\$ 15,460,000
Interest	533,000	1,601,648	572,000
	\$ 14,483,000	\$ 15,701,648	\$ 16,032,000

Solid Waste

Sanitation Fees	8,304,000	8,500,000	9,094,000
Interest	310,000	455,738	248,500

City of Avondale
Revenues Other Than Property Taxes
2026

SOURCE OF REVENUES	ESTIMATED REVENUES 2025	ACTUAL REVENUES* 2025	ESTIMATED REVENUES 2026
	8,614,000	8,955,738	9,342,500
Water Development Impact Fees			
Development Fees	1,717,000	2,853,486	2,514,000
Interest	271,000	588,500	320,000
	1,988,000	3,441,986	2,834,000
Sewer Development Impact Fees			
Development Fees	1,303,000	1,600,000	1,908,000
Interest	866,000	1,007,400	756,000
	2,169,000	2,607,400	2,664,000
Total Enterprise Funds	\$ 46,860,000	\$ 51,793,582	\$ 51,926,900

* 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.

INTERNAL SERVICE FUNDS

Risk Management

Internal Service Charges	\$ 5,325,000	\$ 5,325,000	\$ 5,075,000
Other Revenue	40,500	40,000	40,500
Interest	212,000	388,500	231,000
	\$ 5,577,500	\$ 5,753,500	\$ 5,346,500

Fleet Services Management

Internal Service Charges	\$ 4,650,000	\$ 4,184,000	\$ 5,264,100
Other Cities and Towns	15,000	15,000	15,000
Sale of Assets	0	1,000	0
	\$ 4,665,000	\$ 4,200,000	\$ 5,279,100

Worker's Compensation

Internal Service Charges	\$ 780,500	\$ 1,055,000	\$ 1,154,000
Interest	46,000	121,900	62,500
	\$ 826,500	\$ 1,176,900	\$ 1,216,500

Total Internal Service Funds \$ 11,069,000 \$ 11,130,400 \$ 11,842,100

TOTAL ALL FUNDS \$ 250,550,500 \$ 270,387,294 \$ 265,548,000

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

City of Avondale
Other Financing Sources/(Uses) and Interfund Transfers
Fiscal Year 2026

FUND	OTHER FINANCING 2026		INTERFUND TRANSFERS 2026	
	SOURCES	(USES)	IN	(OUT)
GENERAL FUND				
Operating Transfers	\$	\$	\$ 1,070,000	\$ (1,909,400)
Capital Transfers			0	(73,621,000)
General Fund Asset Replacement			5,266,000	
General Fund Capital			62,864,000	0
Economic Opportunities - from General Fund			1,325,000	0
Total General Fund	\$ 0	\$ 0	\$ 70,525,000	\$ (75,530,400)
SPECIAL REVENUE FUNDS				
Dedicated Sales Tax - Debt	\$	\$	\$ 0	\$ (4,167,000)
Transit Fund			4,110,000	0
Regional Family Advocacy - Operating Transfers			484,400	0
Public Arts Fund - Operating Transfers			100,000	\$ 0
Total Special Revenue Funds	\$ 0	\$ 0	\$ 4,694,400	\$ (4,167,000)
DEBT SERVICE FUNDS				
2019 PRO Debt Service - Debt Transfer			948,000	0
2021 PRO Debt Service			1,491,000	
Total Debt Service Funds	\$ 0	\$ 0	\$ 2,439,000	\$ 0
CAPITAL PROJECTS FUNDS				
Vehicle Replacement - Capital			3,500,000	0
Total Capital Projects Funds	\$ 0	\$ 0	\$ 3,500,000	\$ 0
ENTERPRISE FUNDS				
Water Fund - Operating Transfers	\$	\$ 0	\$ 0	\$ (618,000)
Sewer Fund - Operating Transfers			0	\$ (452,000)
Water Fund - Capital Transfers			0	(30,411,000)
Sewer Fund - Capital Transfers			0	(9,753,000)
Water Construction			27,111,000	0
Water Impact Fees	0			(391,000)
Water Equipment Replacement - Capital			3,300,000	0
Water Bond Construction	20,044,000			
Sewer Construction			7,042,000	0
Sewer Equipment Replacement - Capital			2,044,000	0
Sewer Bond Construction	11,750,000			
Sewer PRO Debt			667,000	
Solid Waste			0	(919,000)
Solid Waste Equipment Replacement - Capital			894,000	0
Solid Waste Fund - Capital Transfers			25,000	0
Total Enterprise Funds	\$ 31,794,000	\$ 0	\$ 41,083,000	\$ (42,544,000)
TOTAL ALL FUNDS	\$ 31,794,000	\$ 0	\$ 122,241,400	\$ (122,241,400)

**City of Avondale
Expenditures/Expenses by Fund
Fiscal Year 2026**

FUND/DEPARTMENT		ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2025	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2025	ACTUAL EXPENDITURES/ EXPENSES* 2025	BUDGETED EXPENDITURES/ EXPENSES 2026
GENERAL FUND					
101011	City Administration	\$ 2,253,500	\$ 47,000	\$ 2,300,500	\$ 2,381,400
101012	City Attorney	2,322,300	0	2,322,300	2,485,000
101019	City Auditor	369,000	0	369,000	382,100
101013	City Clerk	1,024,000	0	1,024,000	1,147,400
101010	City Council	402,800	(23,000)	379,800	387,600
101038	City Court	1,598,400	0	1,598,400	1,682,900
1010	Contingency	23,000,000	(3,837,000)	0	28,147,000
1010	Development & Engineering Services	0	0	0	0
101042	Development Services	3,292,300	0	3,292,300	4,095,200
101045	Economic Development	1,711,600	0	1,711,600	2,055,500
101040	Engineering Services	3,742,300	0	3,742,300	4,432,900
101018	Facilities	5,720,500	0	5,720,500	6,205,300
101014	Finance & Budget	6,568,900	0	6,568,900	6,868,100
101034	Fire and Medical	16,300,800	9,200	16,310,000	17,870,600
101015	Human Resources	2,163,400	0	2,163,400	2,299,200
1010	Indirect Costs	(5,475,100)	0	(5,475,100)	(5,904,900)
101016	Information Technology	11,017,800	(100)	11,017,700	13,278,400
101017	Marketing & Public Relations	1,332,500	0	1,332,500	1,411,200
101050	Neighborhood and Family Services	3,670,900	(568,900)	3,102,000	4,191,600
101090	Non-Departmental	5,132,400	0	5,132,400	3,590,600
101039	Office of Public Safety	3,969,000	0	3,969,000	4,586,600
101055	Parks & Recreation	10,738,800	(67,000)	10,671,800	12,182,700
101030	Police	28,482,800	(2,000)	28,480,800	30,709,800
101070	Public Works	343,000	0	343,000	381,700
Economic Opportunities Fund					
102045	Economic Development	600,000	0	600,000	1,325,000
Volunteer Firefighter's Pension					
103090	Non-Departmental	0	217,447	217,447	0
General Fund Capital					
110011	City Administration	75,000	0	75,000	4,313,000
110038	City Court	100,000	7,810	107,810	1,135,000
110040	Engineering Services	7,797,000	453,668	8,250,668	4,590,000
110018	Facilities	334,000	(447)	333,553	294,000
110034	Fire and Medical	15,416,000	(726,191)	14,689,809	15,639,000
110015	Human Resources	0	0	0	300,000
110016	Information Technology	780,000	(94,211)	685,789	1,020,000
110039	Office of Public Safety	1,800,000	0	1,800,000	1,864,000
110050	Neighborhood and Family Services	150,000	0	150,000	100,000
110055	Parks & Recreation	13,137,000	844,472	13,981,472	21,722,000
110030	Police	20,556,000	143,343	20,699,343	8,273,000
110070	Public Works	4,696,000	(222,500)	4,473,500	3,617,000
Developer Contributions					
111040	Engineering Services	1,094,000	(10,703)	1,083,297	1,061,000
General Fund Asset Replacement					
120040	Engineering Services	28,000	(12,557)	15,443	0
120018	Facilities	1,957,000	(499,737)	1,457,263	1,462,000
120034	Fire and Medical	586,000	(249,036)	336,964	461,000
120016	Information Technology	2,970,000	(974,241)	1,995,759	2,667,000
120050	Neighborhood and Family Services	0	0	0	0
120055	Parks & Recreation	770,000	(47,740)	722,260	676,000
Total General Fund		\$ 202,527,900	\$ (5,612,423)	\$ 177,752,477	\$ 215,386,900
0.5% Dedicated Sales Tax					
203011	City Administration	0	0	0	168,000
203040	Engineering Services	13,175,000	(981,729)	12,193,271	20,957,000
203070	Public Works	9,555,000	(2,863,857)	6,691,143	5,246,000
Public Safety Dedicated Sales Tax					
204038	City Court	598,900	0	598,900	734,700
2040	Contingency	495,000	0	0	495,000
204034	Fire and Medical	8,399,500	(22,531)	8,376,969	8,497,000
204016	Information Technology	2,866,000	(70,000)	2,796,000	1,348,000
204039	Office of Public Safety	96,200	0	96,200	124,900

**City of Avondale
Expenditures/Expenses by Fund
Fiscal Year 2026**

FUND/DEPARTMENT		ADOPTED BUDGETED EXPENDITURES/ EXPENSES	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/ EXPENSES*	BUDGETED EXPENDITURES/ EXPENSES
		2025	2025	2025	2026
204030	Police	15,676,500	(4,963,255)	10,713,245	10,961,600
	Environmental Programs Fund				
206070	Public Works	317,200	0	317,200	624,700
	Public Arts Fund				
207055	Parks & Recreation	94,900	440,000	534,900	681,900
	Tow Impound Fund				
208030	Police	50,000	0	50,000	53,100
	Court Enhancements				
209038	City Court	31,000	0	31,000	31,000
	Cemetery Maintenance Fund				
210055	Parks & Recreation	15,700	0	15,700	15,700
	Highway User Revenue Fund				
220040	Engineering Services	10,435,300	(129,792)	10,305,508	6,988,000
220016	Information Technology	150,000	0	150,000	225,000
220090	Non-Departmental	220,000	0	220,000	227,000
220070	Public Works	2,701,000	0	2,701,000	4,382,900
	Transit Fund				
222070	Public Works	3,662,700	0	3,662,700	4,589,500
	Court Payments				
	Judicial Collection Enhancement				
224038	City Court	67,500	0	67,500	67,500
	Fill the Gap				
225038	City Court	10,200	0	10,200	10,200
	Wildland Fire Deployment Fund				
226034	Fire and Medical	250,000	0	250,000	250,000
	Tourism Fund				
227045	Economic Development	120,000	0	120,000	120,000
	One AZ Opioid Settlement				
228039	Office of Public Safety	669,300	(227,300)	442,000	923,000
	Co. RICO With Mar. Co. Atty				
240030	Police	0	363,700	363,700	0
	Senior Nutrition				
250050	Neighborhood and Family Services	450,900	0	450,900	517,200
	Community Action Program				
251050	Neighborhood and Family Services	324,700	0	324,700	389,400
	Home Grants				
252050	Neighborhood and Family Services	675,000	0	675,000	1,429,200
	Community Development Block Grant				
256040	Engineering Services	241,000	0	241,000	191,000
256050	Neighborhood and Family Services	1,244,200	0	1,244,200	1,544,700
256055	Parks & Recreation	514,000	(294,432)	219,568	0
	American Rescue Plan Act				
257050	Neighborhood and Family Services	328,100	568,900	897,000	110,600
257055	Parks & Recreation	2,500,000	(1,176,179)	1,323,821	0
	Other Grants				
280040	Engineering Services	5,513,000	260,218	5,773,218	2,511,000
280014	Finance & Budget	0	0	0	0
280034	Fire and Medical	0	174,754	174,754	53,500
280050	Neighborhood and Family Services	711,200	2,854,000	3,565,200	3,593,700
280090	Non-Departmental	14,950,000	18,975,525	0	14,307,900
280055	Parks & Recreation	564,000	93,404	657,404	146,000
280030	Police	1,717,000	(120,550)	1,596,450	2,219,400
280070	Public Works	600,000	1,037,280	1,637,280	900,000
	Regional Family Advocacy				
2810	Indirect Costs	129,900	0	129,900	168,200
281030	Police	1,744,600	400,000	2,144,600	2,484,700
	Other Interest Bearing Grants				
282050	Neighborhood and Family Services	602,000	0	602,000	522,000
Total Special Revenue Funds		\$ 102,466,500	\$ 14,318,156	\$ 82,364,131	\$ 98,810,200

**City of Avondale
Expenditures/Expenses by Fund
Fiscal Year 2026**

FUND/DEPARTMENT		ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2025	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2025	ACTUAL EXPENDITURES/ EXPENSES* 2025	BUDGETED EXPENDITURES/ EXPENSES 2026
General Obligation					
401090	Non-Departmental	\$ 5,424,000	\$ 0	5,424,000	\$ 6,457,000
2019 PRO Debt Service					
422090	Non-Departmental	950,000	0	950,000	948,000
2021 PRO Debt Service					
423090	Non-Departmental	1,494,000	0	1,494,000	1,491,000
Total Debt Service Funds		\$ 7,868,000	\$ 0	7,868,000	\$ 8,896,000
Streets Development Impact Fee					
301040	Engineering Services	943,000	(31,556)	911,444	340,000
Fire Development Impact Fee					
3030	Development & Engineering Services	0	0	0	0
303034	Fire and Medical	86,000	(29,059)	56,941	38,000
303039	Office of Public Safety	1,430,000	(1,180,000)	250,000	270,000
Parks Development Impact Fee					
3040	Development & Engineering Services	0	0	0	0
304055	Parks & Recreation	1,892,000	0	1,892,000	3,049,000
General Obligation Bond Construction 2021					
331030	Police	2,616,000	(2,616,000)	0	0
General Obligation Bond Construction 2024					
332070	Non-Departmental Public Works	8,500,000	122,000 (119,724)	122,000 8,380,276	10,613,000
Vehicle Replacement					
388034	Fire and Medical	2,929,000	(2,543,671)	385,329	1,291,000
388070	Public Works	2,977,000	(845,948)	2,131,052	2,945,000
Total Capital Projects Funds		\$ 21,373,000	\$ (7,243,958)	\$ 14,129,042	\$ 18,546,000
Water Operations					
501016	Information Technology	\$ 85,200	\$ 0	85,200	\$ 83,300
501090	Non-Departmental	181,000	0	181,000	317,000
501070	Public Works	15,271,900	(83,300)	15,188,600	16,472,600
5010	Indirect Costs	2,231,000	0	2,231,000	2,354,500
501090	Contingency	1,000,000	0	0	1,000,000
Water Capital					
511011	City Administration	0	0	0	25,000
511040	Engineering Services	8,669,000	(77,933)	8,591,067	12,534,000
511070	Public Works	16,086,000	(1,713,214)	14,372,786	14,552,000
Water Asset Replacement					
512016	Information Technology	1,075,000	(431)	1,074,569	697,000
512070	Public Works	1,820,000	(30,908)	1,789,092	2,603,000
Water Development Impact Fee					
513070	Public Works	5,680,000	(423,704)	5,256,296	3,758,000
Water Bond Construction					
514070	Public Works	0	0	0	20,044,000
Sewer Operations					
531016	Information Technology	85,200	0	85,200	84,900
531090	Non-Departmental	88,000	0	88,000	122,000
531070	Public Works	7,348,500	0	7,348,500	7,945,300
5310	Indirect Costs	1,674,500	0	1,674,500	1,545,400
5310	Contingency	1,000,000	0	0	1,000,000
Sewer Capital					
541011	City Administration	0	0	0	25,000
541040	Engineering Services	150,000	0	150,000	261,000
541070	Public Works	12,112,000	(645,100)	11,466,900	6,756,000
Sewer Asset Replacement					
542016	Information Technology	680,000	(373)	679,627	101,000
542070	Public Works	481,000	51,955	532,955	1,943,000
Sewer Development Impact Fee					
543014	Finance & Budget	50,000	0	50,000	50,000

**City of Avondale
Expenditures/Expenses by Fund
Fiscal Year 2026**

FUND/DEPARTMENT		ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2025	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2025	ACTUAL EXPENDITURES/ EXPENSES* 2025	BUDGETED EXPENDITURES/ EXPENSES 2026
544070	Sewer Bond Construction Public Works	0	0	0	11,750,000
551090	Sewer PRO Debt Service Non-Departmental	595,000	0	595,000	590,000
561016	Solid Waste Operations Information Technology	86,800	0	86,800	6,000
561090	Non-Departmental	172,000	0	172,000	238,000
561070	Public Works	6,318,700	0	6,318,700	7,290,800
5610	Indirect Costs	1,040,000	0	1,040,000	1,245,400
5610	Contingency	500,000	0	0	500,000
571011	Solid Waste Capital City Administration	0	0	0	25,000
571070	Public Works	463,000	(366,847)	96,153	0
572016	Solid Waste Asset Replacement Information Technology	0	0	0	9,000
572070	Public Works	286,000	1,828,080	2,114,080	2,452,000
Total Enterprise Funds		\$ 85,229,800	\$ (1,461,775)	81,268,025	\$ 118,380,200
601015	Risk Management Fund Human Resources	4,580,000	0	4,580,000	5,758,100
601016	Information Technology	55,000	0	55,000	85,100
6010	Indirect Costs	140,000	0	140,000	113,400
6010	Contingency	0	0	0	0
602016	Fleet Services Fund Information Technology	0	0	0	0
602090	Non-Departmental	0	0	0	0
602070	Public Works	4,167,300	0	4,167,300	4,766,200
6020	Indirect Costs	260,600	0	260,600	478,000
6020	Contingency	0	0	0	0
603015	Workers' Compensation Fund Human Resources	1,096,200	0	1,096,200	2,301,600
603090	Non-Departmental	0	0	0	0
6030	Contingency	0	0	0	0
Total Internal Service Funds		\$ 10,299,100	\$ 0	\$ 10,299,100	\$ 13,502,400
6040	Employee Benefit Trust Indirect Costs	(900)	0	(900)	0
604015	Human Resources	\$ 13,457,600	\$ 0	13,457,600	\$ 13,092,800
Total Trust and Agency Funds		\$ 13,456,700	\$ 0	\$ 13,456,700	\$ 13,092,800
TOTAL ALL FUNDS		\$ 443,221,000	\$ 0	\$ 387,137,475	\$ 486,614,500

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

City of Avondale
Expenditures/Expenses by Department
Fiscal Year 2026

	ADOPTED BUDGETED EXPENDITURES/ EXPENSES	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/ EXPENSES*	BUDGETED EXPENDITURES/ EXPENSES
DEPARTMENT/FUND	2025	2025	2025	2026
City Administration				
General Fund	\$ 2,253,500	\$ 47,000	\$ 2,300,500	\$ 2,381,400
General Fund Capital	75,000	0	75,000	4,313,000
0.5% Dedicated Sales Tax	0	0	0	168,000
Water Capital	0	0	0	25,000
Sewer Capital	0	0	0	25,000
Solid Waste Capital	0	0	0	25,000
Department Total	\$ 2,328,500	\$ 47,000	\$ 2,375,500	\$ 6,937,400
List Department:				
City Attorney				
General Fund	\$ 2,322,300	\$ 0	\$ 2,322,300	\$ 2,485,000
Department Total	\$ 2,322,300	\$ 0	\$ 2,322,300	\$ 2,485,000
List Department:				
City Auditor				
General Fund	\$ 369,000	\$ 0	\$ 369,000	\$ 382,100
Department Total	\$ 369,000	\$ 0	\$ 369,000	\$ 382,100
List Department:				
City Clerk				
General Fund	\$ 1,024,000	\$ 0	\$ 1,024,000	\$ 1,147,400
Department Total	\$ 1,024,000	\$ 0	\$ 1,024,000	\$ 1,147,400
List Department:				
City Council				
General Fund	\$ 402,800	\$ (23,000)	\$ 379,800	\$ 387,600
Department Total	\$ 402,800	\$ (23,000)	\$ 379,800	\$ 387,600
List Department:				
City Court				
General Fund	\$ 1,598,400	\$ 0	\$ 1,598,400	\$ 1,682,900
General Fund Capital	100,000	7,810	107,810	1,135,000
Public Safety Dedicated Sales Tax	598,900	0	598,900	734,700
Court Enhancement	31,000	0	31,000	31,000
Judicial Collection Enhancement	67,500	0	67,500	67,500
Fill the Gap	10,200	0	10,200	10,200
Department Total	\$ 2,406,000	\$ 7,810	\$ 2,413,810	\$ 3,661,300
List Department:				
Development Services				
General Fund	\$ 3,292,300	\$ 0	\$ 3,292,300	\$ 4,095,200
Department Total	\$ 3,292,300	\$ 0	\$ 3,292,300	\$ 4,095,200
List Department:				
Economic Development				
General Fund	\$ 1,711,600	\$ 0	\$ 1,711,600	\$ 2,055,500
Economic Opportunities Fund	600,000	0	600,000	1,325,000
Tourism Fund	120,000	0	120,000	120,000
Department Total	\$ 2,431,600	\$ 0	\$ 2,431,600	\$ 3,500,500
List Department:				
Engineering Services				
General Fund	3,742,300	0	3,742,300	4,432,900
General Fund Capital	7,797,000	453,668	8,250,668	4,590,000
Developer Contributions	1,094,000	(10,703)	1,083,297	1,061,000
General Fund Asset Replacement	28,000	(12,557)	15,443	0
0.5% Dedicated Sales Tax	13,175,000	(981,729)	12,193,271	20,957,000
Highway User Revenue Fund	10,435,300	(129,792)	10,305,508	6,988,000
Community Development Block Grant	241,000	0	241,000	191,000
Other Grants	5,513,000	260,218	5,773,218	2,511,000
Streets Development Impact Fee	943,000	(31,556)	911,444	340,000
PRO Bond Construction 2019	0	0	0	0
Water Capital	8,669,000	(77,933)	8,591,067	12,534,000
Sewer Capital	150,000	0	150,000	261,000
Department Total	\$ 51,787,600	\$ (530,384)	\$ 51,257,216	\$ 53,865,900

City of Avondale
Expenditures/Expenses by Department
Fiscal Year 2026

	ADOPTED BUDGETED EXPENDITURES/ EXPENSES	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/ EXPENSES*	BUDGETED EXPENDITURES/ EXPENSES
DEPARTMENT/FUND	2025	2025	2025	2026
List Department:				
Facilities				
General Fund	\$ 5,720,500	\$ 0	\$ 5,720,500	\$ 6,205,300
General Fund Capital	334,000	(447)	333,553	294,000
General Fund Asset Replacement	1,957,000	(499,737)	1,457,263	1,462,000
Department Total	\$ 8,011,500	\$ (500,184)	\$ 7,511,316	\$ 7,961,300
List Department:				
Finance & Budget				
General Fund	\$ 6,568,900	\$ 0	\$ 6,568,900	\$ 6,868,100
Sewer Development Impact Fee	\$ 50,000	\$ 0	\$ 50,000	\$ 50,000
Other Grants	0	0	0	0
Department Total	\$ 6,618,900	\$ 0	\$ 6,618,900	\$ 6,918,100
List Department:				
Fire and Medical				
General Fund	\$ 16,300,800	\$ 9,200	\$ 16,310,000	\$ 17,870,600
General Fund Capital	15,416,000	(726,191)	14,689,809	15,639,000
General Fund Asset Replacement	586,000	(249,036)	336,964	461,000
Other Grants	0	174,754	174,754	53,500
Public Safety Dedicated Sales Tax	8,399,500	(22,531)	8,376,969	8,497,000
Wildland Fire Deployment Fund	250,000	0	250,000	250,000
Fire Development Impact Fee	86,000	(29,059)	56,941	38,000
Vehicle Replacement	2,929,000	(2,543,671)	385,329	1,291,000
Department Total	\$ 43,967,300	\$ (3,386,534)	\$ 40,580,766	\$ 44,100,100
List Department:				
Human Resources				
General Fund	\$ 2,163,400	\$ 0	\$ 2,163,400	\$ 2,299,200
General Fund Capital	0	0	0	300,000
Employee Benefit Trust	13,457,600	0	13,457,600	13,092,800
Risk Management Fund	4,580,000	0	4,580,000	5,758,100
Workers' Compensation Fund	1,096,200	0	1,096,200	2,301,600
Department Total	\$ 21,297,200	\$ 0	\$ 21,297,200	\$ 23,751,700
List Department				
Indirect Costs				
General Fund	(5,475,100)	0	(5,475,100)	(5,904,900)
Regional Family Advocacy	129,900	0	129,900	168,200
Water Operations	2,231,000	0	2,231,000	2,354,500
Sewer Operations	1,674,500	0	1,674,500	1,545,400
Solid Waste Operations	1,040,000	0	1,040,000	1,245,400
Risk Management Fund	140,000	0	140,000	113,400
Employee Benefits	(900)	0	(900)	0
Fleet Services Fund	260,600	0	260,600	478,000
Department Total	0	0	0	0
List Department:				
Information Technology				
General Fund	\$ 11,017,800	\$ (100)	\$ 11,017,700	\$ 13,278,400
General Fund Capital	780,000	(94,211)	685,789	1,020,000
General Fund Asset Replacement	2,970,000	(974,241)	1,995,759	2,667,000
Highway User Revenue Fund	150,000	0	150,000	225,000
Public Safety Dedicated Sales Tax	2,866,000	(70,000)	2,796,000	1,348,000
Water Operations	85,200	0	85,200	83,300
Sewer Operations	85,200	0	85,200	84,900
Solid Waste Operations	86,800	0	86,800	6,000
Water Asset Replacement	1,075,000	(431)	1,074,569	697,000
Sewer Asset Replacement	680,000	(373)	679,627	101,000
Solid Waste Equipment Replacement	0	0	0	9,000
Risk Management Fund	55,000	0	55,000	85,100
Department Total	\$ 19,851,000	\$ (1,139,356)	\$ 18,711,644	\$ 19,604,700
List Department:				
Marketing & Public Relations				
General Fund	\$ 1,332,500	\$ 0	\$ 1,332,500	\$ 1,411,200

City of Avondale
Expenditures/Expenses by Department
Fiscal Year 2026

	ADOPTED BUDGETED EXPENDITURES/ EXPENSES	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/ EXPENSES*	BUDGETED EXPENDITURES/ EXPENSES
DEPARTMENT/FUND	2025	2025	2025	2026
Department Total	\$ 1,332,500	\$ 0	\$ 1,332,500	\$ 1,411,200
List Department:				
Neighborhood and Family Services				
General Fund	\$ 3,670,900	\$ (568,900)	\$ 3,102,000	\$ 4,191,600
General Fund Capital	150,000	0	150,000	100,000
Senior Nutrition	450,900	0	450,900	517,200
American Rescue Plan Act	328,100	568,900	897,000	110,600
Community Action Program	324,700	0	324,700	389,400
Home Grants	675,000	0	675,000	1,429,200
Other Grants	711,200	2,854,000	3,565,200	3,593,700
Community Development Block Grant	1,244,200	0	1,244,200	1,544,700
Other Interest Bearing Grants	602,000	0	602,000	522,000
Department Total	\$ 8,157,000	\$ 2,854,000	\$ 11,011,000	\$ 12,398,400
List Department:				
Non-Departmental				
General Fund	\$ 5,132,400	\$ 0	\$ 5,132,400	\$ 3,590,600
Volunteer Firefighter's Pension	0	217,447	217,447	0
Highway User Revenue Fund	220,000	0	220,000	227,000
One AZ Opioid Settlement	0	0	0	0
Other Grants	14,950,000	18,975,525	0	14,307,900
General Obligation	5,424,000	0	5,424,000	6,457,000
General Obligation Bond Const 2024	0	122,000	122,000	0
2019 PRO Debt Service	950,000	0	950,000	948,000
2021 PRO Debt Service	1,494,000	0	1,494,000	1,491,000
Water Operations	181,000	0	181,000	317,000
Sewer Operations	88,000	0	88,000	122,000
Solid Waste Operations	172,000	0	172,000	238,000
Sewer PRO Debt Service	595,000	0	595,000	590,000
Department Total	\$ 29,206,400	\$ 19,314,972	\$ 14,595,847	\$ 28,288,500
List Department:				
Office of Public Safety				
General Fund	\$ 3,969,000	\$ 0	\$ 3,969,000	\$ 4,586,600
General Fund Capital	1,800,000	0	1,800,000	1,864,000
Public Safety Dedicated Sales Tax	96,200	0	96,200	124,900
Fire Development Impact Fee	1,430,000	(1,180,000)	250,000	270,000
One AZ Opioid Settlement	669,300	(227,300)	442,000	923,000
Department Total	\$ 7,964,500	\$ (1,407,300)	\$ 6,557,200	\$ 7,768,500
List Department:				
Parks & Recreation				
General Fund	\$ 10,738,800	\$ (67,000)	\$ 10,671,800	\$ 12,182,700
General Fund Capital	13,137,000	844,472	13,981,472	21,722,000
General Fund Asset Replacement	770,000	(47,740)	722,260	676,000
Cemetery Maintenance Fund	15,700	0	15,700	15,700
American Rescue Plan Act	2,500,000	(1,176,179)	1,323,821	0
Community Development Block Grant	514,000	(294,432)	219,568	0
Public Arts	94,900	440,000	534,900	681,900
Other Grants	564,000	93,404	657,404	146,000
Parks Development Impact Fee	1,892,000	0	1,892,000	3,049,000
Department Total	\$ 30,226,400	\$ (207,475)	\$ 30,018,925	\$ 38,473,300
List Department:				
Police				
General Fund	\$ 28,482,800	\$ (2,000)	\$ 28,480,800	\$ 30,709,800
General Fund Capital	20,556,000	143,343	20,699,343	8,273,000
Regional Family Advocacy	1,744,600	400,000	2,144,600	2,484,700
Public Safety Dedicated Sales Tax	15,676,500	(4,963,255)	10,713,245	10,961,600
Other Grants	1,717,000	(120,550)	1,596,450	2,219,400
Tow Impound Fund	50,000	0	50,000	53,100
General Obligation Bond Construction 2021	2,616,000	(2,616,000)	0	0
Co. RICO With Mar. Co. Atty	0	363,700	363,700	0
Department Total	\$ 70,842,900	\$ (6,794,762)	\$ 64,048,138	\$ 54,701,600

City of Avondale
Expenditures/Expenses by Department
Fiscal Year 2026

	ADOPTED BUDGETED EXPENDITURES/ EXPENSES	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/ EXPENSES*	BUDGETED EXPENDITURES/ EXPENSES
DEPARTMENT/FUND	2025	2025	2025	2026
List Department:				
Public Works				
General Fund	\$ 343,000	\$ 0	\$ 343,000	\$ 381,700
General Fund Capital	4,696,000	(222,500)	4,473,500	3,617,000
Dedicated Sales Tax	9,555,000	(2,863,857)	6,691,143	5,246,000
Environmental Programs	317,200	0	317,200	624,700
Highway User Revenue Fund	2,701,000	0	2,701,000	4,382,900
Transit Fund	3,662,700	0	3,662,700	4,589,500
Other Grants	600,000	1,037,280	1,637,280	900,000
General Obligation Bond Construction 2024	8,500,000	(119,724)	8,380,276	10,613,000
Vehicle Replacement	2,977,000	(845,948)	2,131,052	2,945,000
Water Operations	15,271,900	(83,300)	15,188,600	16,472,600
Water Capital	16,086,000	(1,713,214)	14,372,786	14,552,000
Water Asset Replacement	1,820,000	(30,908)	1,789,092	2,603,000
Water Development Impact Fee	5,680,000	(423,704)	5,256,296	3,758,000
Water Bond Construction	0	0	0	20,044,000
Sewer Operations	7,348,500	0	7,348,500	7,945,300
Sewer Capital	12,112,000	(645,100)	11,466,900	6,756,000
Sewer Asset Replacement	481,000	51,955	532,955	1,943,000
Sewer Bond Construction	0	0	0	11,750,000
Solid Waste Operations	6,318,700	0	6,318,700	7,290,800
Solid Waste Capital	463,000	(366,847)	96,153	0
Solid Waste Asset Replacement	286,000	1,828,080	2,114,080	2,452,000
Fleet Services Fund	4,167,300	0	4,167,300	4,766,200
Department Total	\$ 103,386,300	\$ (4,397,787)	\$ 98,988,513	\$ 133,632,700
List Department:				
Contingency				
General Fund	\$ 23,000,000	(3,837,000)	0	28,147,000
Public Safety Dedicated Sales Tax	495,000	0	0	495,000
Water Operations	1,000,000	0	0	1,000,000
Sewer Operations	1,000,000	0	0	1,000,000
Solid Waste Operations	500,000	0	0	500,000
Department Total	\$ 25,995,000	\$ (3,837,000)	\$ 0	\$ 31,142,000
TOTAL ALL DEPARTMENTS	\$ 443,221,000	\$ (0)	\$ 387,137,475	\$ 486,614,500

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

*

City of Avondale
Full-Time Employees and Personnel Compensation
Fiscal Year 2026

	Full-Time Equivalent (FTE)	Employee Salaries and Hourly Costs	Retirement Costs	Healthcare Costs	Other Benefit Costs	Total Estimated Personnel Compensation
FUND	2026	2026	2026	2026	2026	2026
GENERAL FUND	563.12	\$ 59,028,400	\$ 14,685,600	\$ 7,530,300	\$ 1,679,200	\$ 82,923,500
SPECIAL REVENUE FUNDS						
Highway User Revenue Fund	26.59	\$ 2,439,800	\$ 459,800	\$ 397,800	\$ 94,600	\$ 3,392,000
Senior Nutrition	6.47	249,800	49,600	46,400	6,700	352,500
Community Action Program	1.29	79,400	16,000	24,000	2,800	122,200
Other Grants	5.71	446,500	80,600	75,800	6,300	609,200
American Rescue Plan Act	0.00	110,600	0	0	0	110,600
Regional Family Advocacy	9.00	849,500	167,900	131,100	8,200	1,156,700
Public Safety Dedicated Sales Tax	94.00	9,739,800	3,136,800	1,406,900	395,600	14,679,100
Community Development Block Grant	1.91	211,700	34,000	26,500	1,900	274,100
Environmental Programs Fund	1.45	129,400	25,600	11,200	3,800	170,000
Wildland Fire Deployment	0.00	217,500	0	0	0	217,500
Transit Fund	1.50	208,700	41,200	28,100	2,100	280,100
Tow Impound Fund	0.41	37,500	7,600	3,400	2,300	50,800
One AZ Opioid Settlement	0.00	20,000	0	0	0	20,000
Total Special Revenue Funds	148.33	\$ 14,740,200	\$ 4,019,100	\$ 2,151,200	\$ 524,300	\$ 21,434,800
ENTERPRISE FUNDS						
Water Operations	41.70	\$ 3,693,900	\$ 710,300	\$ 557,100	\$ 115,700	\$ 5,077,000
Sewer Operations	26.20	2,345,800	451,600	368,900	63,900	3,230,200
Sanitation	29.50	2,438,100	452,300	430,700	106,600	3,427,700
Total Enterprise Funds	97.40	\$ 8,477,800	\$ 1,614,200	\$ 1,356,700	\$ 286,200	\$ 11,734,900
INTERNAL SERVICE FUND						
Fleet Services Fund	11.35	\$ 1,128,500	\$ 220,300	\$ 173,400	\$ 26,300	\$ 1,548,500
Worker's Compensation Fund	1.20	131,300	25,900	16,600	1,700	175,500
Employee Benefit Trust	2.00	168,800	33,600	22,500	4,400	229,300
Risk Management Fund	0.80	95,100	18,900	4,400	900	119,300
Total Internal Service Fund	15.35	\$ 1,523,700	\$ 298,700	\$ 216,900	\$ 33,300	\$ 2,072,600
TOTAL ALL FUNDS	824.20	\$ 83,770,100	\$ 20,617,600	\$ 11,255,100	\$ 2,523,000	\$ 118,165,800

EXHIBIT B
TO
RESOLUTION NO. 1033-0625

[Specifically Budgeted Line Items Greater Than \$100,000]

See following pages.

CAPITAL ITEMS				
FY2026 Line Items for Administrative Award				
City Administration				
Reference	Project Number	Description	Amount	
26001	M0176	Bridge Housing	\$	2,559,000
26002	M0425	Design Concept for New Operational Warehouse	\$	497,000
26003	M0461	Las Ligas Veteran Housing	\$	100,000
26004	M0462	New Operations Warehouse	\$	1,500,000
26005	M0463	Municipal Operations Center Study	\$	150,000
City Court				
Reference	Project Number	Description	Amount	
26010	S0430	City Court Expansion Phase 2 - City Court Training/Conference Room	\$	1,185,000
Engineering Services				
Reference	Project Number	Description	Amount	
26015	A0426	Streets Asset Replacement FY2025	\$	955,000
26016	A0457	Streets Asset Replacement FY2026	\$	1,343,000
26017	S0228	Avondale Boulevard and Broadway Road Fiber	\$	414,000
26018	T0031	Communication Conduit and Fiber Backbone Program	\$	572,000
26019	T0161	Western Avenue - Central Avenue to 4th Avenue - Improvements	\$	2,781,000
26020	T0162	Western Avenue Decorative String Lights	\$	370,000
26021	T0163	Western Avenue Pedestrian Streetlights	\$	1,502,000
26022	T0200	Old Town Avondale Phase III Improvement	\$	6,759,000
26023	T0201	Old Town Avondale Phase IV Improvement	\$	10,708,000
26024	T0203	Old Town Avondale Phase V Improvement	\$	6,429,000
26025	T0206	Traffic Signal - 99th Avenue and Encanto Boulevard	\$	723,000
26026	T0213	Traffic Signal - 107th Avenue and Roosevelt Street	\$	800,000
26027	T0240	Old Town Avondale Phase VI Improvement	\$	4,952,000
26028	T0249	Traffic Signal - Avondale Boulevard and Miami Avenue	\$	400,000
26029	T0253	Traffic Signal - 111th Avenue and Van Buren Street	\$	910,000
26030	T0306	Communication Conduit and Fiber Backbone Program FY2024	\$	498,000
26031	T0312	Street Drainage Issues FY2024	\$	338,000
26032	T0318	Traffic Signal Re-Timing Program FY2024	\$	150,000
26033	T0336	HAWK Signal on Avondale Boulevard at Palm Lane	\$	210,000
26034	T0338	HAWK Signal on El Mirage Road at Pima Street	\$	252,000
26035	T0339	HAWK Signal on Coldwater Springs Boulevard on the west side of 118th Avenue	\$	237,000
26036	T0341	HAWK Signal on Central Avenue at Holly Lane	\$	207,000
26037	T0342	HAWK Signal on El Mirage Road at the Northern Alamar Park Access	\$	207,000
26038	T0353	Traffic Signal - Dysart Road at Ascend	\$	1,555,000
26039	T0376	Lower Buckeye Corridor Study	\$	399,000
26040	T0378	Citywide Sidewalk Expansion and Gap Improvement Program FY2025	\$	244,000
26041	T0404	Improvements to El Mirage Road - Calle Hermosa to Illini	\$	5,050,000
26042	T0405	Dysart Road/McDowell Road Intersection	\$	3,581,000
26043	T0407	Communication Conduit and Fiber Backbone Program FY2025	\$	500,000
26044	T0408	Traffic Signal - 116th Ave and McDowell	\$	1,038,000
26045	T0409	Wayfinding Signage FY2025	\$	100,000
26046	T0410	Van Buren Bridge Lighting Project	\$	321,000
26047	T0412	Gateway Program FY2025	\$	350,000
26048	T0414	Street Drainage Issues FY2025	\$	250,000
26049	T0416	Safety Action and Demonstration Plan	\$	1,310,000
26050	T0417	Cellular Communication Equipment and CCTV Intersection Cameras	\$	786,000
26051	T0418	Improvements at Western Avenue and Central Avenue	\$	1,021,000

CAPITAL ITEMS				
FY2026 Line Items for Administrative Award				
26052	T0419	Traffic Signal - Thomas Road and 111th Avenue	\$	730,000
26053	T0420	Intersection Improvement Dysart Road and Coldwater Plaza	\$	550,000
26054	T0421	Intersection Improvement Avondale Boulevard and MC85	\$	1,870,000
26055	T0422	Designs for Priorities Identified in the Active Transportation Plan	\$	250,000
26056	T0423	Park Avenue Roadway Near The BLVD	\$	975,000
26057	T0438	Las Ligas ADA Sidewalk Ramps	\$	524,000
26058	T0489	Sidewalk Accessibility Improvement Program (ADA) FY2026	\$	250,000
26059	T0490	Communication Conduit and Fiber Backbone Program FY2026	\$	500,000
26060	T0491	Citywide Sidewalk Expansion and Gap Improvement Program FY2026	\$	650,000
26061	T0492	Gateway Program FY2026	\$	278,000
26062	T0493	Wayfinding Signage FY2026	\$	85,000
26063	T0494	Avondale Boulevard Median Landscape Improvements	\$	350,000
26064	U0485	Contributions for Dysart Road Water Line and Pressure Reducing Valve Station	\$	650,000
Facilities				
Reference	Project Number	Description	Amount	
26070	A0267	Facilities Asset Replacement FY2024	\$	69,000
26071	A0291	Randall McDaniel Sports Complex Asset Replacement FY2024	\$	172,000
26072	A0328	Avondale Campus Painting Project	\$	426,000
26073	A0329	American Sports Center Painting and Surfacing	\$	304,000
26074	A0351	City Hall Interior Paint	\$	139,000
26075	A0403	Facilities Asset Replacement FY2025	\$	676,000
26076	A0455	Facilities Asset Replacement FY2026	\$	84,000
26077	A0456	Randall McDaniel Sports Complex Asset Replacement FY2026	\$	336,000
26078	M0402	Friendship Park Restroom Painting	\$	90,000
Finance & Budget				
Reference	Project Number	Description	Amount	
26081	U0431	Wastewater Impact Fee Update	\$	100,000
Fire & Medical				
Reference	Project Number	Description	Amount	
26085	A0269	Fire Equipment and Asset Replacement FY2024	\$	68,000
26086	A0397	Fire Apparatus Replacement FY2025	\$	390,000
26087	A0400	Fire Equipment and Asset Replacement FY2025	\$	182,000
26088	A0453	Fire Equipment and Asset Replacement FY2026	\$	361,000
26089	A0454	Fire Apparatus Replacement FY2026	\$	950,000
26090	S0056	Additional Fire Apparatus	\$	88,000
26091	S0104	Fire Station #171 Replacement	\$	14,562,000
26092	S0225	Fire Apparatus Replacement	\$	101,000
26093	S0398	Training Tower	\$	5,477,000
26094	S0399	New Fire Apparatus	\$	220,000
26095	S0464	Raceway Building Additional Restrooms	\$	300,000
Human Resources				
Reference	Project Number	Description	Amount	
26100	M0460	ADA Transition Plan FY2026	\$	200,000
26101	P0382	ADA Transition Plan	\$	200,000
Information Technology				
Reference	Project Number	Description	Amount	
26105	A0285	Computer and Equipment Asset Replacement FY2024	\$	376,000
26106	A0394	Communication Systems and Data Center Asset Replacement FY2025	\$	570,000
26107	A0395	Computer and Equipment Asset Replacement FY2025	\$	480,000

CAPITAL ITEMS				
FY2026 Line Items for Administrative Award				
26108	A0451	Computer and Equipment Asset Replacement FY2026	\$	1,854,000
26109	A0452	Communication Systems and Data Center Asset Replacement FY2026	\$	1,389,000
26110	M0177	City Fiber Backbone - Sam Garcia Library to MOSC	\$	599,000
26111	M0297	Communication Systems and Data Center Asset Replacements FY2024	\$	658,000
26112	M0459	Multiple Site Cellular Connectivity Booster Project	\$	381,000
26113	M0498	Conference Room Redesigns and Upgrades	\$	190,000
Neighborhood and Family Services				
Reference	Project Number	Description	Amount	
26115	M0393	Resource Center Expansion Study	\$	150,000
Office of Public Safety				
Reference	Project Number	Description	Amount	
26120	S0013	Southern Avondale Fire/Police Station	\$	37,542,000
26121	S0392	Regional Wireless Cooperative (RWC) Tower	\$	4,200,000
Parks and Recreation				
Reference	Project Number	Description		
26125	A0390	Parks and Recreation Asset Replacement Plan FY2025	\$	313,000
26126	A0391	Library Asset Replacement FY2025	\$	72,000
26127	A0449	Parks and Recreation Asset Replacement Plan FY2026	\$	425,000
26128	A0450	Library Asset Replacement FY2026	\$	66,000
26129	P0012	GO Bond: Agua Fria Pedestrian Bridge to Friendship Park	\$	253,000
26130	P0015	GO Bond: Agua Fria Trailhead at Friendship Park and McDowell Rd (Formerly Recharge Park)	\$	831,000
26131	P0084	Multi-Modal Trail System	\$	221,000
26132	P0120	Sport Field Lighting Friendship Park	\$	530,000
26133	P0174	Civic Center Park	\$	3,415,000
26134	P0193	Deconcini Park Enhancements	\$	613,000
26135	P0327	Sport Field Lighting Festival Fields Park	\$	1,169,000
26136	P0330	Donatela Park	\$	5,408,000
26137	P0331	Cashion Pocket Park	\$	130,000
26138	P0332	Dog Park Enhancements at Friendship Park	\$	1,378,000
26139	P0333	Pickleball Court Construction at Friendship Park	\$	1,483,000
26140	P0334	Softball Field Enhancements at Friendship Park	\$	485,000
26141	P0335	Festival Fields Disc Golf and Trailhead	\$	134,000
26142	P0383	Trail Improvements in the BLVD Area	\$	1,447,000
26143	P0384	Agua Fria Multi-Use Path - Buckeye Rd/MC 85 Crossing	\$	3,000,000
26144	P0385	Agua Fria Multi-Use Path - Lower Buckeye Rd Crossing	\$	3,133,000
26145	P0386	Dysart & Western Ave Pocket Park	\$	1,041,000
26146	P0387	Base and Meridian Wildlife Area Restoration	\$	1,350,000
26147	P0389	Dessie Lorenz Park Improvements	\$	1,432,000
26148	P0466	GO Bond: Trailhead - Agua Fria & MC85	\$	880,000
26149	P0468	Friendship Park Entry/Exit and Parking Improvements	\$	200,000
26150	P0470	Civic Center Shade Sails & Lighting Improvements	\$	220,000
26151	P0472	Multi-Modal Trail System FY2026	\$	250,000
Police Department				
Reference	Project Number	Description	Amount	
26160	A0381	Police Asset Replacement Program FY2025	\$	91,000
26161	A0448	Police Asset Replacement Program FY2026	\$	259,000
26162	S0198	Police Communications Bureau Remodel	\$	3,871,000
26163	S0344	K-9 Training Facility	\$	3,602,000
26164	S0434	Agua Fria River Bottom Controls	\$	550,000

CAPITAL ITEMS				
FY2026 Line Items for Administrative Award				
26165	S0497	Agua Fria River Bottom Controls Phase 2	\$	450,000
Public Works				
Reference	Project Number	Description	Amount	
26170	A0115	SCADA Security Asset Replacement	\$	118,000
26171	A0271	Lift Station Rehabilitation Program FY2024	\$	105,000
26172	A0277	SCADA Security Asset Replacement FY2024	\$	426,000
26173	A0281	Vehicle Replacement 2024	\$	264,000
26174	A0358	Lift Station Rehabilitation Program FY2025	\$	250,000
26175	A0359	Vehicle Replacement FY2025	\$	1,918,000
26176	A0371	Water Asset Replacement FY2025	\$	472,000
26177	A0396	SCADA Security Asset Replacement FY2025	\$	426,000
26178	A0433	Totaled Vehicle Replacement	\$	120,000
26179	A0441	WRF Asset Replacement FY2026	\$	200,000
26180	A0442	Lift Station Rehabilitation Program FY2026	\$	250,000
26181	A0443	Vehicle Replacement FY2026	\$	5,808,000
26182	A0444	Water Meter Replacement FY2026	\$	650,000
26183	A0445	Water Asset Replacement FY2026	\$	550,000
26184	A0446	SCADA Security Asset Replacement FY2026	\$	226,000
26185	A0447	Fleet Reincorporation of Replaced Vehicles	\$	562,000
26186	M0458	Fleet Shop Electrical Upgrades and Office Remodel	\$	325,000
26187	M0504	New Vehicles FY2026	\$	863,000
26188	T0365	New Transit Shelters	\$	1,050,000
26189	T0375	Sidewalk Inventory and Condition Assessment	\$	300,000
26190	T0377	Pavement Management Program FY2025	\$	2,046,000
26191	T0436	Transit Center Wayfinding Materials and Security Camera Improvements	\$	244,000
26192	T0486	Pavement Management Program FY2026	\$	3,050,000
26193	T0487	Street Maintenance New Concrete Mixer Truck	\$	350,000
26194	T0488	Transit Removal of Shade Canopy at BLVD	\$	132,000
26195	U0044	Dysart Road Sewer Replacement - Corral Street to Lower Buckeye Road	\$	2,454,000
26196	U0062	Garden Lakes Nitrate Equipment Replacement	\$	4,330,000
26197	U0076	Lift Station Security Upgrades	\$	435,000
26198	U0078	McDowell Recharge Basin Improvements	\$	1,040,000
26199	U0153	Water System Line Replacements and Expansions FY2024	\$	1,718,000
26200	U0156	Well 22 and Transmission Line	\$	5,123,000
26201	U0157	Well 7 Site Development	\$	4,138,000
26202	U0159	Well at 107th Avenue & Encanto Boulevard - Shared Well	\$	1,008,000
26203	U0164	White Mountain Apache Tribe Water Settlement	\$	3,050,000
26204	U0218	Well #26 Replacement	\$	2,475,000
26205	U0219	Water Reclamation Facility - Phase II Expansion	\$	298,163,000
26206	U0238	Site Security at Well and Booster Stations	\$	124,000
26207	U0257	New Well #25B	\$	2,461,000
26208	U0340	Sediment Removal - Crystal Gardens & McDowell Recharge Basins	\$	1,767,000
26209	U0350	Update the Integrated Utility Master Plan	\$	537,000
26210	U0362	Land Purchase - Water Treatment & Storage Sites	\$	650,000
26211	U0364	Rancho Santa Fe Reservoir & Booster Electrical and Control Upgrades	\$	1,550,000
26212	U0368	Northside Booster Station BW Tank Rehabilitation	\$	800,000
26213	U0369	10th Street Lift Station Electrical Upgrades	\$	4,468,000
26214	U0372	City Wide Sewer Improvements FY2025	\$	238,000
26215	U0373	Large Diameter Sewer Line Repair FY2025	\$	974,000

CAPITAL ITEMS				
FY2026 Line Items for Administrative Award				
26216	U0374	Water System Line Replacements and Expansions FY2025	\$	1,050,000
26217	U0476	City Wide Sewer Improvements FY2026	\$	320,000
26218	U0477	Large Diameter Sewer Line Repair FY2026	\$	1,550,000
26219	U0478	Water System Line Replacements and Expansions FY2026	\$	1,050,000
26220	U0479	Well Electrical Equipment Upgrades	\$	1,300,000
26221	U0480	New Modular Building at Coldwater Booster Station	\$	425,000
26222	U0482	Lift Station Flow Meter Purchase and Installation	\$	550,000
26223	U0483	New Water Distribution Valve Exerciser	\$	260,000
26224	U0484	PFAS Treatment Facility - Land & Design	\$	36,050,000

OPERATING ITEMS		
FY2026 Line Items for Administrative Award		
City Administration		
Reference	Description	Amount
26300	Professional Lobbying Services	\$ 150,000
City Attorney		
Reference	Description	Amount
26305	Outside Legal Services and Attorney Fees	\$ 1,000,000
26306	City Prosecutor	\$ 210,000
City Auditor		
Reference	Description	Amount
26310	Professional Audit Services	\$ 170,000
City Clerk		
Reference	Description	Amount
26315	Citywide Postage	\$ 275,000
City Court		
Reference	Description	Amount
26320	Interpreter, Transcription, Translation Services	\$ 200,000
26321	Public Defender	\$ 235,000
26322	Pro-Tem Services	\$ 165,000
Engineering Services		
Reference	Description	Amount
26325	Project Support (Engineering)	\$ 600,000
26326	Real Estate Services	\$ 200,000
26327	Engineering Plan Review	\$ 400,000
26328	On-Call	\$ 250,000
26329	Traffic Signal Supplies and Maintenance (electronic equipment, wiring, cameras, etc.)	\$ 300,000
26330	Traffic Signs and Supplies (posts & blanks, markings, reflective sign sheeting, etc.)	\$ 400,000
26331	Traffic Calming Supply & Service	\$ 300,000
26332	Streetlight Supplies and Replacements (poles, fixtures, Services, etc.)	\$ 400,000
26333	Street Maintenance (Restriping, school crosswalks, etc.)	\$ 500,000
Development Services		
Reference	Description	Amount
26340	Building Inspections and Plan Review	\$ 450,000
26341	Gila River Implementation Plan	\$ 500,000
Economic Development		
Reference	Description	Amount
26345	Small Business Growth Opportunities (tools, reports, memberships, etc.)	\$ 250,000
26346	Marketing Services, Website Design, Digital Support & Maintenance	\$ 600,000
26347	Real Estate Services	\$ 250,000
26348	Outsourced Fast-Track Review Services	\$ 250,000
Facilities		
Reference	Description	Amount
26350	Site Security	\$ 710,000
26351	Citywide - Janitorial Services	\$ 2,200,000
26352	Pest Control	\$ 160,000
26353	Mechanical Systems Service - HVAC, Plumbing, Energy Management	\$ 1,250,000
26354	Repair & Maintenance	\$ 1,210,000
26355	Waste Disposal and Trash Removal	\$ 200,000
26356	Fire Protection Services	\$ 145,000
26357	Citywide Furniture	\$ 500,000
Finance & Budget		
Reference	Description	Amount
26360	Accounting/Audit Services	\$ 150,000
26361	Finance, Banking and Financial Management Fees	\$ 1,500,000
26362	Water Billing (Printing, Handling & Mailing Services)	\$ 200,000
26363	Citywide Temporary Staffing Services	\$ 800,000
26364	Citywide Office Products (WIST, Amazon)	\$ 500,000

OPERATING ITEMS		
FY2026 Line Items for Administrative Award		
Fire & Medical		
Reference	Description	Amount
26370	Medical Services	\$ 300,000
26371	Dispatch Fees	\$ 950,000
26372	Vehicle Maintenance and Repair	\$ 750,000
26373	Safety Equipment and Apparel	\$ 500,000
26374	Safety Equipment and Apparel Maintenance and Repairs	\$ 120,000
26375	Fire/Medical Supplies	\$ 175,000
26376	Fire Training	\$ 250,000
Human Resources		
Reference	Description	Amount
26380	Appraisal Services	\$ 110,000
26381	Attorney Fees	\$ 115,000
26382	Professional Services - Medical Fees	\$ 110,000
26383	Consulting Services for Worker Com Administration, Benefit, Compensation Study , etc.	\$ 350,000
26384	Broker Services	\$ 165,000
26385	Insurance Premiums (Life Insurance, Risk Management, etc.)	\$ 4,100,000
26386	Insurance Claims and Worker Comp	\$ 900,000
26387	Citywide Group Benefit Plans Premiums and Associated Services (Medical, Dental, Vision, etc.)	\$ 20,000,000
Information Technology		
Reference	Description	Amount
26390	Training and Professional Development Services, Support Consulting	\$ 200,000
26391	Payroll Services (Finance ADP)	\$ 1,000,000
26392	Telecommunication Services	\$ 1,500,000
26393	Regional Wireless Cooperative (RWC) participation	\$ 600,000
26394	Copier/Printer/Plotter Maintenance, Services, Support and Warranties	\$ 500,000
26395	Cybersecurity Software & Services	\$ 1,000,000
26396	Technology Software, Equipment, Repair, Services, Support and related	\$ 1,500,000
26397	Technology Hardware, Equipment, Repair, Services, Support and related	\$ 1,500,000
26398	Contractual Maintenance, Licensing, Subscription, Services, and Support	\$ 5,400,000
26399	Public Safety - Comm., Safety, Security and Video; Equipment, Maint., Services, Support & Supplies	\$ 1,500,000
26400	Temporary & Part time Staffing Support & Services	\$ 500,000
26401	Managed Services, Support - Technical / Professional	\$ 850,000
Marketing & Public Relations		
Reference	Description	Amount
26405	Promotion and Publicity	\$ 250,000
26406	Citywide Printing Services	\$ 450,000
Neighborhood and Family Services		
Reference	Description	Amount
26410	Home Repair Program	\$ 400,000
26411	Substantial Home Rehabilitation	\$ 350,000
26412	Homeless Outreach Services	\$ 330,000
26413	Summer Youth Employment	\$ 110,000
26414	Redevelopment	\$ 610,000
26415	Nourishment Program	\$ 585,000
26416	Security Services	\$ 110,000
26417	Temporary Staffing Services	\$ 500,000
26418	Neighborhood Revitalization	\$ 225,000
26419	Contributions Assistance Program	\$ 250,000
26420	Resident Temporary Housing - Pilot	\$ 225,000
26421	Youth Services Division	\$ 220,000
26422	Crisis Case Management, Behavioral Health and Financial Assistance Services CAP	\$ 645,000
Parks and Recreation		
Reference	Description	Amount
26425	American Sports Center (ASC) Covenant Payments	\$ 110,000
26426	Aquatic Chemicals	\$ 300,000
26427	Citywide Landscaping Services	\$ 2,000,000
26428	Fencing & Windscreens	\$ 250,000

OPERATING ITEMS		
FY2026 Line Items for Administrative Award		
City Administration		
Reference	Description	Amount
26300	Professional Lobbying Services	\$ 150,000
City Attorney		
Reference	Description	Amount
26305	Outside Legal Services and Attorney Fees	\$ 1,000,000
26306	City Prosecutor	\$ 210,000
City Auditor		
Reference	Description	Amount
26310	Professional Audit Services	\$ 170,000
City Clerk		
Reference	Description	Amount
26315	Citywide Postage	\$ 275,000
City Court		
Reference	Description	Amount
26320	Interpreter, Transcription, Translation Services	\$ 200,000
26321	Public Defender	\$ 235,000
26322	Pro-Tem Services	\$ 165,000
Engineering Services		
Reference	Description	Amount
26325	Project Support (Engineering)	\$ 600,000
26326	Real Estate Services	\$ 200,000
26327	Engineering Plan Review	\$ 400,000
26328	On-Call	\$ 250,000
26329	Traffic Signal Supplies and Maintenance (electronic equipment, wiring, cameras, etc.)	\$ 300,000
26330	Traffic Signs and Supplies (posts & blanks, markings, reflective sign sheeting, etc.)	\$ 400,000
26331	Traffic Calming Supply & Service	\$ 300,000
26332	Streetlight Supplies and Replacements (poles, fixtures, Services, etc.)	\$ 400,000
26333	Street Maintenance (Restriping, school crosswalks, etc.)	\$ 500,000
Development Services		
Reference	Description	Amount
26340	Building Inspections and Plan Review	\$ 450,000
26341	Gila River Implementation Plan	\$ 500,000
Economic Development		
Reference	Description	Amount
26345	Small Business Growth Opportunities (tools, reports, memberships, etc.)	\$ 250,000
26346	Marketing Services, Website Design, Digital Support & Maintenance	\$ 600,000
26347	Real Estate Services	\$ 250,000
26348	Outsourced Fast-Track Review Services	\$ 250,000
Facilities		
Reference	Description	Amount
26350	Site Security	\$ 710,000
26351	Citywide - Janitorial Services	\$ 2,200,000
26352	Pest Control	\$ 160,000
26353	Mechanical Systems Service - HVAC, Plumbing, Energy Management	\$ 1,250,000
26354	Repair & Maintenance	\$ 1,210,000
26355	Waste Disposal and Trash Removal	\$ 200,000
26356	Fire Protection Services	\$ 145,000
26357	Citywide Furniture	\$ 500,000
Finance & Budget		
Reference	Description	Amount
26360	Accounting/Audit Services	\$ 150,000
26361	Finance, Banking and Financial Management Fees	\$ 1,500,000
26362	Water Billing (Printing, Handling & Mailing Services)	\$ 200,000
26363	Citywide Temporary Staffing Services	\$ 800,000
26364	Citywide Office Products (WIST, Amazon)	\$ 500,000

OPERATING ITEMS		
FY2026 Line Items for Administrative Award		
Fire & Medical		
Reference	Description	Amount
26370	Medical Services	\$ 300,000
26371	Dispatch Fees	\$ 950,000
26372	Vehicle Maintenance and Repair	\$ 750,000
26373	Safety Equipment and Apparel	\$ 500,000
26374	Safety Equipment and Apparel Maintenance and Repairs	\$ 120,000
26375	Fire/Medical Supplies	\$ 175,000
26376	Fire Training	\$ 250,000
Human Resources		
Reference	Description	Amount
26380	Appraisal Services	\$ 110,000
26381	Attorney Fees	\$ 115,000
26382	Professional Services - Medical Fees	\$ 110,000
26383	Consulting Services for Worker Com Administration, Benefit, Compensation Study , etc.	\$ 350,000
26384	Broker Services	\$ 165,000
26385	Insurance Premiums (Life Insurance, Risk Management, etc.)	\$ 4,100,000
26386	Insurance Claims and Worker Comp	\$ 900,000
26387	Citywide Group Benefit Plans Premiums and Associated Services (Medical, Dental, Vision, etc.)	\$ 20,000,000
Information Technology		
Reference	Description	Amount
26390	Training and Professional Development Services, Support Consulting	\$ 200,000
26391	Payroll Services (Finance ADP)	\$ 1,000,000
26392	Telecommunication Services	\$ 1,500,000
26393	Regional Wireless Cooperative (RWC) participation	\$ 600,000
26394	Copier/Printer/Plotter Maintenance, Services, Support and Warranties	\$ 500,000
26395	Cybersecurity Software & Services	\$ 1,000,000
26396	Technology Software, Equipment, Repair, Services, Support and related	\$ 1,500,000
26397	Technology Hardware, Equipment, Repair, Services, Support and related	\$ 1,500,000
26398	Contractual Maintenance, Licensing, Subscription, Services, and Support	\$ 5,400,000
26399	Public Safety - Comm., Safety, Security and Video; Equipment, Maint., Services, Support & Supplies	\$ 1,500,000
26400	Temporary & Part time Staffing Support & Services	\$ 500,000
26401	Managed Services, Support - Technical / Professional	\$ 850,000
Marketing & Public Relations		
Reference	Description	Amount
26405	Promotion and Publicity	\$ 250,000
26406	Citywide Printing Services	\$ 450,000
Neighborhood and Family Services		
Reference	Description	Amount
26410	Home Repair Program	\$ 400,000
26411	Substantial Home Rehabilitation	\$ 350,000
26412	Homeless Outreach Services	\$ 330,000
26413	Summer Youth Employment	\$ 110,000
26414	Redevelopment	\$ 610,000
26415	Nourishment Program	\$ 585,000
26416	Security Services	\$ 110,000
26417	Temporary Staffing Services	\$ 500,000
26418	Neighborhood Revitalization	\$ 225,000
26419	Contributions Assistance Program	\$ 250,000
26420	Resident Temporary Housing - Pilot	\$ 225,000
26421	Youth Services Division	\$ 220,000
26422	Crisis Case Management, Behavioral Health and Financial Assistance Services CAP	\$ 645,000
Parks and Recreation		
Reference	Description	Amount
26425	American Sports Center (ASC) Covenant Payments	\$ 110,000
26426	Aquatic Chemicals	\$ 300,000
26427	Citywide Landscaping Services	\$ 2,000,000
26428	Fencing & Windscreens	\$ 250,000

OPERATING ITEMS		
FY2026 Line Items for Administrative Award		
26429	Holiday Lighting and Related Services	\$ 300,000
26430	Invasive plant species removed in the Agua Fria River	\$ 155,000
26431	Landscaping Environmental and Ecological (Crystal Gardens)	\$ 500,000
26432	Library Materials	\$ 750,000
26433	Park Maintenance Equipment	\$ 860,000
26434	Park Maintenance Supplies	\$ 500,000
26435	Public Artwork	\$ 1,040,000
26436	Recreation Equipment (Libraries, Aquatics, Parks, Recreation Programs)	\$ 500,000
26437	Recreation Programming	\$ 500,000
26438	Repair & Maintenance	\$ 100,000
26439	Security Services	\$ 200,000
26440	Special Events	\$ 1,000,000
26441	Aquatics Maintenance	\$ 500,000
Police Department		
Reference	Description	Amount
26445	Contracted Jail Per Diem and Housing Services	\$ 300,000
26446	False Alarm Contract - Revenue Share Payment	\$ 110,000
26447	Police Training	\$ 150,000
26448	Family Advocacy Center Lease	\$ 480,000
26449	Firearm Training Supplies	\$ 300,000
26450	Safety Apparel/Equipment	\$ 200,000
26451	VOCA Trauma Therapy and supervision	\$ 125,000
26452	Citywide - Public Safety Uniforms	\$ 600,000
26453	Speed Mitigation Safety Camera Program	\$ 400,000
26454	Vehicles (Off-Highway Vehicles (OHV) and Leased Vehicles repairs, maintenance, replacement)	\$ 300,000
26455	(RICO) Funded Armored Vehicles	\$ 360,000
26456	Emergency Telecommunications Service Systems	\$ 400,000
Public Safety		
Reference	Description	Amount
26460	Abatement Services	\$ 110,000
26461	Demolition Services	\$ 125,000
26462	Occupation Cancer State Program	\$ 275,000
Public Works		
Reference	Description	Amount
26465	Citywide Rental - Uniform, Safety Equipment, Towels, Rugs...	\$ 300,000
26466	Citywide Security Services	\$ 250,000
26467	Citywide Maintenance, Repair and Operations Supplies (MRO) (tools, spare parts, gloves etc.)	\$ 550,000
26468	Chemicals	\$ 2,000,000
26469	Contract Services - Contract Maintenance - Building & Grounds	\$ 600,000
26470	Contract Services - Vehicle Repairs	\$ 300,000
26471	Equipment for Public Works	\$ 250,000
26472	Fleet - Oil & Lubricants, Tires, Tubes, and batteries, parts, supplies	\$ 500,000
26473	Fuel	\$ 2,000,000
26474	Landfill fees (including sludge and biosolids hauling)	\$ 2,500,000
26475	MAG EV Sitting Plan	\$ 100,000
26476	Laboratory Services and Fees	\$ 225,000
26477	External Support Services for Sustainability and Stormwater efforts	\$ 150,000
26478	External Support Services for Water, Wastewater, Fleet, Solid Waste, Transit efforts	\$ 2,500,000
26479	Promotional Items and Recreation Supplies	\$ 150,000
26480	Recycling Fees and Supplies	\$ 500,000
26481	Repair & Maintenance (R&M) Machinery & Equipment	\$ 100,000
26482	Repair & Maintenance (R&M) Water/Wastewater (Wells, Equipment, Service, Arsenic/Nitrate Brine Disposal)	\$ 1,700,000
26483	SCADA Video Equipment, Maintenance, Services & Supplies	\$ 500,000
26484	SCADA Communications Equipment, Equipment, Maintenance, Support & Supplies	\$ 1,000,000
26485	Solid Waste Containers	\$ 400,000
26486	Supplies - Streets	\$ 150,000
26487	Supplies and Parts - Water/Wastewater	\$ 1,700,000
26488	Testing Materials and Lab Supplies	\$ 110,000
26489	Transit Services	\$ 4,500,000

OPERATING ITEMS		
FY2026 Line Items for Administrative Award		
26429	Holiday Lighting and Related Services	\$ 300,000
26430	Invasive plant species removed in the Agua Fria River	\$ 155,000
26431	Landscaping Environmental and Ecological (Crystal Gardens)	\$ 500,000
26432	Library Materials	\$ 750,000
26433	Park Maintenance Equipment	\$ 860,000
26434	Park Maintenance Supplies	\$ 500,000
26435	Public Artwork	\$ 1,040,000
26436	Recreation Equipment (Libraries, Aquatics, Parks, Recreation Programs)	\$ 500,000
26437	Recreation Programming	\$ 500,000
26438	Repair & Maintenance	\$ 100,000
26439	Security Services	\$ 200,000
26440	Special Events	\$ 1,000,000
26441	Aquatics Maintenance	\$ 500,000
Police Department		
Reference	Description	Amount
26445	Contracted Jail Per Diem and Housing Services	\$ 300,000
26446	False Alarm Contract - Revenue Share Payment	\$ 110,000
26447	Police Training	\$ 150,000
26448	Family Advocacy Center Lease	\$ 480,000
26449	Firearm Training Supplies	\$ 300,000
26450	Safety Apparel/Equipment	\$ 200,000
26451	VOCA Trauma Therapy and supervision	\$ 125,000
26452	Citywide - Public Safety Uniforms	\$ 600,000
26453	Speed Mitigation Safety Camera Program	\$ 400,000
26454	Vehicles (Off-Highway Vehicles (OHV) and Leased Vehicles repairs, maintenance, replacement)	\$ 300,000
26455	(RICO) Funded Armored Vehicles	\$ 360,000
26456	Emergency Telecommunications Service Systems	\$ 400,000
Public Safety		
Reference	Description	Amount
26460	Abatement Services	\$ 110,000
26461	Demolition Services	\$ 125,000
26462	Occupation Cancer State Program	\$ 275,000
Public Works		
Reference	Description	Amount
26465	Citywide Rental - Uniform, Safety Equipment, Towels, Rugs...	\$ 300,000
26466	Citywide Security Services	\$ 250,000
26467	Citywide Maintenance, Repair and Operations Supplies (MRO) (tools, spare parts, gloves etc.)	\$ 550,000
26468	Chemicals	\$ 2,000,000
26469	Contract Services - Contract Maintenance - Building & Grounds	\$ 600,000
26470	Contract Services - Vehicle Repairs	\$ 300,000
26471	Equipment for Public Works	\$ 250,000
26472	Fleet - Oil & Lubricants, Tires, Tubes, and batteries, parts, supplies	\$ 500,000
26473	Fuel	\$ 2,000,000
26474	Landfill fees (including sludge and biosolids hauling)	\$ 2,500,000
26475	MAG EV Sitting Plan	\$ 100,000
26476	Laboratory Services and Fees	\$ 225,000
26477	External Support Services for Sustainability and Stormwater efforts	\$ 150,000
26478	External Support Services for Water, Wastewater, Fleet, Solid Waste, Transit efforts	\$ 2,500,000
26479	Promotional Items and Recreation Supplies	\$ 150,000
26480	Recycling Fees and Supplies	\$ 500,000
26481	Repair & Maintenance (R&M) Machinery & Equipment	\$ 100,000
26482	Repair & Maintenance (R&M) Water/Wastewater (Wells, Equipment, Service, Arsenic/Nitrate Brine Disposal)	\$ 1,700,000
26483	SCADA Video Equipment, Maintenance, Services & Supplies	\$ 500,000
26484	SCADA Communications Equipment, Equipment, Maintenance, Support & Supplies	\$ 1,000,000
26485	Solid Waste Containers	\$ 400,000
26486	Supplies - Streets	\$ 150,000
26487	Supplies and Parts - Water/Wastewater	\$ 1,700,000
26488	Testing Materials and Lab Supplies	\$ 110,000
26489	Transit Services	\$ 4,500,000

OPERATING ITEMS			
FY2026 Line Items for Administrative Award			
26490	Uniforms and Safety Equipment Purchases	\$	150,000
26491	Vehicle Purchases	\$	2,785,000
26492	Water Meters	\$	900,000
26493	Water/Wastewater Pumps, Motors, Tank Inspections, and Chlorine System Parts	\$	500,000
26494	Water Purchases	\$	5,000,000
26495	Water/Wastewater System Improvements	\$	600,000

EXHIBIT C
TO
RESOLUTION NO. 1033-0625

[Schedule of Interfund Transfers]

See following pages.

Schedule of Interfund Transfers FY2026

Transfer From:	General Fund	Dedicated Sales Tax	Water Operations	Water Development	Sewer Operations	Solid Waste	Total
Transfer to Operating Funds							
General Fund	\$ -	\$ -	\$ 618,000	\$ -	\$ 452,000	\$ -	\$ 1,070,000
Economic Opportunities	\$ 1,325,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,325,000
Transit Fund	\$ 500,000	\$ 3,610,000	\$ -	\$ -	\$ -	\$ -	\$ 4,110,000
Regional Family Advocacy	\$ 484,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 484,400
Public Arts	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Total Transfers to Operating	\$ 2,409,400	\$ 3,610,000	\$ 618,000	\$ -	\$ 452,000	\$ -	\$ 7,089,400
Transfer to Debt Funds							
2019 PRO Debt	\$ -	\$ 557,000	\$ -	\$ 391,000	\$ -	\$ -	\$ 948,000
2021 PRO Debt	\$ 1,491,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,491,000
Sewer PRO Debt	\$ -	\$ -	\$ -	\$ -	\$ 667,000	\$ -	\$ 667,000
Total Transfer to Debt Service	\$ 1,491,000	\$ 557,000	\$ -	\$ 391,000	\$ 667,000	\$ -	\$ 3,106,000
Transfer to Capital Funds							
General Fund Capital	\$ 62,864,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,864,000
Sewer Construction	\$ -	\$ -	\$ -	\$ -	\$ 7,042,000	\$ -	\$ 7,042,000
Water Construction	\$ -	\$ -	\$ 27,111,000	\$ -	\$ -	\$ -	\$ 27,111,000
Solid Waste Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000
Water Equipment Replacement	\$ -	\$ -	\$ 3,300,000	\$ -	\$ -	\$ -	\$ 3,300,000
Sewer Equipment Replacement	\$ -	\$ -	\$ -	\$ -	\$ 2,044,000	\$ -	\$ 2,044,000
Solid Waste Equip. Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 894,000	\$ 894,000
Vehicle Replacement	\$ 3,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,500,000
General Fund Asset Replacement	\$ 5,266,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,266,000
Total Transfers to Capital Funds	\$ 71,630,000	\$ -	\$ 30,411,000	\$ -	\$ 9,086,000	\$ 919,000	\$ 112,046,000
Total Transfers	\$ 75,530,400	\$ 4,167,000	\$ 31,029,000	\$ 391,000	\$ 10,205,000	\$ 919,000	\$ 122,241,400

*Schedule sets projected maximum amount. Actual transfer may be less

EXHIBIT D
TO
RESOLUTION NO. 1033-0625

[Capital Improvement Plan]

See following pages.

FY2026 Project Funding

Funded / Planned

Project Number	Project Title	Total Project Budget	FY2025	Carryover	FY2026	FY2027	FY2028	FY2029	FY2030	FY26-FY30 Total	FY31-FY35 Total
Asset Replacement											
A0115	SCADA Security Asset Replacement	82,052	68,000	68,000	68,000	0	0	0	0	68,000	0
A0267	Facilities Asset Replacement FY2024	253,000	174,000	19,000	19,000	0	0	0	0	19,000	0
A0268	Facilities Asset Replacement FY2027 and Beyond	1,111,000	0	0	0	80,000	668,000	179,000	184,000	1,111,000	255,000
A0269	Fire Equipment and Asset Replacement FY2024	382,000	61,000	18,000	18,000	0	0	0	0	18,000	0
A0270	Fire Equipment and Asset Replacement FY2027 and Beyond	1,035,000	0	0	0	104,000	536,000	136,000	259,000	1,035,000	2,920,000
A0271	Lift Station Rehabilitation Program FY2024	200,000	200,000	55,000	55,000	0	0	0	0	55,000	0
A0272	Lift Station Rehabilitation Program FY2027 and Beyond	900,000	0	0	0	200,000	200,000	250,000	250,000	900,000	1,450,000
A0274	Parks and Recreation Asset Replacement Plan 2027 and Beyond	54,000	0	0	0	0	0	0	54,000	54,000	54,000
A0276	Police Asset Replacement Program FY2027 and Beyond	739,000	0	0	0	230,000	161,000	161,000	187,000	739,000	1,553,000
A0277	SCADA Security Asset Replacement FY2024	376,000	376,000	376,000	376,000	0	0	0	0	376,000	0
A0278	SCADA Security Asset Replacement FY2027 and Beyond	440,000	0	0	0	176,000	152,000	152,000	400,000	880,000	1,675,000
A0280	Streets Asset Replacement FY2027 and Beyond	5,172,000	0	0	0	1,293,000	1,293,000	1,293,000	1,293,000	5,172,000	6,640,000
A0281	Vehicle Replacement 2024	1,720,000	701,000	214,000	214,000	0	0	0	0	214,000	0
A0282	Vehicle Replacement 2027 and Beyond	20,955,000	0	0	0	7,667,000	6,594,000	4,737,000	7,957,000	26,955,000	10,969,000
A0284	Water Meter Replacement FY2027 and Beyond	2,525,000	0	0	0	625,000	625,000	625,000	650,000	2,525,000	3,400,000
A0285	Computer and Equipment Asset Replacement FY2024	839,000	326,000	326,000	326,000	0	0	0	0	326,000	0
A0286	Computer and Equipment Asset Replacement FY2027 and Beyond	1,810,000	0	0	0	377,000	257,000	437,000	739,000	1,810,000	932,000
A0290	Library Asset Replacement FY2027 and Beyond	180,000	0	0	0	54,000	10,000	68,000	48,000	180,000	116,000
A0291	Randall McDaniel Sports Complex Asset Replacement FY2024	176,000	134,000	122,000	122,000	0	0	0	0	122,000	0
A0292	Randall McDaniel Sports Complex Asset Replacement FY2027 and Beyond	300,000	0	0	0	0	0	150,000	150,000	300,000	525,000
A0324	Water Asset Replacement FY2027 and Beyond	2,000,000	0	0	0	500,000	500,000	500,000	500,000	2,000,000	2,625,000
A0328	Avondale Campus Painting Project	500,000	126,000	126,000	286,000	90,000	0	0	0	376,000	0
A0329	American Sports Center Painting and Surfacing	330,000	254,000	254,000	254,000	0	0	0	0	254,000	0
A0351	City Hall Interior Paint	214,000	89,000	89,000	89,000	0	0	0	0	89,000	0
A0358	Lift Station Rehabilitation Program FY2025	200,000	200,000	200,000	200,000	0	0	0	0	200,000	0
A0359	Vehicle Replacement FY2025	4,058,000	4,058,000	1,868,000	1,868,000	0	0	0	0	1,868,000	0
A0371	Water Asset Replacement FY2025	450,000	450,000	450,000	450,000	0	0	0	0	450,000	0
A0381	Police Asset Replacement Program FY2025	158,000	158,000	41,000	41,000	0	0	0	0	41,000	0
A0390	Parks and Recreation Asset Replacement Plan FY2025	360,000	360,000	263,000	263,000	0	0	0	0	263,000	0
A0391	Library Asset Replacement FY2025	24,000	24,000	22,000	22,000	0	0	0	0	22,000	0
A0394	Communication Systems and Data Center Asset Replacement FY2025	1,186,000	1,186,000	520,000	520,000	0	0	0	0	520,000	695,000
A0395	Computer and Equipment Asset Replacement FY2025	3,188,000	3,188,000	430,000	430,000	0	0	0	0	430,000	0
A0396	SCADA Security Asset Replacement FY2025	376,000	376,000	376,000	376,000	0	0	0	0	376,000	0
A0397	Fire Apparatus Replacement FY2025	2,700,000	300,000	300,000	340,000	0	0	0	0	340,000	0
A0400	Fire Equipment and Asset Replacement FY2025	276,000	276,000	132,000	132,000	0	0	0	0	132,000	0
A0403	Facilities Asset Replacement FY2025	693,000	693,000	626,000	626,000	0	0	0	0	626,000	0
A0426	Streets Asset Replacement FY2025	1,043,000	1,043,000	905,000	905,000	0	0	0	0	905,000	0
A0433	Totaled Vehicle Replacement	70,000	70,000	70,000	70,000	0	0	0	0	70,000	0
A0441	WRF Asset Replacement FY2026	150,000	0	0	150,000	0	0	0	0	150,000	0
A0442	Lift Station Rehabilitation Program FY2026	200,000	0	0	200,000	0	0	0	0	200,000	0
A0443	Vehicle Replacement FY2026	5,758,000	0	0	5,758,000	0	0	0	0	5,758,000	0
A0444	Water Meter Replacement FY2026	600,000	0	0	600,000	0	0	0	0	600,000	0
A0445	Water Asset Replacement FY2026	500,000	0	0	500,000	0	0	0	0	500,000	0
A0446	SCADA Security Asset Replacement FY2026	176,000	0	0	176,000	0	0	0	0	176,000	0
A0447	Fleet Reincorporation of Replaced Vehicles	512,000	0	0	512,000	0	0	0	0	512,000	0
A0448	Police Asset Replacement Program FY2026	209,000	0	0	209,000	0	0	0	0	209,000	0
A0449	Parks and Recreation Asset Replacement Plan FY2026	375,000	0	0	375,000	0	0	0	0	375,000	0
A0450	Library Asset Replacement FY2026	16,000	0	0	16,000	0	0	0	0	16,000	0
A0451	Computer and Equipment Asset Replacement FY2026	1,804,000	0	0	1,804,000	0	0	0	0	1,804,000	0
A0452	Communication Systems and Data Center Asset Replacement FY2026	1,339,000	0	0	1,339,000	0	0	0	0	1,339,000	0
A0453	Fire Equipment and Asset Replacement FY2026	311,000	0	0	311,000	0	0	0	0	311,000	0
A0454	Fire Apparatus Replacement FY2026	900,000	0	0	900,000	0	0	0	0	900,000	0
A0455	Facilities Asset Replacement FY2026	34,000	0	0	34,000	0	0	0	0	34,000	0
A0456	Randall McDaniel Sports Complex Asset Replacement FY2026	100,000	0	0	286,000	0	0	0	0	286,000	0
A0457	Streets Asset Replacement FY2026	1,293,000	0	0	1,293,000	0	0	0	0	1,293,000	0
A0496	WRF Asset Replacement FY2027 and Beyond	700,000	0	0	0	150,000	175,000	175,000	200,000	700,000	1,250,000
M0297	Communication Systems and Data Center Asset Replacements FY2024	608,000	608,000	608,000	608,000	0	0	0	0	608,000	0
M0298	Communication Systems and Data Center Asset Replacements FY2027 and Beyond	3,981,000	0	0	0	1,315,000	1,280,000	1,386,000	0	3,981,000	5,415,000
S0225	Fire Apparatus Replacement	3,738,000	86,000	51,000	51,000	0	0	0	0	51,000	0
S0302	Fire Apparatus Replacement FY2027 and Beyond	3,450,000	0	0	0	1,700,000	0	1,750,000	0	3,450,000	6,150,000
General Government											
B0191	New Park & Ride at BLVD Parking Garage	764,000	764,000	14,000	14,000	0	0	0	0	14,000	0
M0176	Bridge Housing	2,709,061	2,653,000	2,509,000	2,509,000	0	0	0	0	2,509,000	0
M0177	City Fiber Backbone - Sam Garcia Library to MOSC	700,000	553,000	549,000	549,000	0	0	0	0	549,000	0
M0393	Resource Center Expansion Study	150,000	150,000	100,000	100,000	0	0	0	0	100,000	0
M0402	Friendship Park Restroom Painting	40,000	40,000	40,000	40,000	0	0	0	0	40,000	0
M0425	Design Concept for New Operational Warehouse	500,000	500,000	447,000	447,000	0	0	0	0	447,000	0
M0440	ADA Transition Plan FY2027 and Beyond	300,000	0	0	0	0	150,000	0	150,000	300,000	0
M0458	Fleet Shop Electrical Upgrades and Office Remodel	275,000	0	0	275,000	0	0	0	0	275,000	0
M0459	Multiple Site Cellular Connectivity Booster Project	331,000	0	0	331,000	0	0	0	0	331,000	0
M0460	ADA Transition Plan FY2026	150,000	0	0	150,000	0	0	0	0	150,000	0
M0461	Las Ligas Veteran Housing	50,000	0	0	50,000	0	0	0	0	50,000	0
M0462	New Operations Warehouse	1,450,000	0	0	1,450,000	0	0	0	0	1,450,000	6,550,000
M0463	Municipal Operations Center Study	100,000	0	0	100,000	0	0	0	0	100,000	0
M0498	Conference Room Redesigns and Upgrades	140,000	0	0	140,000	0	0	0	0	140,000	0

FY2026 Project Funding												
Funded / Planned												
Project Number	Project Title	Total Project Budget	FY2025	Carryover	FY2026	FY2027	FY2028	FY2029	FY2030	FY26-FY30 Total	FY31-FY35 Total	
M0504	New Vehicles FY2026	813,000	0	0	813,000	0	0	0	0	813,000	0	0
P0382	ADA Transition Plan	150,000	150,000	150,000	150,000	0	0	0	0	150,000	0	0
Parks and Recreation												
P0012	GO Bond: Agua Fria Pedestrian Bridge to Friendship Park	456,000	295,000	203,000	203,000	0	0	0	0	203,000	0	0
P0015	GO Bond: Agua Fria Trailhead at Friendship Park and McDowell Rd (Formerly Recharge Park)	1,205,214	810,000	781,000	781,000	0	0	0	0	781,000	4,200,000	0
P0084	Multi-Modal Trail System	424,842	281,000	171,000	171,000	0	0	0	0	171,000	0	0
P0120	Sport Field Lighting Friendship Park	1,564,000	722,000	480,000	480,000	0	0	0	0	480,000	0	0
P0174	Civic Center Park	4,132,000	3,817,000	3,365,000	3,365,000	0	0	0	0	3,365,000	0	0
P0193	Deconcini Park Enhancements	2,800,000	1,598,000	477,000	477,000	0	0	0	0	477,000	0	0
P0327	Sport Field Lighting Festival Fields Park	1,119,000	0	0	1,119,000	0	0	0	0	1,119,000	0	0
P0330	Donatela Park	5,474,000	148,000	84,000	2,938,000	2,420,000	0	0	0	5,358,000	0	0
P0331	Cashion Pocket Park	80,000	80,000	80,000	80,000	0	0	0	0	80,000	0	0
P0332	Dog Park Enhancements at Friendship Park	1,503,000	1,334,000	1,328,000	1,497,000	0	0	0	0	1,497,000	0	0
P0333	Pickleball Court Construction at Friendship Park	2,051,000	1,442,000	1,433,000	2,042,000	0	0	0	0	2,042,000	0	0
P0334	Softball Field Enhancements at Friendship Park	442,000	32,000	25,000	435,000	0	0	0	0	435,000	0	0
P0335	Festival Fields Disc Golf and Trailhead	84,000	81,000	84,000	84,000	0	0	0	0	84,000	0	0
P0383	Trail Improvements in the BLVD Area	1,409,000	1,409,000	1,397,000	1,397,000	0	0	0	0	1,397,000	0	0
P0384	Agua Fria Multi-Use Path - Buckeye Rd/MC 85 Crossing	2,960,000	44,000	34,000	1,982,000	968,000	0	0	0	2,950,000	0	0
P0385	Agua Fria Multi-Use Path - Lower Buckeye Rd Crossing	3,093,000	46,000	36,000	3,083,000	0	0	0	0	3,083,000	0	0
P0386	Dysart & Western Ave Pocket Park	1,000,000	770,000	761,000	991,000	0	0	0	0	991,000	0	0
P0387	Base and Meridian Wildlife Area Restoration	1,300,000	500,000	500,000	1,300,000	0	0	0	0	1,300,000	0	0
P0389	Dessie Lorenz Park Improvements	1,387,000	117,000	112,000	1,382,000	0	0	0	0	1,382,000	0	0
P0435	Multi-Modal Trail System FY2027 and Beyond	4,089,000	0	0	0	0	0	89,000	2,440,000	2,529,000	1,560,000	0
P0466	GO Bond: Trailhead - Agua Fria & MC85	530,000	0	0	530,000	0	300,000	0	0	830,000	4,000,000	0
P0467	Indoor Pickleball Facility	1,000,000	0	0	0	1,000,000	0	0	0	1,000,000	0	0
P0468	Friendship Park Entry/Exit and Parking Improvements	150,000	0	0	150,000	0	0	0	0	150,000	0	0
P0469	Fred Campbell Park Renovation	310,000	0	0	0	310,000	0	0	0	310,000	0	0
P0470	Civic Center Shade Sails & Lighting Improvements	170,000	0	0	170,000	0	0	0	0	170,000	0	0
P0472	Multi-Modal Trail System FY2026	200,000	0	0	200,000	0	0	0	0	200,000	0	0
P0473	Las Ligas Park Improvements	750,000	0	0	0	0	750,000	0	0	750,000	0	0
Public Safety												
S0013	Southern Avondale Fire/Police Station	28,800,000	2,050,000	1,864,000	1,884,000	0	25,550,000	0	0	27,434,000	0	0
S0056	Additional Fire Apparatus	948,000	57,000	38,000	38,000	0	0	0	0	38,000	0	0
S0104	Fire Station #171 Replacement	15,839,000	14,838,000	14,512,000	14,512,000	0	0	0	0	14,512,000	0	0
S0198	Police Communications Bureau Remodel	4,516,000	4,425,000	3,821,000	3,821,000	0	0	0	0	3,821,000	0	0
S0228	Avondale Boulevard and Broadway Road Fiber	1,600,000	1,536,000	364,000	364,000	0	0	0	0	364,000	0	0
S0344	K-9 Training Facility	3,960,000	3,881,000	3,552,000	3,552,000	0	0	0	0	3,552,000	0	0
S0392	Regional Wireless Cooperative (RWC) Tower	2,500,000	0	0	250,000	2,250,000	0	0	0	2,500,000	0	0
S0398	Training Tower	5,427,000	4,302,000	4,302,000	5,427,000	0	0	0	0	5,427,000	0	0
S0399	New Fire Apparatus	1,350,000	150,000	150,000	170,000	0	0	0	0	170,000	0	0
S0428	Courtroom Audio/Video System Refresh	400,000	0	0	0	400,000	0	0	0	400,000	0	0
S0430	City Court Expansion Phase 2 - City Court Training/Conference Room	1,150,000	100,000	85,000	1,135,000	0	0	0	0	1,135,000	0	0
S0434	Agua Fria River Bottom Controls	500,000	500,000	500,000	500,000	0	0	0	0	500,000	0	0
S0464	Raceway Building Additional Restrooms	249,500	0	50,000	250,000	0	0	0	0	250,000	0	0
S0465	City Court Office Expansion Study	100,000	0	0	0	100,000	0	0	0	100,000	0	0
S0497	Agua Fria River Bottom Controls Phase 2	400,000	0	0	400,000	0	0	0	0	400,000	0	0
Transportation												
T0031	Communication Conduit and Fiber Backbone Program	1,400,000	522,000	522,000	522,000	0	0	0	0	522,000	0	0
T0161	Western Avenue - Central Avenue to 4th Avenue - Improvements	2,025,000	1,961,000	1,820,000	1,820,000	0	0	0	0	1,820,000	0	0
T0162	Western Avenue Decorative String Lights	320,000	320,000	320,000	320,000	0	0	0	0	320,000	0	0
T0163	Western Avenue Pedestrian Streetlights	895,000	895,000	862,000	862,000	0	0	0	0	862,000	0	0
T0200	Old Town Avondale Phase III Improvement	9,752,121	13,380,000	6,709,000	6,709,000	0	0	0	0	6,709,000	0	0
T0201	Old Town Avondale Phase IV Improvement	11,138,000	2,148,000	1,911,000	10,658,000	0	0	0	0	10,658,000	0	0
T0203	Old Town Avondale Phase V Improvement	6,718,000	1,392,000	1,234,000	6,379,000	0	0	0	0	6,379,000	0	0
T0206	Traffic Signal - 99th Avenue and Encanto Boulevard	710,000	584,000	563,000	673,000	0	0	0	0	673,000	0	0
T0213	Traffic Signal - 107th Avenue and Roosevelt Street	750,000	600,000	600,000	750,000	0	0	0	0	750,000	0	0
T0240	Old Town Avondale Phase VI Improvement	5,078,000	391,000	215,000	1,864,000	3,038,000	0	0	0	4,902,000	0	0
T0249	Traffic Signal - Avondale Boulevard and Miami Avenue	350,000	0	0	200,000	150,000	0	0	0	350,000	0	0
T0253	Traffic Signal - 111th Avenue and Van Buren Street	700,000	50,000	50,000	50,000	660,000	0	0	0	710,000	0	0
T0260	Sidewalk Accessibility Improvement Program FY2027 and Beyond	800,000	0	0	0	200,000	200,000	200,000	200,000	800,000	0	0
T0303	Bike Retrofit Program FY2027 and Beyond	50,000	0	0	0	0	0	50,000	0	50,000	0	0
T0305	Bridge Repairs FY2027 and Beyond	200,000	0	0	0	100,000	0	100,000	0	200,000	200,000	0
T0306	Communication Conduit and Fiber Backbone Program FY2024	450,000	450,000	448,000	448,000	0	0	0	0	448,000	0	0
T0307	Communication Conduit and Fiber Backbone Program FY2027 and Beyond	1,200,000	0	0	0	300,000	300,000	300,000	300,000	1,200,000	600,000	0
T0309	Gateway Program FY2027 and Beyond	400,000	0	0	0	100,000	100,000	100,000	100,000	400,000	0	0
T0311	Pavement Management Program FY2027 and Beyond	30,000,000	0	0	0	9,000,000	9,000,000	9,000,000	3,000,000	30,000,000	15,000,000	0
T0312	Street Drainage Issues FY2024	300,000	300,000	288,000	288,000	0	0	0	0	288,000	0	0
T0313	Street Drainage Issues FY2027 and Beyond	800,000	0	0	0	200,000	200,000	200,000	200,000	800,000	0	0
T0317	Wayfinding Signage FY2027 and Beyond	70,000	0	0	0	35,000	35,000	0	0	70,000	0	0
T0318	Traffic Signal Re-Timing Program FY2024	100,000	100,000	100,000	100,000	0	0	0	0	100,000	0	0
T0321	Citywide Sidewalk Expansion and Gap Improvement Program FY2027 and Beyond	800,000	0	0	0	200,000	200,000	200,000	200,000	800,000	0	0
T0336	HAWK Signal on Avondale Boulevard at Palm Lane	280,000	202,000	160,000	160,000	0	0	0	0	160,000	0	0
T0338	HAWK Signal on El Mirage Road at Pima Street	315,000	237,000	202,000	202,000	0	0	0	0	202,000	0	0
T0339	HAWK Signal on Coldwater Springs Boulevard on the west side of 118th Avenue	290,000	212,000	187,000	187,000	0	0	0	0	187,000	0	0
T0341	HAWK Signal on Central Avenue at Holly Lane	275,000	197,000	157,000	157,000	0	0	0	0	157,000	0	0
T0342	HAWK Signal on El Mirage Road at the Northern Alamar Park Access	280,000	202,000	157,000	157,000	0	0	0	0	157,000	0	0

FY2026 Project Funding

Funded / Planned

Project Number	Project Title	Total Project Budget	FY2025	Carryover	FY2026	FY2027	FY2028	FY2029	FY2030	FY26-FY30 Total	FY31-FY35 Total
T0353	Traffic Signal - Dysart Road at Ascend	1,050,000	0	0	50,000	1,000,000	0	0	0	1,050,000	0
T0365	New Transit Shelters	500,000	500,000	500,000	500,000	0	0	0	0	500,000	0
T0375	Sidewalk Inventory and Condition Assessment	250,000	250,000	250,000	250,000	0	0	0	0	250,000	0
T0376	Lower Buckeye Corridor Study	400,000	400,000	349,000	349,000	0	0	0	0	349,000	0
T0377	Pavement Management Program FY2025	3,000,000	3,000,000	1,996,000	1,996,000	0	0	0	0	1,996,000	0
T0378	Citywide Sidewalk Expansion and Gap Improvement Program FY2025	210,000	215,000	194,000	194,000	0	0	0	0	194,000	0
T0404	Improvements to El Mirage Road - Calle Hermosa to Illini	5,000,000	0	0	350,000	500,000	4,150,000	0	0	5,000,000	0
T0405	Dysart Road/McDowell Road Intersection	3,540,000	240,000	231,000	531,000	300,000	2,700,000	0	0	3,531,000	0
T0407	Communication Conduit and Fiber Backbone Program FY2025	450,000	450,000	450,000	450,000	0	0	0	0	450,000	0
T0408	Traffic Signal - 116th Ave and McDowell	1,200,000	700,000	988,000	988,000	0	0	0	0	988,000	0
T0409	Wayfinding Signage FY2025	200,000	200,000	50,000	50,000	0	0	0	0	50,000	0
T0410	Van Buren Bridge Lighting Project	300,000	50,000	21,000	271,000	0	0	0	0	271,000	0
T0412	Gateway Program FY2025	300,000	300,000	300,000	300,000	0	0	0	0	300,000	0
T0414	Street Drainage Issues FY2025	200,000	200,000	200,000	200,000	0	0	0	0	200,000	0
T0416	Safety Action and Demonstration Plan	700,000	700,000	700,000	700,000	0	0	0	0	700,000	0
T0417	Cellular Communication Equipment and CCTV Intersection Cameras	427,000	427,000	386,000	386,000	0	0	0	0	386,000	0
T0418	Improvements at Western Avenue and Central Avenue	985,000	335,000	321,000	971,000	0	0	0	0	971,000	4,000,000
T0419	Traffic Signal - Thomas Road and 111th Avenue	710,000	600,000	570,000	680,000	0	0	0	0	680,000	0
T0420	Intersection Improvement Dysart Road and Coldwater Plaza	500,000	500,000	500,000	500,000	0	0	0	0	500,000	0
T0421	Intersection Improvement Avondale Boulevard and MC85	1,950,000	150,000	20,000	320,000	0	1,500,000	0	0	1,820,000	0
T0422	Designs for Priorities Identified in the Active Transportation Plan	100,000	100,000	100,000	100,000	0	0	0	0	100,000	0
T0423	Park Avenue Roadway Near The BLVD	925,000	50,000	50,000	925,000	0	0	0	0	925,000	0
T0436	Transit Center Wayfinding Materials and Security Camera Improvements	100,000	100,000	97,000	97,000	0	0	0	0	97,000	0
T0438	Las Ligas ADA Sidewalk Ramps	195,000	241,000	191,000	191,000	0	0	0	0	191,000	0
T0486	Pavement Management Program FY2026	3,000,000	0	0	3,000,000	0	0	0	0	3,000,000	0
T0487	Street Maintenance New Concrete Mixer Truck	300,000	0	0	300,000	0	0	0	0	300,000	0
T0488	Transit Removal of Shade Canopy at BLVD	82,000	0	0	82,000	0	0	0	0	82,000	0
T0489	Sidewalk Accessibility Improvement Program (ADA) FY2026	200,000	0	0	200,000	0	0	0	0	200,000	0
T0490	Communication Conduit and Fiber Backbone Program FY2026	450,000	0	0	450,000	0	0	0	0	450,000	0
T0491	Citywide Sidewalk Expansion and Gap Improvement Program FY2026	600,000	0	0	600,000	0	0	0	0	600,000	0
T0492	Gateway Program FY2026	228,000	0	0	228,000	0	0	0	0	228,000	0
T0493	Wayfinding Signage FY2026	35,000	0	0	35,000	0	0	0	0	35,000	0
T0494	Avondale Boulevard Median Landscape Improvements	300,000	0	0	50,000	250,000	0	0	0	300,000	0
T0495	Las Ligas Local Street Study	250,000	0	0	0	250,000	0	0	0	250,000	0
Utilities											
U0044	Dysart Road Sewer Replacement - Corral Street to Lower Buckeye Road	2,970,000	2,436,000	2,404,000	2,404,000	0	0	0	0	2,404,000	0
U0062	Garden Lakes Nitrate Equipment Replacement	4,280,000	0	0	480,000	3,800,000	0	0	0	4,280,000	0
U0076	Lift Station Security Upgrades	200,000	188,000	185,000	285,000	100,000	0	0	0	385,000	0
U0078	McDowell Recharge Basin Improvements	1,360,000	745,000	745,000	745,000	245,000	0	0	0	990,000	0
U0153	Water System Line Replacements and Expansions FY2024	1,671,000	1,668,000	1,668,000	1,668,000	0	0	0	0	1,668,000	0
U0156	Well 22 and Transmission Line	5,100,000	73,000	73,000	73,000	430,000	1,790,000	2,780,000	0	5,073,000	0
U0157	Well 7 Site Development	2,200,000	2,057,000	2,044,000	2,044,000	0	0	0	0	2,044,000	0
U0159	Well at 107th Avenue & Encanto Boulevard - Shared Well	2,176,000	735,000	708,000	958,000	0	0	0	0	958,000	0
U0164	White Mountain Apache Tribe Water Settlement	3,000,000	3,000,000	3,000,000	3,000,000	0	0	0	0	3,000,000	0
U0218	Well #26 Replacement	3,725,000	3,175,000	2,300,000	2,425,000	0	0	0	0	2,425,000	0
U0219	Water Reclamation Facility - Phase II Expansion	155,750,000	8,381,000	7,113,000	22,363,000	70,000,000	50,000,000	12,000,000	0	154,363,000	0
U0238	Site Security at Well and Booster Stations	106,000	48,000	48,000	74,000	0	0	0	0	74,000	0
U0257	New Well #25B	3,925,000	2,670,000	2,311,000	2,411,000	0	0	0	0	2,411,000	0
U0262	City Wide Sewer Improvements FY2027 and Beyond	840,000	0	0	0	180,000	200,000	220,000	240,000	840,000	1,500,000
U0264	Water System Line Replacements and Expansions FY2027 and Beyond	4,000,000	0	0	0	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000	5,000,000
U0322	Large Diameter Sewer Line Repair FY2027 and Beyond	6,100,000	0	0	0	1,300,000	1,400,000	1,600,000	1,800,000	6,100,000	9,000,000
U0340	Sediment Removal - Crystal Gardens & McDowell Recharge Basins	2,050,000	1,888,000	1,717,000	1,717,000	0	0	0	0	1,717,000	0
U0350	Update the Integrated Utility Master Plan	500,000	500,000	487,000	487,000	0	0	0	0	487,000	0
U0360	Nitrate Removal System for Coldwater Booster Station	6,000,000	0	0	0	0	0	500,000	5,500,000	6,000,000	0
U0361	Dysart Road Waterline - Whyman to Lower Buckeye	730,000	0	0	0	0	730,000	0	0	730,000	0
U0362	Land Purchase - Water Treatment & Storage Sites	600,000	0	0	600,000	0	0	0	0	600,000	0
U0363	Garden Lakes Site - Construct 2nd Reservoir & Improve Booster Capacity	10,750,000	0	0	0	0	750,000	5,000,000	5,000,000	10,750,000	0
U0364	Rancho Santa Fe Reservoir & Booster Electrical and Control Upgrades	1,500,000	0	0	200,000	1,300,000	0	0	0	1,500,000	0
U0366	Harrison Drive Sewer Reversal	1,000,000	0	0	0	1,000,000	0	0	0	1,000,000	0
U0367	7th Street Sewer Replacement	1,500,000	0	0	0	1,500,000	0	0	0	1,500,000	0
U0368	Northside Booster Station BW Tank Rehabilitation	750,000	0	0	750,000	0	0	0	0	750,000	0
U0369	10th Street Lift Station Electrical Upgrades	4,500,000	100,000	18,000	318,000	4,100,000	0	0	0	4,418,000	0
U0370	Gateway Booster Station Electrical and Control Updates	1,860,000	0	0	0	300,000	1,560,000	0	0	1,860,000	0
U0372	City Wide Sewer Improvements FY2025	500,000	500,000	188,000	188,000	0	0	0	0	188,000	0
U0373	Large Diameter Sewer Line Repair FY2025	1,000,000	1,000,000	924,000	924,000	0	0	0	0	924,000	0
U0374	Water System Line Replacements and Expansions FY2025	1,000,000	1,000,000	1,000,000	1,000,000	0	0	0	0	1,000,000	0
U0431	Wastewater Impact Fee Update	50,000	50,000	50,000	50,000	0	0	0	0	50,000	0
U0474	Rio Vista Waterline Replacement	3,500,000	0	0	0	0	0	0	250,000	250,000	3,250,000
U0475	Future Well	3,727,000	0	0	0	0	0	0	700,000	700,000	3,027,000
U0476	City Wide Sewer Improvements FY2026	270,000	0	0	270,000	0	0	0	0	270,000	0
U0477	Large Diameter Sewer Line Repair FY2026	1,500,000	0	0	1,500,000	0	0	0	0	1,500,000	0
U0478	Water System Line Replacements and Expansions FY2026	1,000,000	0	0	1,000,000	0	0	0	0	1,000,000	0
U0479	Well Electrical Equipment Upgrades	1,250,000	0	0	250,000	1,000,000	0	0	0	1,250,000	0
U0480	New Modular Building at Coldwater Booster Station	375,000	0	0	375,000	0	0	0	0	375,000	0
U0481	Bartlett Dam Project	15,000,000	0	0	0	3,750,000	7,500,000	3,750,000	0	15,000,000	0
U0482	Lift Station Flow Meter Purchase and Installation	500,000	0	0	500,000	0	0	0	0	500,000	0

FY2026 Project Funding

Funded / Planned

Project Number	Project Title	Total Project Budget	FY2025	Carryover	FY2026	FY2027	FY2028	FY2029	FY2030	FY26-FY30 Total	FY31-FY35 Total
U0483	New Water Distribution Valve Exerciser	210,000	0	0	210,000	0	0	0	0	210,000	0
U0484	PFAS Treatment Facility - Land & Design	18,000,000	0	0	18,000,000	0	0	0	0	18,000,000	0
U0485	Contributions for Dysart Road Water Line and Pressure Reducing Valve Station	600,000	0	0	600,000	0	0	0	0	600,000	0
Grand Total				104,879,000	204,139,000	128,297,000	122,516,000	49,088,000	33,951,000	537,991,000	104,511,000

ITEM NUMBER: 2.

SUBJECT: Public Hearing - Proposed Fiscal Year 2026 Budget and Tax Levy**MEETING DATE:** 6/2/2025

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 2026 (FY2026). This item is for discussion only; no action is required.

BACKGROUND:

The tentative budget for the Alamar Community Facilities District was adopted on May 5, 2025. 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 19 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 FY2026 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 \$930,730 in revenue.

The recommended expenditure limit for the district is \$10,930,730. 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 FY2026 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 FY2026.

Contact person for document distribution:

ITEM NUMBER: 2.a.

SUBJECT: Minutes

MEETING DATE: 6/2/2025

TO: Board Members

FROM: Marcella Sarmiento, District Clerk

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

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

PURPOSE:

The District Board will consider a request to approve the May 19, 2025 Alamar Community Facilities District Board meeting minutes. The 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 19, 2025 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 19, 2025

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 6:38 p.m.

Members Present: Chairperson Mike Pineda; Vice Chairperson Curtis Nielson; Board Members Tina Conde, Gloria Solorio, Jeanette Garcia, and Max White*.

**Board Member White attended the meeting virtually.*

Members Absent: Board Member Shari Weise.

Other Municipal Officials Present: Ron Corbin, District Manager; Nicholle Harris, District Attorney; Chris Pierson, City Clerk Specialist; and Renee Weatherless, District Treasurer.

Audience: No members of the public were present.

1. ROLL CALL BY THE DISTRICT CLERK

2. REGULAR AGENDA

a. MINUTES

Board Member Garcia moved to approve May 5, 2025 Alamar Community Facilities District Board meeting minutes; Board Member Solorio seconded the motion.

Upon vote, the motion was carried unanimously 6 to 0.

Board Member Conde	Aye
Board Member Garcia	Aye
Board Member Solorio	Aye
Board Member White	Aye
Vice Chairperson Nielson	Aye
Chairperson Pineda	Aye

b. PUBLIC HEARING AND CFD RESOLUTION 2-2025 - AUTHORIZING AND RATIFYING THE GIVING OF NOTICE OF HEARING WITH RESPECT TO APPROVING A FEASIBILITY REPORT AND AUTHORIZING THE SALE AND ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES 2025 OF THE DISTRICT

The Board (a) conducted a public hearing on a Feasibility Report for projects, the construction of which is to be financed with proceeds of the sale of general obligation bonds; (b) considered a request to adopt CFD Resolution 2-2025; authorizing and ratifying the giving of Notice of Hearing with respect to approving a Feasibility Report and approving such Feasibility Report, authorizing all matters necessary to sell and issue General Obligation Bonds for the Alamar Community Facilities District not to

exceed \$6,500,000 in aggregate principal; and (c) authorized the District Manager and District Treasurer to determine certain matters related thereto.

Chairperson Pineda opened the public hearing and did not receive any requests to speak. Chairperson Pineda closed the public hearing and opened the floor for comments from Council.

Vice Chairperson Nielson moved to adopt CFD Resolution 2-2025, authorizing and ratifying the giving of notice of hearing with respect to approving the Feasibility Report, approving the Feasibility Report, authorizing the sale and issuance of not to exceed \$6,500,000 in principal amount of General Obligation Bonds, Series 2025 of the District; prescribing certain terms and conditions of such bonds including making certain findings, certifications and covenants with respect to such bonds; delegating the determination of certain terms of such bonds and matters related thereto to the District Treasurer and authorizing the subsequent levying of an Ad Valorem property tax with respect to such bonds; Board Member Solorio seconded the motion.

Upon vote, the motion was carried unanimously 6 to 0.

Board Member Conde	Aye
Board Member Garcia	Aye
Board Member Solorio	Aye
Board Member White	Aye
Vice Chairperson Nielson	Aye
Chairperson Pineda	Aye

3. ADJOURNMENT

There being no further business before the Board, Board Member Garcia moved to adjourn the Regular Meeting; Vice Chairperson Nielson seconded the motion.

Upon vote, the motion was carried unanimously 6 to 0.

Board Member Conde	Aye
Board Member Garcia	Aye
Board Member Solorio	Aye
Board Member White	Aye
Vice Chairperson Nielson	Aye
Chairperson Pineda	Aye

Meeting adjourned at 6:42 p.m.

Mike Pineda, 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 19th day of May 2025. 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 3-2025 - Setting Forth the Final Budget for Fiscal Year 2026**MEETING DATE:** 6/2/2025

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 3-2025, approving the final budget for fiscal year 2026 (FY2026) 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 FY2026 was adopted on May 5, 2025. 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 19, 2025 in the Southwest Valley Republic as required by A.R.S. 48-716. A public hearing was held on June 2, 2025 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 FY2026 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 \$930,730 in revenue.

The recommended expenditure limit for the district is \$10,930,730. 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 FY2026.

RECOMMENDATION:

Staff recommends the District Board adopt the resolution setting forth the District's final budget for FY2026.

Contact person for document distribution:

RESOLUTION NO. 3-2025

A RESOLUTION OF THE DISTRICT BOARD OF THE ALAMAR COMMUNITY FACILITIES DISTRICT SETTING FORTH THE FINAL BUDGET FOR FISCAL YEAR 2025-2026.

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 5, 2025, the District Board adopted Resolution 1-2025, setting the expenditure limitation for ACFD for the fiscal year beginning July 1, 2025, and ending June 30, 2026; and

WHEREAS, Resolution No. 1-2025 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 2, 2025, 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, 2025, and ending June 30, 2026.

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 2, 2025.

Mike Pineda, 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. 3-2025

[Statements and Schedules]

See following pages.

Alamar Community Facilities District
Summary Schedule of estimated revenues and expenditures/expenses
Fiscal year 2026

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
2025	Adopted/adjusted budgeted expenditures/expenses*	E 1	0	149,555	635,956	2,500,000	0	0	0	3,285,511
2025	Actual expenditures/expenses**	E 2	0	49,555	635,956	0	0	0	0	685,511
2026	Beginning fund balance/(deficit) or net position/(deficit) at July 1***	3	0	0	0	0	0	0	0	0
2026	Primary property tax levy	B 4	0	67,282						67,282
2026	Secondary property tax levy	B 5			863,448					863,448
2026	Estimated revenues other than property taxes	C 6	0	0	0	0	0	0	0	0
2026	Other financing sources	D 7	0		0	10,000,000	0	0	0	10,000,000
2026	Other financing (uses)	D 8	0	0	0	0	0	0	0	0
2026	Interfund transfers in	D 9	0	0	0	0	0	0	0	0
2026	Interfund Transfers (out)	D 10	0	0	0	0	0	0	0	0
2026	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
2026	Total financial resources available	12	0	67,282	863,448	10,000,000	0	0	0	10,930,730
2026	Budgeted expenditures/expenses	E 13	0	67,282	863,448	10,000,000	0	0	0	10,930,730

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

2025		2026	
\$	3,285,511	\$	10,930,730
	3,285,511		10,930,730
\$	3,285,511	\$	10,930,730
\$		\$	

☐ 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 2026

	<u>2025</u>	<u>2026</u>
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ <u> </u>	\$ <u> </u>
2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ <u> </u>	
3. Property tax levy amounts		
A. Primary property taxes	\$ <u> 49,555</u>	\$ <u> 67,282</u>
Property tax judgment		
B. Secondary property taxes	<u> 635,956</u>	<u> 863,448</u>
Property tax judgment		
C. Total property tax levy amounts	\$ <u> 685,511</u>	\$ <u> 930,730</u>
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ <u> 49,555</u>	
(2) Prior years' levies		
(3) Total primary property taxes	\$ <u> 49,555</u>	
B. Secondary property taxes		
(1) Current year's levy	\$ <u> 466,289</u>	
(2) Prior years' levies		
(3) Total secondary property taxes	\$ <u> 466,289</u>	
C. Total property taxes collected	\$ <u> 515,844</u>	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	<u> 0.3000</u>	<u> 0.3000</u>
Property tax judgment		
(2) Secondary property tax rate	<u> 3.8500</u>	<u> 3.8500</u>
Property tax judgment		
(3) Total city/town tax rate	<u> 4.1500</u>	<u> 4.1500</u>
B. Special assessment district tax rates		
Secondary property tax rates—As of the date the proposed budget was prepared, the city/town was operating <u> 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 2026

Source of revenues	Estimated revenues 2025	Actual revenues* 2025	Estimated revenues 2026
Special revenue funds			
Contributions - Operations	\$ _____	\$ _____	\$ _____
Contributions - Capital	_____	_____	_____
Contributions - Debt	_____	_____	_____
Contingency	_____	_____	_____
	\$ _____ 0	\$ _____ 0	\$ _____ 0
Total all funds	\$ _____ 0	\$ _____ 0	\$ _____ 0

* 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 2026

Fund	Other financing 2026		Interfund transfers 2026	
	Sources	(Uses)	In	(Out)
Special revenue funds				
Bond Issuance	\$ 10,000,000	\$	\$	\$
Total special revenue funds	\$ 10,000,000	\$ 0	\$ 0	\$ 0
Total all funds	\$ 10,000,000	\$ 0	\$ 0	\$ 0

**Alamar Community Facilities District
Expenditures/expenses by fund
Fiscal year 2026**

Fund/Department	Adopted budgeted expenditures/ expenses 2025	Expenditure/ expense adjustments approved 2025	Actual expenditures/ expenses* 2025	Budgeted expenditures/ expenses 2026
Special revenue funds				
General Operations	\$ 49,555	\$	\$ 49,555	\$ 67,282
Capital	2,500,000		0	10,000,000
Capital - Finance				
Debt	635,956		635,956	863,448
Contingency	100,000			
Total special revenue funds	\$ 3,285,511	\$ 0	\$ 685,511	\$ 10,930,730
Total all funds	\$ 3,285,511	\$ 0	\$ 685,511	\$ 10,930,730

* 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 2026**

	Adopted budgeted expenditures/ expenses	Expenditure/ expense adjustments approved	Actual expenditures/ expenses*	Budgeted expenditures/ expenses
Department/Fund	2025	2025	2025	2026
General Operations:				
Alamar CFD Operating	\$ 49,555	\$	\$ 49,555	\$ 67,282
Capital	2,500,000		0	10,000,000
Debt	635,956		635,956	863,448
Contingency	100,000		0	
Department total	\$ 3,285,511	\$ 0	\$ 685,511	\$ 10,930,730

* 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 4-2025 - Setting the Property Tax Levy for the Fiscal Year Ending June 30, 2026**MEETING DATE:** 6/2/2025

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 4-2025, 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, 2026 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 \$67,282 at a rate of \$0.30 per \$100 of assessed valuation and the secondary property tax levy in the amount of \$863,448 at a rate of \$3.85 per \$100 of assessed valuation.

Contact person for document distribution:

RESOLUTION NO. 4-2025

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 2, 2025, 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 2, 2025, the District Board adopted the final budget by Resolution No. 3-2025.

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 FY2026, 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, 2025 (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 2, 2025.

Mike Pineda, 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. 4-2025

[Statements and Schedules]

See following pages.

Alamar Community Facilities District
Summary Schedule of estimated revenues and expenditures/expenses
Fiscal year 2026

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
2025	Adopted/adjusted budgeted expenditures/expenses*	E 1	0	149,555	635,956	2,500,000	0	0	0	3,285,511
2025	Actual expenditures/expenses**	E 2	0	49,555	635,956	0	0	0	0	685,511
2026	Beginning fund balance/(deficit) or net position/(deficit) at July 1***	3	0	0	0	0	0	0	0	0
2026	Primary property tax levy	B 4	0	67,282						67,282
2026	Secondary property tax levy	B 5			863,448					863,448
2026	Estimated revenues other than property taxes	C 6	0	0	0	0	0	0	0	0
2026	Other financing sources	D 7	0		0	10,000,000	0	0	0	10,000,000
2026	Other financing (uses)	D 8	0	0	0	0	0	0	0	0
2026	Interfund transfers in	D 9	0	0	0	0	0	0	0	0
2026	Interfund Transfers (out)	D 10	0	0	0	0	0	0	0	0
2026	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
2026	Total financial resources available	12	0	67,282	863,448	10,000,000	0	0	0	10,930,730
2026	Budgeted expenditures/expenses	E 13	0	67,282	863,448	10,000,000	0	0	0	10,930,730

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

2025		2026	
\$	3,285,511	\$	10,930,730
	3,285,511		10,930,730
\$	3,285,511	\$	10,930,730
\$		\$	

☐ 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 2026

	<u>2025</u>	<u>2026</u>
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ <u> </u>	\$ <u> </u>
2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ <u> </u>	
3. Property tax levy amounts		
A. Primary property taxes	\$ <u> 49,555</u>	\$ <u> 67,282</u>
Property tax judgment		
B. Secondary property taxes	<u> 635,956</u>	<u> 863,448</u>
Property tax judgment		
C. Total property tax levy amounts	\$ <u> 685,511</u>	\$ <u> 930,730</u>
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ <u> 49,555</u>	
(2) Prior years' levies		
(3) Total primary property taxes	\$ <u> 49,555</u>	
B. Secondary property taxes		
(1) Current year's levy	\$ <u> 466,289</u>	
(2) Prior years' levies		
(3) Total secondary property taxes	\$ <u> 466,289</u>	
C. Total property taxes collected	\$ <u> 515,844</u>	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	<u> 0.3000</u>	<u> 0.3000</u>
Property tax judgment		
(2) Secondary property tax rate	<u> 3.8500</u>	<u> 3.8500</u>
Property tax judgment		
(3) Total city/town tax rate	<u> 4.1500</u>	<u> 4.1500</u>
B. Special assessment district tax rates		
Secondary property tax rates—As of the date the proposed budget was prepared, the city/town was operating <u> 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 2026

Source of revenues	Estimated revenues 2025	Actual revenues* 2025	Estimated revenues 2026
Special revenue funds			
Contributions - Operations	\$ _____	\$ _____	\$ _____
Contributions - Capital	_____	_____	_____
Contributions - Debt	_____	_____	_____
Contingency	_____	_____	_____
	\$ _____ 0	\$ _____ 0	\$ _____ 0
Total all funds	\$ _____ 0	\$ _____ 0	\$ _____ 0

* 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 2026

Fund	Other financing 2026		Interfund transfers 2026	
	Sources	(Uses)	In	(Out)
Special revenue funds				
Bond Issuance	\$ 10,000,000	\$	\$	\$
Total special revenue funds	\$ 10,000,000	\$ 0	\$ 0	\$ 0
Total all funds	\$ 10,000,000	\$ 0	\$ 0	\$ 0

**Alamar Community Facilities District
Expenditures/expenses by fund
Fiscal year 2026**

Fund/Department	Adopted budgeted expenditures/ expenses 2025	Expenditure/ expense adjustments approved 2025	Actual expenditures/ expenses* 2025	Budgeted expenditures/ expenses 2026
Special revenue funds				
General Operations	\$ 49,555	\$	\$ 49,555	\$ 67,282
Capital	2,500,000		0	10,000,000
Capital - Finance				
Debt	635,956		635,956	863,448
Contingency	100,000			
Total special revenue funds	\$ 3,285,511	\$ 0	\$ 685,511	\$ 10,930,730
Total all funds	\$ 3,285,511	\$ 0	\$ 685,511	\$ 10,930,730

* 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 2026**

	Adopted budgeted expenditures/ expenses	Expenditure/ expense adjustments approved	Actual expenditures/ expenses*	Budgeted expenditures/ expenses
Department/Fund	2025	2025	2025	2026
General Operations:				
Alamar CFD Operating	\$ 49,555	\$	\$ 49,555	\$ 67,282
Capital	2,500,000		0	10,000,000
Debt	635,956		635,956	863,448
Contingency	100,000		0	
Department total	\$ 3,285,511	\$ 0	\$ 685,511	\$ 10,930,730

* 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.