



Support your local merchants

**AGENDA
TOWN OF CAMP VERDE
REGULAR SESSION
MAYOR AND COUNCIL
473 S. MAIN STREET, SUITE 106
WEDNESDAY, AUGUST 15, 2018 at 6:30 P.M.**

If you want to speak ON ANY ITEM ON THE AGENDA, PLEASE complete the Request to Speak Form

Note: Council member(s) may attend Council Sessions either in person or by telephone, video, or internet conferencing.

1. Call to Order

2. Roll Call. Council Members Jackie Baker, Buck Buchanan, Dee Jenkins, Brad Gordon, Robin Whatley; Vice Mayor Jessie Murdock; and Mayor Charles German.

3. Pledge of Allegiance

4. Consent Agenda – All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.

a) Approval of the Minutes:

- 1) Special Session – August 1, 2018
- 2) Executive Session – August 1, 2018 (recorded)
- 3) Regular Session – August 1, 2018

b) Set Next Meeting, Date and Time:

- 1) Wednesday, August 22, 2018 at 6:30 p.m. – Council Hears P&Z Matters – Meeting CANCELLED per Resolution 2018-994
- 2) Wednesday, September 5, 2018 at 6:30 p.m. – Regular Session
- 3) Wednesday, September 12, 2018 at 5:30 p.m. – Work Session
- 4) Wednesday, September 19, 2018 at 6:30 p.m. – Regular Session
- 5) Wednesday, September 26, 2018 at 6:30 p.m. – Council Hears P&Z Matters

c) Possible approval of Special Event Liquor License application for Verde Valley Sheriff’s Posse for Fort Verde Days to be held on October 12 & 13, 2018. [Staff Resource: Judy Morgan]

d) Increase current JOC (Job Order Contracting) individual job order maximum cap of \$250,000 back to previous \$1 million dollars. [Staff Resource: Ron Long]

5. Special Announcements and presentations.

5.1. Proclamation - September is Prostate Cancer Awareness Month.

6. Call to the Public for items not on the Agenda. (Please complete Request to

Page

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n/a

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Speak Card and turn in to the Clerk.) Residents are encouraged to comment about any matter NOT included on the agenda. State law prevents the Council from taking any action on items not on the agenda. At the conclusion of an open call to the public, individual members of the public body may respond to criticism made by those who have addressed the public body, may ask staff to review a matter or may ask that a matter be put on a future agenda. However, members of the public body shall not discuss or take legal action on matters raised during an open call to the public unless the matters are properly noticed for discussion and legal action. (Pursuant to A.R.S. §38-431.01(H))

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7. Business. Legal action can be taken.

63 **7.1. Discussion, consideration, and possible instruction to the Mayor as to how to vote on the proposed League Resolutions at the League of Arizona Cities and Towns League Resolution Committee meeting (on Tuesday, August 21, 2018 at 1:30 p.m. located at the Phoenician Resort, 6000 East Camelback Road, Phoenix, Arizona 85251).** [Resource: Mayor Charles German]

63 **7.2. Discussion, consideration and approval/direction to staff for the procurement of budgeted vehicles and equipment for the 2019 fiscal year.** [Staff Resource: Mike Showers; Presentation: Enterprise Representative Tim Warren]

75 **7.3. Discussion, consideration and possible direction concerning the purchase of the Camp Verde Water System to include but not limited to any one or more of the following: direction to end negotiations, prepare a formal response, a new letter of intent to purchase, initiate condemnation processes and/or reengage on and possible preparation necessary for a franchise agreement election.** [Staff Resource: Russ Martin]

89 **7.4. Discussion, consideration, and possible approval of an extension of all documents and agreements for the Mayor to execute any and all documents related to the purchase of real property otherwise known as the formal Circle K property once the title company is able to complete proper titling** [Staff Resource: Russ Martin]

8. Call to the Public for items not on the agenda. (Please complete Request to Speak Card and turn in to the Clerk.)

9. Council Informational Reports. These reports are relative to the committee meetings that Council members attend. The Committees are: Camp Verde Schools Education Foundation, Chamber of Commerce, Intergovernmental Association, NACOG Regional Council, Verde Valley Transportation Planning Organization, Yavapai County Water Advisory Committee, and shopping locally. In addition, individual members may provide brief summaries of current events. The Council will have no discussion or take action on any of these items, except that they may request that the item be placed on a future agenda.

10. Manager/Staff Report Individual members of the Staff may provide brief summaries of current events and activities. These summaries are strictly for informing the Council and public of such events and activities. The Council will have no discussion, consideration, or take action on any such item, except that an individual Council member may request that the item be placed on a future agenda.

11. Adjournment

Posted by: v jones

Date/Time: 08-09-2018 4:50 p.m.

Note: Pursuant to A.R.S. §38-431.03.A.2 and A.3, the Council may vote to go into Executive Session for purposes of consultation for legal advice with the Town Attorney on any matter listed on the Agenda, or discussion of records exempt by law from public inspection associated with an agenda item.

The Town of Camp Verde Council Chambers is accessible to the handicapped. Those with special accessibility or accommodation needs, such as large typeface print, may request these at the Office of the Town Clerk at 928-554-0021

Agenda items may be taken out of order.

Pursuant to A.R.S. §38-431.01 Meetings shall be open to the public - A. All meetings of any public body shall be public meetings and all persons so desiring shall be permitted to attend and listen to the deliberations and proceedings. All legal action of public bodies shall occur during a public meeting.

Pursuant to A.R.S. §38-431.03(A)(2) and (A)(3), the Council may vote to go into Executive Session for the purpose of consultation for legal advice with the Town Attorney on any matter listed on the Agenda, or discussion of records exempt by law from public inspection associated with an agenda item.

Camp Verde Council Meetings are recorded and may be viewed on the Camp Verde website. Pursuant to A.R.S. §1-602(A)(9), parents and legal guardians have the right to consent before the Town of Camp Verde makes a video or voice recording of a minor child. If you permit your child to participate in the Council Meeting, a recording will be made. You may exercise your right not to consent by not permitting your child to participate or by submitting your request in advance to the Town Clerk that your child not be recorded.

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**MINUTES-DRAFT
SPECIAL SESSION - EXECUTIVE SESSION
MAYOR AND COUNCIL
473 S. MAIN STREET, SUITE 106
WEDNESDAY, AUGUST 1, 2018 at 5:00 P.M.**

1. Call to Order.

Mayor German called the meeting to order at 5:00 p.m.

- 2. Roll Call.** Council Members Jackie Baker, Buck Buchanan, Dee Jenkins, Brad Gordon, Robin Whatley; Vice Mayor Jessie Murdock (arrived at 5:02) and Mayor Charles German were present.

Also Present: Town Manager Russ Martin (arrived at 5:05 p.m.), Finance Director Michael Showers, Deputy Clerk Virginia Jones, Water Attorney Steve Wene.

- 3. Pledge of Allegiance.** Mayor German led the Pledge of Allegiance

Council agreed to take a short break to wait for Town Manager Russ Martin to arrive.

Council reconvened at 5:05 when Town Manager Russ Martin arrived.

- 4. Business.** Legal action can be taken

- 4.1. Discussion with the Town Attorney(s) concerning a potential to purchase the Camp Verde Water Company, and possible action.** The Council may, by majority vote, recess the special session, hold an executive session and then reconvene the special session for discussion and possible action on this item as covered under A.R.S. 38-431.03(A)(4), (7).

On a motion by Councilor Brad Gordon, seconded by Councilor Buck Buchanan, Council moved to go into Executive Session for discussion with the Town Attorney concerning a potential to purchase the Camp Verde Water Company per A.R.S. 38-431.03 (A)(4), (7).

Council recessed into Executive Session at 5:06 p.m.

- 4.1.1. Recess into and hold an executive session pursuant to A.R.S. § 38-431.03(A) (4)** Discussion or consultation with the attorneys of the public body in order to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiations; **(7)** Discussions or consultations with designated representatives of the public body in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property.

- 4.1.2. Reconvene Open Session.**

Council reconvened into open Session at 6:10 p.m.

- 5. Adjournment.**

Without objection, Council adjourned the meeting at 6:10 p.m.

Mayor Charles German

Attest: Town Clerk Judy Morgan

CERTIFICATION

I hereby certify that the foregoing Minutes are a true and accurate accounting of the actions of the Mayor and Common Council of the Town of Camp Verde during Special Session of the Town Council of Camp Verde, Arizona, held on August 1, 2018. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this _____ day of _____, 2018.

Judy Morgan, Town Clerk

DRAFT MINUTES
TOWN OF CAMP VERDE
REGULAR SESSION
MAYOR AND COUNCIL
473 S MAIN STREET, SUITE 106
WEDNESDAY, AUGUST 1, 2018 at 6:30 P.M.

Note: Council member(s) may attend Council Sessions either in person or by telephone, video, or internet conferencing.

1. Call to Order

Mayor German called the meeting to order at 6:30p.m.

2. Roll Call

Mayor Charles German, Vice Mayor Jessie Murdock, Councilor Robin Whatley, Councilor Dee Jenkins, Councilor Brad Gordon, Councilor Jackie Baker and Councilor Buck Buchanan are present.

Also Present

Town Manager Russ Martin, Deputy Clerk Virginia Jones, Finance Director Mike Showers, Commander Brian Armstrong, and Recording Secretary Jennifer Reed.

3. Pledge of Allegiance

Mayor German led the Pledge.

4. Consent Agenda

a) Approval of the Minutes:

- 1) Special Budget Session – July 11, 2018
- 2) Special Regular Session – July 11, 2018

b) Set Next Meeting, Date and Time:

- 1) Wednesday, August 8, 2018 at 5:30 p.m. – Work Session
- 2) Wednesday, August 15, 2018 at 6:30 p.m. – Regular Session
- 3) Wednesday, August 22, 2018 at 6:30 p.m. – Council Hears P&Z Matters – Meeting CANCELLED per Resolution 2018-994
- 4) Wednesday, September 5, 2018 at 6:30 p.m. – Regular Session

c) Consideration and authorization to utilize WIFA 2018 Loan Funds to purchase 6-compartment, 2-chain Enaqua Non-Contact UV Disinfection System Model Number C2T.0604.3 as shown in the attached proposal for the amount of \$338,000 with any additional applicable sales tax. Installation work will be by company representative/manufacturer, Treatment Plant staff members and engineer, software/SCADA engineer, and a certified commercial electrician. [Staff Resource: Troy Odell]

d) Possible award of Agreement #18-127, in the amount of \$55,799.00 to FCI Constructors, Inc. for the construction of drainage improvements along Verde Lakes Drive. [Staff Resource: Troy Odell]

Councilor Baker requested pulling items C & D.

Councilor Jenkins would like corrections to the Minutes for July 11th Special Session. As it is, it reads, *“Dee Jenkins requested that July 11 work session is cancelled and a special budget session added and the 12th. Special Budget session on the 18th”*. Ms. Jenkins stated it should read *“Dee Jenkins requested corrections to read that the July 11 Work Session is cancelled and a Special Budget Session added at 6:00 pm, all scheduled meeting for July 18th are cancelled.*

Motion was made by Councilor Gordon to approve the consent agenda with the corrections of the minutes of Item A1 and pulling Items C & D. Second was made by Councilor Baker. Vice Mayor Murdock clarified that Councilor Gordon meant to say A2. Councilor Gordon amended his motion to say “approve the consent agenda with the corrections of the minutes of Item A2 and pulling the Item C & D”. Second was made by Councilor Baker. **Motion passed unanimously**, with Mayor German, Vice Mayor Murdock, Councilors Baker, Buchanan, Gordon, Jenkins and Whatley approving.

Councilor Baker asked if the Council had reviewed the contract of Item C before. Town Manager Russ Martin stated that the UV System is sole sourced due to it being a specific UV specific design.

This is an updated contract and anything over \$50,000 must come before Council for approval.

Councilor Gordon asked Mr. Martin if considering the cost of lamps, do they last more than a year, and will maintenance costs go up? Mr. Martin explained that because there are two of them, it will. A secondary treatment process is required but the second one won't necessarily be used, so the hope is for them to last a little longer.

Councilor Baker asked about Item D “Verde Lakes Drive”, stating the Town just did a lot of work out there, and questioned if this is an extension of that work? Mr. Martin stated that this is doing the ditches and now working up to the drainage. Side ditches are not deep enough to hold a lot of water. They are full and have not been maintained. This will allow water flow. Councilor Baker asked if this is why they are hiring a separate contractor. Mr. Martin said this is part of the flood process.

Councilor Gordon asked where the CFI calculations for sizing the cross section for ditches and culverts came from. Mr. Martin replied that he wasn't sure but stated that Mr. Odell is a professional engineer.

Motion by was made by Councilor Baker to approve Items C & D on the consent agenda. Second was made by Councilor Gordon. **Motion** passed unanimously, with Mayor German, Vice Mayor Murdock, Councilors Baker, Buchanan, Gordon, Jenkins and Whatley approving.

5. Special Announcements and presentations.

5.1. Child Support Awareness Month Proclamation.

Mayor German read the proclamation and declared it so.

6. Call to the Public for items not on the Agenda. (Please complete Request to Speak Card and turn in to the Clerk.) Residents are encouraged to comment about any matter

NOT included on the agenda. State law prevents the Council from taking any action on items not on the agenda. At the conclusion of an open call to the public, individual members of the public body may respond to criticism made by those who have addressed the public body, may ask staff to review a matter or may ask that a matter be put on a future agenda. However, members of the public body shall not discuss or take legal action on matters raised during an open call to the public unless the matters are properly noticed for discussion and legal action. (Pursuant to ARS §38-431.01(H))

There was no public comment.

7. Business. Legal action can be taken.

The Town Manager Russ Martin stated the next items are contracts with Wendel and should be looked at separately. The SCADA equipment is outdated. This is the final process for the design services.

7.1. Discussion, consideration, and possible approval of an Engineer Services contract to complete Final Designs for redevelopment of the Clarifier and revisions to the Pumps and SCADA equipment at the existing Lift Station. Cost for Engineering Services - \$88,440. [Staff Resource: Russ Martin]

Town Manager Martin stated that these are specific to engineer needs for the plant and have components familiar with Wendel from the energy audit. This will also help with the delivery of bids to assist staff in completion of the numerous items that were part of the plant modification and lift station monies we borrowed/granted from WIFA. This will take the last items and get them moving as other items are already beyond this stage. These would be preparing us to be ready for construction in approximately a year from now or sooner given the progress on the other items in the list of improvements at the sewer treatment plant

Motion made by councilor Gordon to authorize signatures necessary to engage Wendel for engineering services at the sewer treatment plant buildings. Second was made by Vice Mayor Murdock. **Motion** carried unanimously, with Mayor German, Vice Mayor Murdock, Councilors Baker, Buchanan, Gordon, Jenkins and Whatley approving.

7.2. Discussion, consideration, and possible approval of an Energy Savings Agreement to manage and construct Solar Array at Sewer Treatment Plant in the amount of \$439,699. [Staff Resource: Russ Martin]

Town Manager Russ Martin explained that in 2017 the Town started engaging energy services companies for proposals to comprehensively look at opportunities to save energy throughout Town facilities. An audit was accomplished, that was "investment grade". Several projects were analyzed and it was determined only a couple had feasibility to take to bid. These included the Ground-Mounted Solar Array. This agreement guarantees the solar project will pay for itself within the 15-year timeframe required by state law. He also stated that it is anticipated that this lighting will pay itself off now that construction is imminent in 20.8 years. The grant received from WIFA represented the efficiencies we would achieve with implementation, among other items, the solar array. He reviewed that cost savings and explained how solar works.

Councilor Baker said because this has been an ongoing project, working with Wendel,

are the prices the way they are because they were working in stages. What happens if it is decided not to do a step. Mr. Martin stated there are ways to get out of the contracts. When you work in stages when a contract is done then that contract or stage is done. We will still be responsible to pay for the Investment Grade Audit of \$55,000 which was held off being due until the “projects stages”.

Councilor Baker asked if the project will begin soon at the Waste Water Department? Mr. Martin stated the best person to answer that is the person who is ordering the projects pieces which are not ordered until they have the go ahead.

Councilor Baker asked about the number of pages in the contract lined-out. Mr. Martin stated that those parts are removed. This is the cleanest version he had at this time. A final version will be given out once its approved.

Motion made by Councilor Whatley to authorize signatures necessary to engage Wendel in construction of solar array at the sewer treatment plant buildings. Second was made by Councilor Baker. **Motion** carried **unanimously**, with Mayor German, Vice Mayor Murdock, Councilors Baker, Buchanan, Gordon, Jenkins and Whatley approving.

7.3. Discussion, consideration, and possible approval of an Energy Savings Agreement to manage and construct Lighting Improvements in the 200/300 Buildings and Sewer Treatment Plant Buildings up to \$56,617. [Staff Resource: Russ Martin]

Town Manager Russ Martin stated this number can be less because not everything needs replaced. There will be better lighting and an energy savings. Mr. Martin went on to explain the project. If the lighting “treatment” is not effective in a historical building, then it won’t move forward. They are trying to decide if there is there a way to treat the lighting but still get the energy savings and still be safe.

Councilor Jenkins spoke on the budget adjustment being unknown, and asked Mr. Martin what would be the return on investment. Mr. Martin stated it will be about 22 years and might not be a payoff. The 300 building is the most important building to work on and would be about \$28,000 and the 200 building would be about \$10,000.

Vice Mayor Murdock said that in looking at energy cost breakdown table, the costs are not adding up. Mr. Martin said additional costs are added in to cover things such as the audit and management cost. Some are fixed costs no matter what project you do. Ms. Murdock asked if there was a better way to approve this item. Mr. Martin stated he will know more after the pre-construction meeting with Pur-Solar.

Councilor Jenkins stated that she is ok with approving the 300 building and the Waste Water Treatment Plant. She went on to ask why they would approve \$56,000 if they are just thinking of doing part of the project. Mr. Martin stated that because the Historical society is a good chunk of what the cost is, because of the square footage, he is just trying to be transparent and the full scope might not be appropriate.

Motion made by Vice Mayor Murdock authorize signatures necessary to engage Wendel construction for new lighting in the 200/300 buildings and sewer treatment plant building. Second was made by Councilor Whatley. **Motion** passed with 6 yes votes, Mayor German, Vice Mayor Murdock, Councilors Baker, Buchanan, Gordon, and

Whatley in favor; Jenkins voting against.

7.4. Discussion, consideration and possible direction to the Town Manager regarding how to vote for not more than two candidates (from the attached list) seeking election to the Arizona Municipal Risk Retention Pool (AMRRP) Board of Trustees to fill positions that expire in 2018. [Staff Resource: Russ Martin]

Town Manager Russ Martin stated that Councilor Baker is re-running and would assume he would be voting for her, but asked if there is a particular one to vote for, as the second candidate.

Councilor Baker suggested Brian Richards, the manager in Snowflake. He was a real help in the past.

Motion made by Councilor Gordon to direct Town Manager to vote for Jackie Baker and Brian Richards. Second was made by Councilor Whatley. **Motion** carried **unanimously**, with Mayor German, Vice Mayor Murdock, Councilors Baker, Buchanan, Gordon, Jenkins and Whatley approving.

7.5. Authorize extension of escrow closing until August 2, 2018 of .35 Acres (total) of real property located in Yavapai County and designated as Yavapai County Parcel Numbers/address/acreage: 404-28-007A/24 W. Finnie Flat Road/.26 Acres and 404-28-007B/250 S. Main Street/.9 Acres location of former Circle K. [Staff Resources: Russ Martin, Carol Brown]

Town Manager Russ Martin stated that when this contract was approved there was a 30-day timeline to move forward. Council action is necessary for closing because we are now past the 30-day closing requirement. The attorney wanted 2 phases: Phase 1 was getting an Environmental Survey and an Alta Survey. Mayor German stated there was a title search done on the abandonment of the alley way and is not sure if that is resolved.

Councilor Gordon asked if extending this one day is enough time. Mr. Martin said yes, that he hasn't heard anything that says it's not ready to close.

Vice Mayor Murdock said that she doesn't mind giving a week if needed.

Motion made by Councilor Gordon to authorize the extension of escrow closing until August 8, 2018 of .35 acres (total) of real property located in Yavapai County and designated as Yavapai County Parcel Numbers/address/acreage: 404-28-007A/24 W. Finnie Flat Road/.26 acres and 404-28-007B/250 S. Main Street/.9 acres, the location of the former Circle K. Second was made by Councilor Buchanan. Councilor Baker asked if there is any estimate on when we can do something with the property. Mr. Martin stated it won't be before the next budget year. He expects about eighteen months to two years because of construction design. The reason for the purchase is to start building retaining walls.

Mayor German stated the road is problematic for EMS and Trucking in its current state. What is being planned will take care of it.

Motion carried **unanimously**, with Mayor German, Vice Mayor Murdock, Councilors Baker, Buchanan, Gordon, Jenkins and Whatley approving.

8. Call to the Public for items not on the agenda. (Please complete Request to Speak Card and turn in to the Clerk.)

No public comments received.

9. Council Informational Reports. These reports are relative to the committee meetings that Council members attend. The Committees are Camp Verde Schools Education Foundation; Chamber of Commerce, Intergovernmental Association, NACOG Regional Council, Verde Valley Transportation Planning Organization, Yavapai County Water Advisory Committee, and shopping locally. In addition, individual members may provide brief summaries of current events. The Council will have no discussion or take action on any of these items, except that they may request that the item be placed on a future agenda.

Councilor Jenkins stated she went to the Farmers Market and attended Free Pool Day, stating she received a lot of good feedback.

Mayor German stated the past weekend was quiet other than some downed power lines and some flooding. He contacted Yavapai County Flood Control, and is in the process of waiting to hear back from NRCS who assisted in flood mitigation. There is a possibility of a grant for the McCracken Lane area. He was also notified by Forest Service that they are putting everything into one packet for flood mitigation and possibly getting some funding.

10. Manager/Staff Report Individual members of the Staff may provide brief summaries of current events and activities. These summaries are strictly for informing the Council and public of such events and activities. The Council will have no discussion, consideration, or take action on any such item, except that an individual Council member may request that the item be placed on a future agenda.

Nothing new to report.

11. Adjournment

Mayor adjourned the meeting at 7:37 p.m.

Attest:

Mayor Charles German

Deputy Clerk, Virginia Jones

CERTIFICATION

I hereby certify that the foregoing Minutes are a true and accurate accounting of the actions of the Mayor and Common Council of the Town of Camp Verde during the Council Meeting of the Town Council of Camp Verde, Arizona, held on August 1, 2018. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this _____ day of _____, 2018.

Virginia Jones, Deputy Clerk

Agenda Item 4.c.



Town of Camp Verde

Agenda Item Submission Form – Section I

Meeting Date: August 15, 2018

- Consent Agenda Decision Agenda Executive Session Requested
- Presentation Only Action/Presentation

Requesting Department: Clerk’s Office

Staff Resource/Contact Person: Virginia Jones

Agenda Title (be exact: Possible approval of Special Event Liquor License application for Verde Valley Rangers Sheriff’s Posse for Fort Verde Days to be held on October 12 & 13, 2018. [Staff Resource: Judy Morgan]

List Attached Documents: – Application for Special Event License

Estimated Presentation Time: 0

Estimated Discussion Time: 0

Reviews Completed by:

- Department Head: Judy Morgan Town Attorney Comments: N/A

Finance Department N/A

Fiscal Impact: None

Budget Code: N/A Amount Remaining: _____

Comments:

Background Information:

Recommended Action (Motion): Approve Special Event Liquor License application for Verde Valley Rangers Sheriff’s Posse for Fort Verde Days to be held on October 12 & 13, 2018. Staff Resource: Judy Morgan

Instructions to the Clerk: Section II not required. Process application.



Arizona Department of Liquor Licenses and Control
 800 W Washington 5th Floor
 Phoenix, AZ 85007-2934
 www.azliquor.gov
 (602) 542-5141

FOR DLLC USE ONLY

Event Date(s):
Event time start/end:
CSR:
License:

APPLICATION FOR SPECIAL EVENT LICENSE
 Fee= \$25.00 per day for 1-10 days (consecutive)
 Cash Checks or Money Orders Only

A service fee of \$25.00 will be charged for all dishonored checks (A.R.S § 44-6852)

IMPORTANT INFORMATION: This document must be fully completed or it will be returned.

The Department of Liquor Licenses and Control must receive this application ten (10) business days prior to the event. If the special event will be held at a location without a permanent liquor license or if the event will be on any portion of a location that is not covered by the existing liquor license, this application must be approved by the local government before submission to the Department of Liquor Licenses and Control (see Section 12).

SECTION 1 Name of Organization: VERDE VALLEY RANGERS Sheriff's Posse

Name of Licensed Contractor **only** (if any): _____

SECTION 2 Non-Profit/IRS Tax Exempt Number: 86-0669881

SECTION 3 Event Location: Camp Verde Town Soccer Field

Event Address: 75 E Holloman St Camp Verde AZ 86322

SECTION 4 Applicant must be a member of the qualifying organization and authorized by an Officer, Director, or Chairperson of the Organization.

1. Applicant: Rezzonico Tyler Scott
Last First Middle

[Redacted]
Date of Birth

2. Applicant's mailing address: Po Box 1505 Camp Verde AZ 86322
Street City State Zip

3. Applicant's home/cell phone: (928) 301 1005 Applicant's business phone: (____) _____

4. Applicant's email address: rezzonico67@yahoo.com

I, (Print Full Name) TYLER Rezzonico declare that I am the APPLICANT filing this application as listed above. I have read the application and the contents and all statements are true, correct and complete.

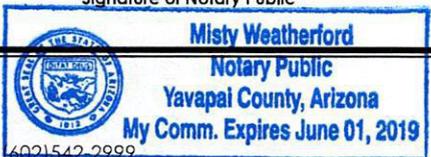
X [Signature] CAPTAIN 8/7/18 (928) 301-1005
Signature Title/Position Date Phone Number

The foregoing instrument was acknowledged before me this 7 August 2018
Day Month Year

State Arizona County of Yavapai

My Commission Expires on: June 1, 2019
Date

[Signature]
Signature of Notary Public



SECTION 5 Regarding the Applicant's application for a special event permit, I hereby certify that the Organization meets the criteria in A.R.S. § 4-203.02(E) for the issuance of the permit as indicated by checking one of the boxes below.

- (1) The Applicant is a political party or a campaign committee supporting a candidate for public office. Please indicate the name of the candidate that the Applicant supports, the office that the candidate seeks, and the month and year that the applicant would first fill the office if successful.

Candidate: _____

Name	Office	Month/Year
------	--------	------------

- (2) The Applicant is a non-profit entity organized in Arizona, or pursuant to the laws of another state that is eligible for designation as a nonprofit entity under Section 501 (C) of the internal revenue code of the United States. If the Applicant is applying under option (2) as a nonprofit entity, **please also INITIAL in the space provided next to all following statements to indicate that, to the best of the applicant's knowledge, they are true and correct.**

TSR The Applicant has received a determination letter from the Internal Revenue Service ("IRS") indicating that it is eligible for designation as a nonprofit entity under Section 501 (C), eligibility or will be eligible on all days that the special event will occur, or has a pending application with the IRS for such treatment that has not been resolved but that will retroactively cover all days that the special event will occur. (Please provide a copy of either the IRS determination letter or the application [without attachments] with this application).

TSR The Applicant is not aware of any action by the IRS to revoke, suspend, or otherwise eliminate the Applicant's eligibility under 501 (C), or if there is a pending application, the Applicant has not received any indication that the IRS will deny its application and has a good faith basis formed upon a reasonable inquiry into IRS regulations, guidelines, and forms that it is eligible under 501 (C).

TSR The Applicant understands that if there is a change in circumstances after completing this form that may cause or has caused it to lose its eligibility under 501 (C), whether before or after receiving an IRS determination letter, that it has an affirmative duty to notify the Department of Liquor, which may then take appropriate action with regard to the loss of eligibility.

To be completed only by an Officer, Director, or Chairperson of the organization.

I, (Print Full Name) TYLER REZZONICO declare that I am an Officer, Director, or Chairperson of the organization filing this application as listed above. I have read the application and the contents and all statements are true, correct and complete.

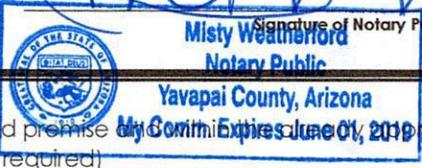
X TLR Signature Title/ Position CAPTAIN Date 8/7/18 Phone Number (928) 301-1005

The foregoing instrument was acknowledged before me this 7 Day August Month 2018 Year

State Arizona County of Yavapai

My Commission Expires on: June 1, 2019 Date

[Signature] Signature of Notary Public



SECTION 6 Will this event be held on a currently licensed premise or on a currently licensed approved premises? Yes No
 (If yes, Local Governing Body Signature not required)

 Name of Business License Number Phone (Include Area Code)

SECTION 7 How is this special event going to conduct all dispensing, serving, and selling of spirituous liquors? Please read R-19-318 for explanation and check one of the following boxes.

- Place license in non-use
- Dispense and serve all spirituous liquors under retailer's license
- Dispense and serve all spirituous liquors under special event
- Split premise between special event and retail location

(IF USING RETAIL LICENSE, PLEASE SUBMIT A LETTER OF AGREEMENT FROM THE AGENT/OWNER OF THE LICENSED PREMISES TO SUSPEND OR RUN CONCURRENT WITH THE PERMANENT LICENSE DURING THE EVENT. IF THE SPECIAL EVENT IS ONLY USING A PORTION OF THE PREMISES, AGENT/OWNER WILL NEED TO SUSPEND THAT PORTION OF THE PREMISES.)

SECTION 8

What is the purpose of this event? On-site consumption Off-site (auction/wine/distilled spirits pull) Both

SECTION 9

1. Has the applicant been convicted of a felony, or had a liquor license revoked within the last five (5) years?
 Yes No (If yes, attach explanation.)

2. How many special event days have been issued to this organization during the calendar year? _____
(The number cannot exceed 10 days per year.)

3. Is the organization using the services of a promoter or other person to manage the sale or service of alcohol? Yes No
(If yes, must be a licensed contractor or licensee of series 6, 7, 11, or 12)

4. List all people and organizations who will receive the proceeds. Account for 100% of the proceeds. The organization applying must receive 25% of the gross revenues of the special event liquor sales. Attach an additional page if necessary.

Name Verde Valley Rangers Sheriffs Posse Percentage: 100 %

Address Po Box 4294 Camp Verde AZ 86322

Name _____ Percentage: _____

Address _____
Street City State Zip

Please read A.R.S. § 4-203.02 Special event license; rules and R19-1-205 Requirements for a Special Event License.

Note: ALL ALCOHOLIC BEVERAGE SALES MUST BE FOR CONSUMPTION AT THE EVENT SITE ONLY.

NO ALCOHOLIC BEVERAGES SHALL LEAVE A SPECIAL EVENT UNLESS THEY ARE IN AUCTION WINE OR DISTILLED SPIRITS PULL SEALED CONTAINERS OR THE SPECIAL EVENT LICENSE IS STACKED WITH WINE /CRAFT DISTILLERY FESTIVAL LICENSE.

5. What type of security and control measures will you take to prevent violations of liquor laws at this event?
(List type and number of police/security personnel and type of fencing or control barriers, if applicable.)

4 Number of Police 10 Number of Security Personnel Fencing Barriers

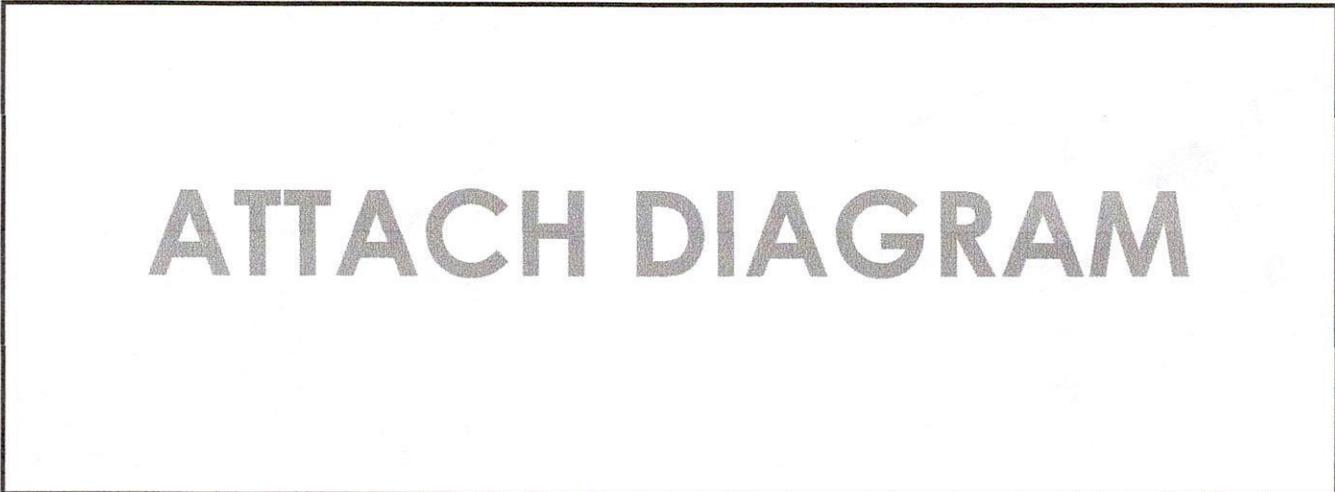
Explanation: This event is on the town soccer field every gate has security and Camp Verde marshals office patrols the Area, our members help monitor and provide security

SECTION 10 Dates and Hours of Event. Days must be consecutive but may not exceed 10 consecutive days.
See A.R.S. § 4-244(15) and (17) for legal hours of service.

PLEASE FILL OUT A SEPARATE APPLICATION FOR EACH "NON-CONSECUTIVE" DAY

	Date	Day of Week	Event Start Time AM/PM	License End Time AM/PM
DAY 1:	<u>10/12/18</u>	<u>Friday</u>	<u>12:00 pm</u>	<u>12:00 pm</u>
DAY 2:	<u>10/13/18</u>	<u>Saturday</u>	<u>09:00 am</u>	<u>12:00 am</u>
DAY 3:	_____	_____	_____	_____
DAY 4:	_____	_____	_____	_____
DAY 5:	_____	_____	_____	_____
DAY 6:	_____	_____	_____	_____
DAY 7:	_____	_____	_____	_____
DAY 8:	_____	_____	_____	_____
DAY 9:	_____	_____	_____	_____
DAY 10:	_____	_____	_____	_____

SECTION 11 License premises diagram. The licensed premises for your special event is the area in which you are authorized to sell, dispense or serve alcoholic beverages under the provisions of your license. Please attach a diagram of your special event licensed premises. Please show dimensions, serving areas, fencing, barricades, or other control measures and security position.



Please contact the local governing board for additional application requirements and submission deadlines. Additional licensing fees may also be required before approval may be granted. For more information, please contact your local jurisdiction.

SECTION 12 Local Governing Body Approval Section.

Date Received: _____

I, _____ recommend APPROVAL DISAPPROVAL
(Government Official) (Title)

On behalf of _____
(City, Town, County) Signature Date Phone

SECTION 13 For Department of liquor licenses and Control use only.

APPROVAL DISAPPROVAL BY: _____ DATE: ____/____/____

A.R.S. § 41-1030. Invalidity of rules not made according to this chapter; prohibited agency action; prohibited acts by state employees; enforcement; notice

B. An agency shall not base a licensing decision in whole or in part on a licensing requirement or condition that is not specifically authorized by statute, rule or state tribal gaming compact. A general grant of authority in statute does not constitute a basis for imposing a licensing requirement or condition unless a rule is made pursuant to that general grant of authority that specifically authorizes the requirement or condition.

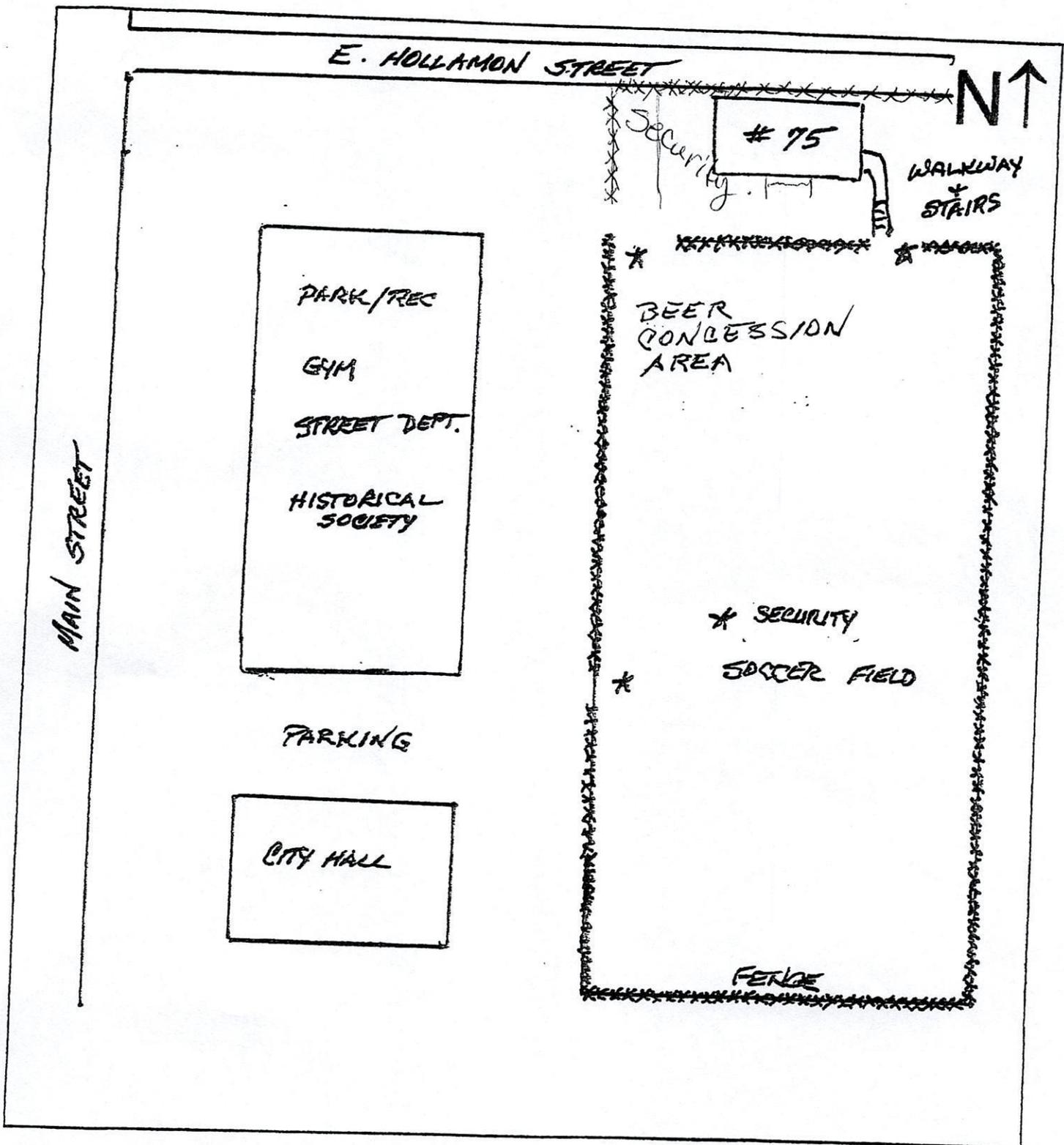
D. THIS SECTION MAY BE ENFORCED IN A PRIVATE CIVIL ACTION AND RELIEF MAY BE AWARDED AGAINST THE STATE. THE COURT MAY AWARD REASONABLE ATTORNEY FEES, DAMAGES AND ALL FEES ASSOCIATED WITH THE LICENSE APPLICATION TO A PARTY THAT PREVAILS IN AN ACTION AGAINST THE STATE FOR A VIOLATION OF THIS SECTION.

E. A STATE EMPLOYEE MAY NOT INTENTIONALLY OR KNOWINGLY VIOLATE THIS SECTION. A VIOLATION OF THIS SECTION IS CAUSE FOR DISCIPLINARY ACTION OR DISMISSAL PURSUANT TO THE AGENCY'S ADOPTED PERSONNEL POLICY.

F. THIS SECTION DOES NOT ABROGATE THE IMMUNITY PROVIDED BY SECTION 12-820.01 OR 12-820.02.

SPECIAL EVENT LICENSED PREMISES DIAGRAM
(This diagram must be completed with this application)

Special Event Diagram: (Show dimensions, serving areas, and label type of enclosure and security positions)
NOTE: Show nearest cross streets, highway, or road if location doesn't have an address.



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Town of Camp Verde, Arizona

NOTICE OF FORMAL SOLICITATION

SOLICITATION NO: 17-123

SOLICITATION TYPE: REQUEST FOR QUALIFICATIONS

SERVICES SOUGHT: Job Order Contracting for: Street, Stormwater, Wastewater, and General Facility Maintenance & Construction

RESPONSE DUE DATE AND TIME: August 15, 2017 by 2:00 p.m.

LOCATION: Town of Camp Verde
Public Works Department
395 S. Main Street
Camp Verde, Arizona 86322

Notice is hereby given that the Town of Camp Verde (TOWN) is conducting a competitive one-step process to retain Contractors for a Job Order Contract (JOC) to provide a variety of Street, Stormwater, Wastewater and Facilities general maintenance and construction services for the Town of Camp Verde at various locations, including but not limited to Town Rights of Way, Town Grounds and Facilities, and the Wastewater Treatment Plant. Individual Job Orders will not exceed the statute allowed amount of 1 million dollars (\$1,000,000). This is a “one-step” qualifications-based selection process for “Construction Services” pursuant to A.R.S. § 34-601 *et seq.* The initial activity will involve an evaluation and ranking of Contractors’ qualifications and experience with similar projects through a review and evaluation of required Statements of Qualifications. The Town, at its sole discretion, may make its determination of the final list solely on review and evaluation of the Statements of Qualifications **or** the TOWN *may* request for interviews and make its determination of the final list on the combined results of the Statements of Qualifications review and evaluation and the interview.

The term of this Agreement will be five (5) years. However, services will be requested on an as-needed, if- needed basis and the resultant Agreements neither exclusive nor a commitment by the Town that the Contractor’s services will be required.

Solicitation documents are available through the Public Purchase website at www.publicpurchase.com. If Contractors are not registered with Public Purchase you may contact Deborah Ranney for instructions deb.ranney@campverde.az.gov

Proposers are invited to review the information and to submit their Statements of Qualifications in accordance with the criteria established within this Request for Qualifications (RFQ). All questions regarding this RFQ must be posted through the Public Purchase web site www.publicpurchase.com. Questions must be submitted no later than forty-eight (48) hours prior to the due date and time cited above. Questions will be responded to on the Public Purchase web site by written addenda to this document. **Oral questions will not be addressed nor answered.**

Responses to this solicitation will be received by the Public Works Department, Town of Camp Verde, 395 S. Main Street, Camp Verde, Arizona 86322, until the time and date cited above. As selection of approved Contractors is dependent upon the review and evaluation process, there will be no public opening of submittals. A final list of approved Job Order Contract will be posted upon approval by the Town Council.

Responses must be submitted in a sealed envelope with the solicitation invitation number and the Respondent's name and address clearly indicated on the envelope. All responses must be completed in ink or typewritten (corrections must be lined through and initialed, No white out). Additional instructions for preparing your responses are provided on the following pages.

Responses must be in the actual possession of the Public Works Department and stamped by a member of the Public Works staff on or prior to the exact time and date indicated above. Late responses or unsigned responses **will not** be considered under any circumstances.

The Town of Camp Verde reserves the right to reject any or all responses, or to withhold the award for any reason it may determine, and to waive or not to waive any informalities in any response. All information regarding the content of the specific responses will remain confidential until an Agreement is finalized or all responses are rejected.

Publish Date: Verde Independent – Sunday, November 12th and November 19th

PUBLISHERS AFFIDAVIT REQUIRED

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PROCLAMATION
Declaring September as
Prostate Cancer Awareness Month

WHEREAS, prostate cancer constitutes 19% of all cancer diagnoses and 8% of all cancer deaths; and

WHEREAS, in Arizona an estimated 3150 new cases of prostate cancer and an estimated 590 deaths will occur; and

WHEREAS, men with relatives – father, brother, son – with a history of prostate cancer are twice as likely to develop the disease; and

WHEREAS, veterans are 1.5 times more likely to get prostate cancer; and

WHEREAS, prostate cancer is a commonly diagnosed cancer in American Men and the third leading cause of cancer death behind lung and colon cancer; and

WHEREAS, this year approximately 161,360 men will be diagnosed with prostate cancer in the United States alone every year – that’s one man every 3.3 minutes and roughly 26,730 die this year from the disease – which is one man every 20 minutes; and

WHEREAS, 1 in 8 men are diagnosed with prostate cancer. African American men are at the highest risk for the disease with a rate of 1 in 6 men. African American men are 2.3 times more likely to die from the disease; and

WHEREAS, education regarding prostate cancer and early detection strategies is critical to saving lives, preserving, and protecting our families, and

WHEREAS, all men are at risk for prostate cancer and we encourage the citizens of the Town of Camp Verde to increase the importance of prostate screenings.

NOW THEREFORE, the Mayor and Common Council of the Town of Camp Verde, Camp Verde, Arizona, do hereby proclaim September as:

Prostate Cancer Awareness Month

Passed and approved by a majority vote of the Common Council at the Special Session of August 15, 2018.

Charles German, Mayor

Date

Attest:

Judy Morgan, Town Clerk

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July 16, 2018

Dear Mayor,

Correspondence of June 26, 2018 sent from League Staff on my behalf, announced John Giles, Mayor of Mesa and member of the League's Executive Committee, would serve as Chairman of the Resolutions Committee at the League Annual Conference.

The Chairs of five League Policy Committees will present the Resolutions discussed in their respective committees to the Resolutions Committee at the Annual Conference. League Staff will present the Staff Resolution.

Included in this packet you will find:

- Resolutions Committee Calendar
- Resolutions Committee Procedures
- Policy Committee Reports and Resolutions
- Proposed League Staff Resolutions

As the first order of business at the conference, the Resolutions Committee will meet on **Tuesday, August 21, 2018 at 1:30pm**. The actions of the full Resolutions Committee will be formally adopted at the League's Annual Business Meeting on **Thursday August 23, 2018** at 4:00 p.m.

If you have not accepted your appointment or designated a council representative to serve your city/town on the 2018 Resolutions Committee, please make that appointment [here](#).

We look forward to having all 91 cities and towns participate on the Resolutions Committee. If you have any questions or comments regarding the Resolutions Committee, your appointment or the resolutions submittal process, please do not hesitate to contact the League office.

Sincerely,

A handwritten signature in blue ink that reads "Jay Tibshraeny".

Mayor Jay Tibshraeny, Chandler
League President

Enclosures

cc (via email): Managers, Clerks without Managers, Intergovs

2018 Resolutions Committee Calendar

- April:** Mayor Giles appointed as 2018 Resolutions Committee Chairman
- May-July:** Policy Committees meet
- June 26:** League sends email requesting mayors or council designees register to represent their city/town on Resolutions Committee
- July 16:** League sends out resolutions packet to membership
- August 21:** Resolutions Committee Meeting at the League Annual Conference in Phoenix
- August 23:** Resolutions ratified at the Annual Business Meeting

League of Arizona Cities and Towns Resolutions Committee Procedures

1. Resolutions Committee Appointment

The President shall appoint the Chairman and members of the Resolutions Committee. Only one elected official from each city or town shall be appointed to the Committee.

2. Duties

The Resolutions Committee shall adopt statements of policy amending the annual Municipal Policy Statement, special resolutions and such other resolutions of courtesy, commendation or appreciation as the Committee deems appropriate.

3. Submission of Resolutions

- A. All resolutions submitted by a city or town, including resolutions of courtesy, commendation or appreciation, may be considered by the Committee provided such resolutions are submitted to the Chairman of the Committee or to the League office for consideration by the Policy Committees. The resolutions process allows cities and towns to submit policy ideas to the League at any time during the year without the requirement of a co-sponsoring city or town. If approved by a policy committee, League staff will draft the resolution for presentation to the full Resolutions Committee. Sponsoring cities and towns, or other interested stakeholders may be consulted to provide more information on the idea and also may be invited to speak to the issue at one of the policy committee meetings. Submissions received after July 6 may not be processed in time for the Annual Conference.
- B. Except in the case of emergency as determined by the chair of the committee, no resolutions submitted by a city or town after the deadline specified in subsection A of this section or that have not been vetted by the Policy Committees may be considered.
- C. League staff may submit resolutions for consideration by the full Resolutions Committee if there are issues that have not been addressed through the policy committee process.

4. Resolutions Committee Process

- A. The President shall assign submissions to the relevant Policy Committee. The Policy Committees will review submissions and develop pertinent resolutions for consideration by the Resolutions Committee. Except for the provisions of subsections 3 A and B, only resolutions advanced by the Policy Committees shall be discussed at the Annual Conference Resolutions Committee.
- B. Resolutions shall be amended according to the process established by the Chairman of the Committee.
- C. The completed resolutions will go to the full Resolutions Committee at the Annual Conference for consideration. The chairs of each policy committee will be responsible for presenting the resolutions and their committee activities to the full Resolutions

Committee.

Notice shall be given to each member at least four weeks in advance of the meeting.

5. Final Report

After

the Resolutions Committee meeting, the Chairman of the Committee or a designee shall report to the entire league membership

at the Annual Business Meeting those resolutions adopted by the

Committee. Resolutions adopted by the Committee shall be formally adopted by the membership at the

Annual Business Meeting and become the basis for the annual Municipal Policy Statement.

Policy Committee Reports

The following policy committee reports and resolutions are arranged in alphabetical order. The recommended resolutions are categorized by their respective committee initials and numbered according to the order in which they were approved.

Budget, Finance and Economic Development – BFED

General Administration, Human Resources and Elections – GAHRE

Neighborhoods, Sustainability and Quality of Life – NSQL

Public Safety, Military Affairs and the Courts – PSMAC

Transportation, Infrastructure and Public Works – TIPW

Number	Resolution	Sponsor	Notes
BFED 1	Pursue collaborative discussions with homebuilding industry stakeholders on potential modifications to the impact fee statutes that will streamline the adoption process and ensure that new development pays for the associated demand of new and expanded infrastructure	Prescott	
BFED 2	Seek legislation that adds an economic presence standard, including reasonable thresholds in dollar amount and number of transactions, to address transaction privilege tax collection on remote sellers for all jurisdictions	Casa Grande	
BFED 3	Add to the League's Federal Agenda support of federal legislation or rulemaking expanding the zone of permissible travel in Arizona for Mexican tourists that hold a border crossing card from the current 75 mile limitation to instead include the entire state	Flagstaff	
GAHRE 1	Allow city/town elected officials to transfer campaign contributions to a statewide or legislative office.	Maricopa	
GAHRE 2	Allow cities and towns to use excess revenues from legacy volunteer fire department profit sharing plans to reduce unfunded liabilities in the Public Safety Personnel Retirement System (PSPRS).	Florence	
GAHRE 3	Encourage Arizona state legislators to establish a legislative committee to examine and explore resources for the Revolving Emergency Telecommunications Fund (9-1-1 funding).	Yuma	
NSQL 1	Amend statute to allow local regulation of short-term home rentals through a licensing, special permit, or registration system, at the local or state level, including placing limits on number of guests, location, and % of housing that can be used for short-term rentals	Fountain Hills	

NSQL 2	Support the creation of a state workforce housing tax credit modeled after the successful federal Low-Income Housing Tax Credit (LIHTC) program	Tucson	
NSQL 3	Advocate for a state-wide non-discrimination policy that includes gender identity and sexual orientation	Mesa	
NSQL 4	Support legislation that promotes and strengthens the safety of children in school buildings located near airports while preserving airports' long-term viability and economic benefits to local communities	Mesa	
PSMAC 1	Pursue all avenues for improving the relationship between cities/towns and the State Liquor Board, including having a city/town elected official or staff member, or a League representative, appointed to the Board	Glendale	
League Staff 1	Investigate and potentially support legislation permitting PSPRS members currently enrolled in the system to make a one-time irrevocable election to convert their account from the DB plan to the PSPRS DC plan.	League	

Budget, Finance and Economic Development – BFED
 General Administration, Human Resources and Elections – GAHRE
 Neighborhoods, Sustainability and Quality of Life – NSQL
 Public Safety, Military Affairs and the Courts – PSMAC
 Transportation, Infrastructure and Public Works – TIPW

These are the only items that will be voted on. The other submissions that did not move forward as resolutions will be explained at the Resolutions Committee.

Chair's Report of the Budget, Finance and Economic Development Policy Committee

Mayor Daryl Seymore, Show Low

Resolutions Committee Meeting, League Annual Conference

On **May 24, 2018**, the Budget, Finance and Economic Development committee (BFED) convened to discuss one policy issue submitted by the City of Prescott. Below is a summary of the issue considered:

1. Development impact fees. **Prescott (Policy Issue 1)**

Below is a summary of the committee discussion and recommendations:

Phil Goode, councilman, City of Prescott, submitted **Policy Issue 1** regarding impact fees. Councilman Goode explained the intent is to identify and provide solutions to challenges regarding implementing impact fee programs pursuant to SB1525 (2011), particularly in smaller communities that are experiencing high rates of growth. The councilman further explained the result of SB1525 drastically changed how the City of Prescott and other communities levy impact fees; administrative burdens; infrastructure buildout timelines; and regulatory reporting requirements are a few examples of issues that have made it difficult to assess impact fees to allow growth to pay for growth.

After committee discussion, a motion was made and unanimously approved to form a subcommittee to develop recommendations on changes to the impact fee statutes and report back at the next scheduled BFED committee.

On **June 21, 2018** the BFED convened again to discuss one policy issue submitted by the City of Flagstaff and was provided an update on an unassigned issue submitted by the City of Prescott at the **May 24, 2018** meeting:

1. Border crossing cards. **Flagstaff (Policy Issue 2)**
2. Update on Impact fees. **Prescott (Policy Issue 1)**

Below is a summary of the committee discussion and recommendations:

Caleb Blaschke, assistant to the city manager, City of Flagstaff, presented the committee information regarding potential federal legislation to permit Mexican tourists with a border crossing card to travel the entire state rather than be limited to the current 75 mile travel limit for Arizona. As mentioned in the presentation, the intent is to allow Mexican tourists to travel to destinations beyond the City of Tucson and other cities and towns near the international border, within the 75-miles restriction, to bolster tourism in northern parts of the state, such as Phoenix, Flagstaff, and central and northern Arizona.

Nathan Pryor, director of government relations, Maricopa Association of Governments, provided to the committee the background of federal administrative and legislative efforts to increase the border zone. Mr. Pryor explained the process and requirements for obtaining a border crossing

card and the I-94 requirements for tourists who wish to exceed the 75-mile restriction. In addition, Mr. Pryor referenced a University of Arizona study of the economic impact to the state from Mexican tourists and the projected increase of \$181 million in new spending associated with the expansion of the border zone beyond 75 miles.

Mayor Coral Evans, City of Flagstaff, expressed support for increasing the border zone beyond 75 miles and explained the importance of this issue for communities, like Flagstaff, where tourism is the main economic driver.

The committee asked the policy issue be continued to the next scheduled meeting and requested staff to provide additional information.

On **July 12, 2018** the BFED committee convened to discuss and vote on the following policy issues:

1. Border crossing cards. **Flagstaff (BFED 3)**
2. Development Impact fees. **Prescott (BFED 1)**
3. Remote TPT Collection. **Casa Grande (BFED 2)**

Below is a summary of the committee discussion and recommendations:

Border crossing cards:

Caleb Blaschke, assistant to the city manager, City of Flagstaff, updated the committee on the policy issue and answered the questions that were posed by committee members at the previous meeting.

Mayor Coral Evans, City of Flagstaff, reiterated the benefits of increasing the border zone in the state to communities in northern Arizona and addressed the questions and concerns raised by committee members.

After discussion, the committee voted, with one dissenting, to move the issue forward as a resolution to be considered at the annual conference.

Development Impact fees:

Phil Goode, councilman, City of Prescott, updated the committee on the intent of the policy issue submission, which is to support reforms to the impact fee statutes to reduce the regulatory burdens for all communities that levy impact fees.

Tom Savage, League legislative associate, provided the explanation of the impact fee issue statement and suggested reforms that were developed by the Impact Fee Subcommittee.

Joyce Clark, councilmember, City of Glendale, expressed concern about the risks of revisiting the issue after previous legislative attempts that nearly prohibited impact fees.

The committee deliberated the necessity of a resolution allowing League Staff to start discussions with homebuilding industry stakeholders to see if there are reforms they could support and what modifications the industry will seek. After discussion, the committee debated the verbiage of the resolution and voted, with three dissenting votes, to move it forward for consideration at the annual conference.

Remote TPT Collection:

Mayor Craig McFarland, City of Casa Grande, explained the intent of the policy issue submittal is to discuss moving forward with a legislative proposal allowing local governments to enforce existing sales and use tax laws on online sales from sellers who do not have a physical presence in the state.

Ken Strobeck, League executive director, briefly provided the committee details on the League’s legal analysis of the South Dakota v. Wayfair, Inc. Supreme Court case.

Lee Grafstrom, League tax policy analyst, provided explanation on the events following the Court’s decision and the research of the Arizona Department of Revenue regarding how other states are addressing this issue. He suggested the role of the League moving forward should be to encourage the state legislature to enact a proposal establishing an economic presence standard with thresholds to clearly define when remote sellers need to remit state and local transaction privilege taxes.

After discussion, the committee voted unanimously to move the issue forward for consideration at the annual conference.

The table below summarizes the BFED Committee’s actions:

Policy Issue	Disposition by Committee
1 Impact Fees	Resolution BFED 1
2 Remote TPT Collection	Resolution BFED 2
3 Border Crossing Card Extension	Resolution BFED 3

Daryl Seymore
 Mayor of Show Low
 Chair, Budget, Finance and Economic Development

BFED #1

League of Arizona Cities & Towns Resolution

Pursue collaborative discussions with homebuilding industry stakeholders on potential modifications to the impact fee statutes that will streamline the adoption process and ensure that new development pays for the associated demand of new and expanded infrastructure.

A. Purpose and Effect of Resolution

As a result of SB1525 in 2011 and the regulations it established, cities and towns have experienced some challenges implementing the complex regulatory requirements established by the legislation and maintaining the philosophy of impact fees: growth paying for itself rather than assessing existing residents who've already paid their proportionate share. Cities and towns do their best to project what type of development will occur in their communities and when infrastructure will be needed to service it; however, when development does not occur as projected, it increases the likelihood of taxpayers paying for the cost of growth to avoid refunding impact fees if the infrastructure is not built within the time frames established by the 2011 legislation.

The requirements established by SB1525 were written at a time when the housing industry was struggling, but the result is unduly burdening existing taxpayers instead. Today, with the housing market growth and demand increasing, it's time to review these requirements and explore modifications that will streamline the adoption process and add flexibility to ensure that new development pays for the associated demand of new and expanded infrastructure.

B. Relevance to Municipal Policy

There are 40 cities in the state that currently levy impact fees in at least one of the seven categories of necessary public services. As a result of changes to the impact fee statutes in the last 10 years, 15 cities and towns have discontinued levying impact fees due to the complex regulations established and the expense to comply.

C. Fiscal Impact to Cities and Towns

There is no estimate of the fiscal impact to cities and towns that levy impact fees. Ideally, any changes would result in the use of less taxpayer dollars to fund infrastructure that impact fees should be paying for.

D. Fiscal Impact to the State

There is no fiscal impact to the state.

E. Contact Information:

Sponsoring City or Town: Prescott

Name: Phil Goode, Councilman

Phone: (928) 777-1100

Email: phil.goode@prescott-az.gov

League Staff: Tom Savage

League of Arizona Cities & Towns Resolution

Seek legislation that adds an economic presence nexus standard based on reasonable thresholds for sales in dollars and number of transactions to address transaction privilege tax collection on remote sellers for all taxing jurisdictions.

A. Purpose and Effect of Resolution

The recent U.S. Supreme Court Decision in *South Dakota v. Wayfair, Inc.* overturned the outdated physical presence standard. This decision clears the way for the state and local governments to enforce existing transaction privilege tax imposition on remote sales.

Recognizing the financial drain of a physical presence standard as retail activity shifted from brick-and-mortar stores to the Internet, South Dakota began requiring collection of sales tax by sellers with no physical presence in the state provided they met certain economic criteria. The law established statewide nexus for imposing tax based on “economic presence” if a seller made more than \$100,000 in sales or 200 separate transactions in the state in a calendar year, The State of Arizona should enact a similar piece of legislation as soon as possible.

To avoid litigation such legislation should mimic the South Dakota model, including reasonable thresholds for the minimum in sales dollars and transactions in a year before triggering tax liability; applying the new standard prospectively only with a reasonable delay prior to implementation; and a requirement that the State and local tax codes for the Retail classification must remain uniform for any transaction that can be conducted by a remote seller.

B. Relevance to Municipal Policy

TPT is the largest single component of local revenues. This revenue stream must be protected against continued erosion as retail sales shift to out-of-state sellers maintaining a market in Arizona with a built-in price advantage over local retailers because they don’t collect the tax. It is also imperative that any legislation must protect the Model City Tax Code from misguided efforts to use the *Wayfair* decision to justify its wholesale elimination.

C. Fiscal Impact to Cities and Towns

Adopting an economic presence nexus standard will undoubtedly increase revenues for cities and towns through local TPT collections and increased shared revenues from State TPT collections. Any estimate of this increase should be conservatively calculated. Most of the largest online retailers are already paying the tax because they also have a physical presence. This will capture the few holdouts and mid-sized sellers, while providing relief allowing small sellers to grow.

D. Fiscal Impact to the State

Adopting an economic presence nexus standard will undoubtedly increase revenues for the State, however the same caution regarding how much of an increase to expect applies here as well.

E. Contact Information:

Sponsoring City or Town: Casa Grande

Name: Craig McFarland, Mayor

Phone: (520) 421-8600

Email: craig_mcfarland@casagrandeaz.gov

League Staff: Lee Grafstrom

BFED #3

League of Arizona Cities & Towns Resolution

Add to the League’s Federal Agenda support of federal legislation or rulemaking expanding the zone of permissible travel in Arizona for Mexican tourists that hold a border crossing card from the current 75 mile limitation to instead include the entire state.

A. Purpose and Effect of Resolution

Border Crossing Cards (BCC) authorizes the holder to cross the U.S.-Mexico border to visit the U.S. for business or pleasure for no more than 30 days and within certain areas depending on the state of travel. Applicants for a BCC must apply and be vetted at a U.S. consulate in Mexico in order to be eligible. Currently, the zone of permissible travel is limited to 25 miles beyond the border of California; up to 55 miles in New Mexico; and up to 75 miles from selected ports in Arizona. Mexican tourists wishing to travel beyond these distances or stay longer than 30 days must request an I-94 at the U.S. port of entry from the Customs and Border Protection and pay a fee. The current 75 mile zone in Arizona, which was increased from 25 miles in 1999, only allows Mexican tourists to travel as far north as the City of Tucson.

There is a proposal being developed and is supported by various organizations, including chambers of commerce and planning organizations in Arizona, to increase the zone of permissible travel from the current 75 mile limitation to the entire state, allowing Mexican tourists to travel seamlessly to places like Flagstaff and Phoenix.

B. Relevance to Municipal Policy

Tourism is a major economic driver for many communities in Arizona and increasing the border zone may positively impact the economics of cities and towns beyond the current zone.

C. Fiscal Impact to Cities and Towns

(See below)

D. Fiscal Impact to the State

A 2015 study conducted by the University of Arizona^[1] projected up to \$181 million in new spending; bringing the total projected spending by Mexican tourists to Arizona to nearly \$3.1 billion and a total jobs impact of 31,766.

^[1] Charney, Alberta, and Alan Hoogasian. *Extending the Border Zone to the Entire State of Arizona: Estimated Expenditures and Economic Impact Simulations, 2013-2016.*

E. Contact Information:

Sponsoring City or Town: Flagstaff
Name: Coral Evans, Mayor
Phone: (928) 213-2015
Email: cevans@flagstaffaz.gov
League Staff: Tom Savage

Chair's Report of the General Administration, Human Resources and Elections Committee

Mayor Lana Mook, El Mirage

Resolutions Committee Meeting, League Annual Conference
Tuesday, August 21, 2018

On **June 21, 2018 and July 21, 2018**, General Administration, Human Resources and Elections Committee (GAHRE) convened to discuss three policy issues submitted by the cities of, Maricopa and San Luis as well as the Town of Florence. Below is a summary of the issue considered by GAHRE:

1. Allow city/town elected officials to transfer campaign contributions to a statewide or legislative office. **Maricopa (Policy Issue 1)**
2. Allow cities and towns to use excess revenues from legacy volunteer fire department profit sharing plans to reduce unfunded liabilities in the Public Safety Personnel Retirement System (PSPRS). **Florence (Policy Issue 2)**
3. Encourage Arizona state legislators to establish a legislative committee to examine and explore resources for the Revolving Emergency Telecommunications Fund (9-1-1 funding). **(Policy Issue 3)**

Below is a summary of the committee discussion and recommendations:

The City of Maricopa submitted **Policy Issue 1**. This issue was adopted as a resolution by the League Resolutions Committee last year. Legislation was introduced which passed the Senate but died in the House in the waning days of the session. Mayor Christian Price explained that current state statute, recently amended by the state legislature, allows surplus campaign contributions to be transferred to a campaign for statewide office by any elected official; with the lone exception of city and town elected officials. Excluding mayors and councilmembers from using campaign contributions to seek statewide office is a clear equity issue that really has no justification.

The committee once again agreed that this is an issue that needs to be rectified by a change to state law and recommended that this policy issue be designated as a proposed resolution to be considered by the Resolutions Committee at the League Annual Conference. There was a unanimous vote by the committee to forward this policy issue as a resolution to the Resolutions Committee at the League Annual Conference.

The Town of Florence proposed **Policy Issue 2** that would allow cities and towns to use excess funds from legacy volunteer fire department profit sharing plans to reduce unfunded liabilities in the Public Safety Personnel Retirement System (PSPRS). Scott Barber, HR Director for the Town of Florence explained that like many Arizona communities, the Town once had a fully volunteer fire department to provide fire protection service to its citizens. Over time the approach evolved to having a department which includes both full-time (career) firefighters and part-timers to help maintain minimum staffing levels. One legacy from the fully volunteer days is the Florence Fire Department Profit Sharing Plan, a retirement vehicle which the town continues to use as a benefit for part-time employees in the department. Part-timers contribute a percentage of their compensation which is matched by the Town. For many years the vesting schedule for the Plan

was 5 years. Therefore, part-time employees who left the department or who were hired as full-timers did not receive the employer’s matching funds when they terminated Plan membership. This resulted in the Plan “forfeiture account” growing until it reached its current balance of \$190,000. The Plan forfeiture account is used to pay Plan expenses and also the Town’s matching contributions for Plan participants, but the forfeiture account cannot be used for any other purpose.

The committee asked for information related to whether this change would require legislation or if it could be done under the guidelines set up by the profit sharing plan. Tim Stratton, a tax attorney from Gust Rosenfeld gave his opinion to the committee that such a change would require legislation based on an old attorney general opinion as well as the fact that fire districts recently were successful getting legislation passed doing the same thing. There was a unanimous vote by the committee to forward this policy issue as a resolution to the Resolutions Committee at the League Annual Conference.

The City of Yuma proposed **Policy Issue 3**. It proposes to establish a legislative committee to examine and explore resources for the Revolving Emergency Telecommunications Fund (9-1-1 funding). The 9-1-1 funding model established in 2001 for telecommunication excise tax had automatic reductions written in the legislation. It scheduled a drop in the monthly fee from 37 cents to 28 cents and ultimately decreased it to 20 cents a month by 2007. This is a 46% decrease in the monthly fee between 2001 and 2007 and, although technology has and is changing dramatically, the monthly fee remains at 20 cents in was formulated prior to the proliferation of smart phone mobile technology.

Approximately 53 million dollars have been swept from the state’s 9-1-1 funding source (Revolving Emergency Telecommunications Fund) since 2003.

Approximately 18 million dollars is now collected annually and distributed to the 9-1-1 systems throughout the state. The annual collection has fallen short of the 9-1-1 system and public safety requirements and requests. The 9-1-1 funding is inadequate and the 9-1-1 systems, especially in rural areas of the state, are suffering.

The committee discussed the issue and recommended that this policy issue be designated as a proposed resolution to be considered by the Resolutions Committee.

The table below summarizes the GAHRE Committee’s actions:

Policy Issue	Disposition by Committee
1 Campaign Funds Transfer	Resolution GAHRE 1
2 Volunteer Firefighter Excess Funds	Resolution GAHRE 2
3 9-1-1 Funding Legislative Committee	Resolution GAHRE 3

Lana Mook
 Mayor of El Mirage
 Chair, General Administration, Human Resources and Elections Committee

GAHRE#1

League of Arizona Cities & Towns Resolution

Allow city/town elected officials to transfer campaign contributions to a statewide or legislative office.

A. Purpose and Effect of Resolution

The inability for local officials to transfer contributions to a statewide or legislative office is simply not equal treatment. This change would encourage more local elected officials to run for statewide office.

B. Relevance to Municipal Policy

City and town elected officials, because of their experience, should be encouraged to run for statewide or legislative office. It is not reasonable to exclude them from using contributions in this way.

C. Fiscal Impact to Cities and Towns

No fiscal impact to cities and towns.

D. Fiscal Impact to the State

No fiscal impact to the state.

E. Contact Information

Sponsoring City or Town: City of Maricopa

Name: Dale Wiebusch, Intergovernmental Affairs Director

Phone: 602-549-3696 Email: dale.wiebusch@maricopa-az.gov

League Staff: Tom Belshe

League of Arizona Cities & Towns Resolution

Allow cities and towns to use excess funds from a volunteer fire department profit sharing plan to pay down unfunded liability in the Public Safety Personnel Retirement System (PSPRS).

A. Purpose and Effect of Resolution

Several Arizona communities at one time had fully volunteer fire departments to provide fire protection service to its citizens. Over time the approach evolved into having a department which includes both full-time (career) firefighters and part-timers to help maintain minimum staffing levels at our One legacy from the fully volunteer days is that these volunteer departments offered “profit-sharing plans”, a retirement vehicle which continue to be used as a benefit for part-time employees in the departments. Part-timers contribute a percentage of their compensation which is matched by the city or town. For many years the vesting schedule was 5 years. Therefore, part-time employees who left the departments or who were hired as full-timers did not receive the employer’s matching funds when they terminated plan membership. This resulted in excess funds growing in the accounts. These forfeited, excess funds cannot be used for any other purpose. Cities and towns would like to see legislation drafted to allow the use of excess part-time pension funds to apply towards liabilities under PSPRS.

B. Relevance to Municipal Policy

Cities and towns are desperately looking for ways to reduce the very significant burden of PSPRS unfunded liability.

C. Fiscal Impact to Cities and Towns

Decreasing unfunded liability in the PSPRS will have a positive impact to municipal budgets.

D. Fiscal Impact to the State

No fiscal impact to the state.

E. Contact Information

Sponsoring City or Town: Town of Florence

Name: Scott Barber, HR Director

Phone: 520-868-7545

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League Staff: Tom Belshe

League of Arizona Cities & Towns Resolution

Encourage Arizona state legislators to establish a legislative committee to examine and explore resources for the Revolving Emergency Telecommunications Fund (9-1-1 funding).

A. Purpose and Effect of Resolution

The 9-1-1 funding model established in 2001 for telecommunication excise tax (9-1-1 tax) had automatic reductions written in the legislation. It scheduled a drop in the monthly fee from 37 cents to 28 cents and ultimately decreased it to 20 cents a month by 2007. This is a 46% decrease in the monthly fee between 2001 and 2007 and, although technology has and is changing dramatically, the monthly fee remains at 20 cents in was formulated prior to the proliferation of smart phone mobile technology.

Approximately 53 million dollars have been swept from the state’s 9-1-1 funding source (Revolving Emergency Telecommunications Fund) since 2003. Approximately 18 million dollars is now collected annually and distributed to the 9-1-1 systems throughout the state. The annual collection has fallen short of the 9-1-1 system and public safety requirements and requests.

Consequences of 9-1-1 system funding shortfalls:

- Significant delay in replacing aging 9-1-1 equipment.
- Inability to fund additional 9-1-1 equipment needed to match 9-1-1 call volume increases.
- No funding available for new PSAPS (City of Maricopa, Mesa Fire, Somerton PD, etc.).
- Statewide Wireless 9-1-1 Phase II (X/Y location) access is not available due to lack of funds to compensate wireless carriers.

A legislative study group would allow elected members to look at the 9-1-1 needs for the entire state, not just a single region or community. The findings will be submitted in a report along with any recommendations from the proposed group.

B. Relevance to Municipal Policy

The health, safety and welfare of our citizens is paramount to elected officials. We need to explore how to assure adequate funding for a 9-1-1 system that will serve the needs of citizens in all areas of the state.

C. Fiscal Impact to Cities and Towns

No fiscal impact to cities and towns.

D. Fiscal Impact to the State

No fiscal impact to the state.

E. Contact Information

Sponsoring City or Town: City of Yuma
Name: Rodney Short, Assistant City Attorney
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League Staff: Tom Belshe

Chair's Report of the Neighborhoods, Sustainability, and Quality of Life Policy Committee

Mayor Linda Kavanagh, Chair

Resolutions Committee Meeting, League Annual Conference
Tuesday, August 21, 2018

On **June 12 and July 12, 2018**, the Neighborhoods, Sustainability, and Quality of Life Policy Committee (NSQL) convened to discuss six policy issues submitted by committee members for consideration. Below is a summary of the policy issues considered by NSQL:

1. Advocate for local regulation of short-term rentals. – **Fountain Hills (Policy Issue 1)**
2. Advocate for an open space preservation/scientific and cultural facilities special district. – **Gilbert (Policy Issue 2)**
3. Advocate for a state workforce housing tax credit modeled after the federal Low-Income Housing Tax Credit (LIHTC) program. – **Tucson (Policy Issue 3)**
4. Advocate for a state-wide non-discrimination policy that includes gender identity and sexual orientation. – **Mesa (Policy Issue 4)**
5. Work with the Arizona Department of Health Services to expedite their rulemaking process for the sober living home licensing system. – **Mesa (Policy Issue 5)**
6. Advocate for legislation to protect airport operations from encroachment. - **Mesa (Policy Issue 6)**

Below is a summary of the committee discussion and the recommendations:

The Town of Fountain Hills submitted **Policy Issue 1** for consideration at the June 12 meeting. In preparation for the meeting, input on short-term home rental problems and proposed solutions were requested by League staff by email and then summarized. At the June 12 meeting this information was presented by staff and the committee then discussed various examples of the negative consequences that short-term home rentals have had in Arizona and other states and various policy approaches that could be used to address these issues. The committee agreed on a list of provisions that should be included in legislation for next session. This information was reviewed at the July 12 meeting, at which time the committee added several more proposed provisions and voted to move the proposal forward for consideration at the Annual Conference.

The Town of Gilbert submitted **Policy Issue 2** for consideration at the June 12 meeting. At the meeting Councilman Anderson (Gilbert) presented information about Denver's Scientific and Cultural Facilities District, a special taxing district that funds several parks and science/cultural facilities in the region. During the discussion questions arose about the funding structure and League staff was asked to do follow-up research on Denver's special district as well as Arizona's existing statutes for special districts. This information was reviewed at the July 12 meeting, at which time the committee decided to hold the proposal for further study.

The City of Tucson submitted **Policy Issue 3** for consideration at the July 12 meeting. At the meeting Mayor Rothschild (Tucson) presented information about Arizona's use of the federal Low-Income Housing Tax Credit as well as supplemental state-level housing credits that have

been successful in other states. After hearing the proposal the committee voted to move it forward for consideration at the Annual Conference.

The City of Mesa submitted **Policy Issue 4** for consideration at the July 12 meeting. At the meeting Councilman Heredia (Mesa) presented information about the negative economic impact of not having a state-wide non-discrimination policy that includes gender identity and sexual orientation. The committee discussed the importance of addressing this issue as well as their local ordinances on the subject. One member noted that communities currently have the ability to address the issue locally and that it should remain an issue of local concern. The committee then voted to move the proposal forward for consideration at the Annual Conference.

The City of Mesa submitted **Policy Issue 5** for consideration at the July 12 meeting. At the meeting Councilman Heredia (Mesa) presented information about last year's successful resolution to address unregulated sober living homes through state legislation and the need for the Arizona Department of Health Services to complete their rulemaking process as expeditiously as possible. After hearing the proposal the committee voted to authorize the League to work directly with ADHS to speed up the rulemaking process. Because legislation is not necessary the proposal did not need to be forwarded to the Resolutions Committee.

The City of Mesa submitted **Policy Issue 6** for consideration at the July 12 meeting. At the meeting Councilman Heredia (Mesa) presented information about the conflict between airport operations and the siting of schools nearby, as well as a bill from last session that was attempting to address this issue but that did not make it through the legislative process. After discussing the need for legislation on this issue the committee voted to move the proposal forward for consideration at the Annual Conference.

NOTE: Mayor Moriarty of Sedona chaired the July 12 meeting.

The table below summarizes the NSQL Committee's actions:

Policy Issue	Disposition by Committee
1 Short Term Rental Regulation	Resolution NSQL 1
2 Special District for Scientific & Cultural Facilities	Held for further study
3 State Low-Income Housing Tax Credit	Resolution NSQL 2
4 Anti-Discrimination Law	Resolution NSQL 3
5 Rulemaking for ADHS on Sober Living Homes	Approved by NSQL, no resolution needed
6 Zoning for schools near airports	Resolution NSQL 4

Linda Kavanagh
 Mayor of Fountain Hills
 Chair, Neighborhoods, Sustainability, and Quality of Life Policy Committee

League of Arizona Cities & Towns Resolution

Amend statute to allow local regulation of short-term home rentals.

A. Purpose and Effect of Resolution

Short-term rentals are meant to help homeowners generate extra income and allow travelers to enjoy the comforts of a residential home when travelling. Short-term rentals have become very popular and economically significant but have also led to unintended consequences for neighborhoods. Most of the issues stem from the renter taking advantage of the benefits of a residential home/area without having any of the accountability/responsibility of being a long-term renter or owner, as well as the homeowner being absent or unable or unwilling to address complaints from neighbors. This includes things such as:

- Increased traffic in neighborhoods and other areas of city/town
- Noise violations that do not get resolved with calls for service
- Large parties that congest the street and are loud and disruptive
- Neighbors have no recourse for resolving issues other than calling police/city
- Short-term renters that create public safety hazards when not familiar with the area
- Allowing too many in one area can change the residential character of neighborhoods
- Increased home prices/loss of housing stock for full-time residents as investors buy homes
- Reduced availability/increased prices of long-term rental options
- Lack of tax remittance
- Negative impact to the economy of communities that depend on hotels and motels
- Treated differently than hotels, motels and B&B's (business equity, safety inspections)
- Treated differently than long-term rentals (deposits, lease, other rules/accountability)
- Treated differently than other home-based businesses (registration, permitting)

Allowing for local or state regulation of short-term rentals would address these issues by requiring that the homeowner be legally responsible. This could be accomplished by:

- Creating a distinction between “shared” homes and short-term rentals of entire residences
- Requiring a license or special use permit that can be revoked after multiple violations
- Requiring contact information be registered with the city, county or state
- Making the property owner legally responsible for all violations and fines
- Placing a cap on the number of guests that can stay in a short-term rental
- Limiting short-term home rentals to a primary or secondary homes (i.e. no investors)
- Addressing homes that are being converted into “boarding houses”, homes with separate guesthouses, and short-term rentals in multi-family housing
- Establishing a cap on # of homes or % of housing that can be used for short-term rentals and/or establishing distance requirements to avoid clustering

B. Relevance to Municipal Policy

Protecting the local housing stock as well as the residential character of neighborhoods is a municipal responsibility.

C. Fiscal Impact to Cities and Towns

There may be an administrative cost associated with regulating short-term rentals locally.

D. Fiscal Impact to the State

There may be an administrative cost to the state if regulation is pursued at the state-level.

E. Contact Information

Sponsor City/Town: Town of Fountain Hills

Name: Linda Kavanagh

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League Staff: Alex Vidal

League of Arizona Cities & Towns Resolution

Support the creation of a state workforce housing tax credit modeled after the successful federal Low-Income Housing Tax Credit (LIHTC) program.

A. Purpose and Effect of Resolution

Across the state of Arizona, families and individuals are facing a housing affordability crisis. In Tucson alone, more than 18,000 families are on the waiting list for Section 8 Housing Choice vouchers, and we cannot accept any new applications. According to Sally Stang, Tucson's Housing and Community Development Director, Tucson needs more than 60,000 affordable units to meet the needs of our citizens. We are not alone in this housing crisis: throughout Arizona, we are short 159,999 affordable rental homes that are needed to meet demand for existing families.

According to data from the National Low-Income Housing Coalition, in Arizona 75% of extremely low-income renter households suffer severe cost burden, spending more than half their monthly income on housing. Families must then make hard choices about paying bills, getting necessary medical care, or buying groceries.

There are few tools to incentivize affordable housing development but the ones that remain in place remain because they are sound policy. The most successful tool is the federal Low-Income Housing Tax Credit (LIHTC) program, which was created during the Reagan administration. This 32 year old program awards federal tax credits to developers who build or rehabilitate high-quality units leasing them to low income tenants at below market rents. The LIHTC credits are awarded annually through a highly competitive process administered by the Arizona Department of Housing (ADOH).

Like the federal Low-Income Housing Tax Credit (LIHTC), a state credit would support the development of a wide range of affordable housing projects for those that have limited income in rural and urban areas, in some cases with non-profits providing supportive services. This tax credit would help those who most need it, as determined by the Arizona Department of Housing (ADOH). A state credit would incentivize development which benefits our constituents in several ways: stabilizing families and reducing our homeless population; bringing in additional revenue to the city in the form of construction materials and taxes; and new jobs for construction, operation, and maintenance of new developments.

There are more than 15 states that already have a state low income housing tax credit including Utah, New Mexico, California, Oklahoma, Georgia, Nebraska and Wisconsin. In Colorado, where they have had a state affordable housing tax credit for 7 years, the outcomes have been dramatic. Analysis of that program during the three year period from 2015-2017 shows that over 4,000 housing units were directly supported through the tax credit. In addition to the new units, there has been \$465 million in new private sector investment to support housing and Colorado has leveraged \$33 million in previously untapped federal 4% LIHTC funding. Overall during this three year time period, there has been \$1.6 billion in economic impact to the state of Colorado and over 19,000 jobs created because of the housing tax credit.

Arizona could benefit similarly. This is a proven and efficient tool that drives economic development, offers relief to rent-overburdened families and will help us to end homelessness in Arizona.

B. Relevance to Municipal Policy

Homelessness and transient populations result from a lack of affordable housing and can create expensive demands on our public safety, emergency services, criminal justice, healthcare and education systems. By working together to fill the affordable housing void we can reduce our costs through the stabilization of the individuals and families who need it most.

C. Fiscal Impact to Cities and Towns

There would be no fiscal impact to cities or towns. However, cities and towns will benefit from increased development activity in the form of increased TPT and economic outputs associated with the development, operation and maintenance of this new housing.

D. Fiscal Impact to the State

Fiscal impact to the state will be determined by the limit set on the tax credit in the sponsoring legislation. Based upon what has occurred in other states, this will be offset by greater economic activity in the form of construction TPT, income tax from jobs created and increased local tax revenues.

E. Contact Information

Sponsoring City/Town: City of Tucson

Name: Andrew Greenhill

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League Staff: Alex Vidal

League of Arizona Cities & Towns Resolution

Amend statute to protect from discrimination based on sexual orientation or gender identity.

A. Purpose and Effect of Resolution

Arizona must provide an environment that is welcoming and inclusive. Whether it is Fortune 500 companies that are looking to bring jobs to our state or the small businesses that are attempting to expand, nondiscrimination in the workplace is an issue of vital importance. Today, many of Arizona's neighbors have laws that prohibit discrimination based on sexual orientation or gender identity. If we want to live in cities and a state that remain economically competitive, attract the very best talent and are vibrant places to live, we must be open for business to everyone.

Today, a baseline level of statewide nondiscrimination protections inclusive of sexual orientation and gender identity does not exist. While individual municipalities have the authority to create local ordinances unique to our individual cities and towns, we believe issues of nondiscrimination transcend borders and are a matter of statewide concern.

We urge the Arizona State Legislature to adopt statewide non-discrimination protections that are inclusive of sexual orientation and gender identity. Not only is such an update the right thing to do, it would also aid economic development efforts for our cities and the State of Arizona.

B. Relevance to Municipal Policy

Arizona cities would be stronger together with a statewide update to our laws that applied to all municipalities equally.

C. Fiscal Impact to Cities and Towns

There is no anticipated fiscal impact to cities and towns.

D. Fiscal Impact to the State

There is no anticipated fiscal impact to the state.

E. Contact Information

Sponsoring City/Town: City of Mesa

Name: Miranda DeWitt

Phone: 480-644-5796

Email: Miranda.DeWitt@mesaaz.gov

League Staff: Alex Vidal

League of Arizona Cities & Towns Resolution

Support legislation that promotes and strengthens the safety of children in school buildings located near airports while preserving airports' long-term viability and economic benefits to local communities.

A. Policy Issue

Aviation in Arizona provides more than \$58 Billion annually in economic activity. Arizona's airports are economic hubs for our cities and towns and it is crucial to protect them from encroachment which threatens their airspace and constrains their potential community benefits. In the City of Mesa, Phoenix-Mesa Gateway Airport's growth is an integral part of our local, state and international economy. The recent addition of Skybridge Arizona marks a new era in cross-border trade, growing our city and state economy and playing a vital role in international commerce. Skybridge Arizona will enable E-commerce companies, manufacturers and other commercial interests in North and South America to efficiently transport goods while ensuring safety controls. This project is expected to create thousands of direct jobs in our state and significantly increase Phoenix-Mesa Gateway Airport cargo flights. Such growth will inevitably foster future opportunities; thus, it is crucial for our cities and airports to continue to be great partners to support economic growth across our State. Other airports, large and small, throughout Arizona provide similar benefits to their local communities.

Current state law provides exemptions for schools from local planning and zoning requirements and fails to provide adequate communication and collaboration between airports and schools when a new school is locating in an airport's vicinity. The lack of proper communication and coordination can result in negative unintended consequences for schools and airports, risking the safety and operations of all involved. Under current law, when a new school is planned within the airport traffic pattern airspace boundary, the school has no requirement to communicate their plans to the airport. This has resulted in the construction of a high-profile structure that has led to a reduction in airport's airspace and FAA fines incurred by the school. Although the construction occurred within the letter of the law, better communication and coordination amongst the school officials and the airport would have yielded a better result for all parties. Because school buildings are currently exempt from zoning requirements, adequate planning can be challenging. However minor changes thoughtfully planned can provide a lasting solution to this occasional but serious concern while protecting everyone's best interests.

B. Purpose and Effect of Resolution

The League of Cities and Towns has an important role in the legislative stakeholder process, where airports, City officials, school district and charter school representatives, and business community members can develop comprehensive legislation to protect public safety and lower our airports exposure to encroachment, possible air space loss and noise abatement concerns. Reaching and adopting compromise legislation that promotes better communication and coordination for school buildings near airports and/or restricts such construction/relocation in pertinent areas, is imperative to ensure that public safety and the airports' economic benefits are protected.

C. Fiscal Impact to Cities and Towns

There is no anticipated fiscal impact to cities or towns. Failure to enact these protections could lead to constraints on airspace and substantial negative fiscal impacts.

D. Fiscal Impact to the State

There is no anticipated fiscal impact on the state General Fund associated with this legislation.

E. Contact Information

Sponsoring City/Town: City of Mesa

Name: Miranda DeWitt

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League Staff: Alex Vidal

Chair’s Report of the Public Safety, Military Affairs, and the Courts Policy Committee

Mayor Jerry Weiers, Chair

Resolutions Committee Meeting, League Annual Conference
Tuesday, August 21, 2018

On **May 15, 2018**, the Public Safety, Military Affairs, and the Courts Policy Committee (PSMAC) convened to discuss one policy issues submitted by a committee member for consideration. Below is a summary of the policy issue considered by PSMAC:

1. Advocate for a city or League representative to be appointed to the State Liquor Board.
Glendale (Policy Issue 1)

Below is a summary of the committee discussion and the recommendations:

The City of Glendale submitted **Policy Issue 1** for consideration at the May 15 meeting. In preparation for that meeting League staff summarized the existing statutes that govern the State Liquor Board (Board) including designated qualifications for several of the seats as well as the current members of the Board and their roles. At the meeting, the committee discussed various instances where the Board disregarded a recommendation for disapproval from the local governing body as well as other actions that the Board has taken that reflected a lack of awareness or concern for local input. The committee agreed that the League should pursue any and all avenues for improving the relationship between cities/towns and the Board, up to and including having a city/town elected official or staff member, or a League representative, appointed to the Board.

The table below summarizes the NSQL Committee’s actions:

Policy Issue	Disposition by Committee
1 League Representation on Liquor Board	Resolution PSMAC 1

Jerry Weiers,
Mayor of Glendale
Chair, Public Safety, Military Affairs, and the Courts Policy Committee

PSMAC #1

League of Arizona Cities & Towns Resolution

Pursue all avenues for improving relations between cities/towns and the State Liquor Board, including having a city/Town official or staff member, or a League representative, appointed to the Board

A. Purpose and Effect of Resolution

In Arizona, the State Liquor Board (Board) has the ultimate authority to approve or deny liquor license applications. Although city and town councils make recommendations on the applications, the recommendations are non-binding and the Board can choose to override the local government's recommendation.

State statute currently includes specific criteria for three of the seven seats on the State Liquor Board, two liquor industry representatives and one representative from a neighborhood association. State statute could be amended to specify that one of the remaining four seats be designated for either a member of a city or town council, a city or town employee, or a representative from the League.

B. Relevance to Municipal Policy

Having a designated local government representative on the State Liquor Board will help to ensure that feedback from residents and the city or town council is properly considered and understood. It will also give the other members of the State Liquor Board the opportunity to hear a municipal perspective. Just as the industry has a designated seat at the table, the Board should also include someone representing the cities and towns where the licensees will be operating.

C. Fiscal Impact to Cities and Towns

There is no anticipated fiscal impact to cities and towns.

D. Fiscal Impact to the State

There is no anticipated fiscal impact to the state General Fund.

E. Contact Information

Sponsoring City or Town: City of Glendale

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League Staff: Alex Vidal

Chair’s Report of the Transportation, Infrastructure and Public Works Policy Committee

Mayor Bob Rivera, Thatcher

Resolutions Committee Meeting, League Annual Conference

On **July 11, 2018**, the Transportation, Infrastructure and Public Works committee (TIPW) convened to discuss one policy issue submitted by the City of Casa Grande. Below is a summary of the issue considered:

1. I-10 widening project. **Casa Grande (Policy Issue 1)**

Craig McFarland, mayor, City of Casa Grande, submitted **Policy Issue 1** that would request the Arizona Department of Transportation (ADOT) add the I-10 Chandler-Casa Grande section widening project to the State’s five-year transportation plan to begin the planning, design and construction phases of the project. Mayor McFarland explained the intent is also to request the League support the project moving forward and assist with the formation of a coalition consisting of government and private stakeholders to work with ADOT and the Gila River Indian Community (GRIC).

Christian Price, mayor, City of Maricopa, explained the current barriers to the project moving forward include the pending agreement with the GRIC on acquiring right of way for one additional east and westbound lane and the availability of funding for the project. Mayor Price also explained that ADOT and the State Transportation Board cannot add the project to the five-year plan without funding.

Bob Rivera, mayor, Town of Thatcher, provided support for the project and explained this corridor of I-10 is important to focus on due to the amount of travel and freight from southern Arizona and Mexico.

After discussion of the issue, the committee determined that it will not move forward as a resolution since it is not a state legislative matter. The committee instead voted unanimously to request the League gather further data on the project and work with ADOT and other stakeholders to assist in moving the project forward. The committee voted to permit the League to work with ADOT and GRIC on this issue.

The table below summarizes the BFED Committee’s actions:

Policy Issue	Disposition by Committee
1 I-10 widening project	League staff assigned to work with ADOT and Gila River Indian Community to encourage prudence in planning, funding, and widening I-10

Bob Rivera
Mayor of Thatcher
Chair, Transportation, Infrastructure and Public Works

Report from the League Executive Director on Staff-Developed Resolutions

Ken Strobeck, Executive Director

Resolutions Committee Meeting, League Annual Conference
Tuesday, August 21, 2018

After the completion of the Policy Committee meetings, League staff met to determine whether there were policy issues that had not been proposed through the Policy Committee process. Staff believes the following proposed resolution should be considered by the Resolutions Committee at the Annual Conference.

1. Perform research on IRS tax law regarding the possibility for police and fire employees currently participating in PSPRS to irrevocably opt out of the Defined Benefit plan and into the Defined Contribution plan. Depending on the outcome of that research, the League could develop legislation for introduction in the 2019 Legislative Session that establishes this option. – **League Staff (Policy Issue 1)**

League Staff #1

League of Arizona Cities & Towns Resolution

Research and pursue potential legislative approaches during the 2019 Legislative Session to permit Tier 1 and Tier 2 members of the Public Safety Personnel Retirement System (PSPRS) to make an irrevocable election to join the PSPRS Defined Contribution Plan established by Laws 2016, Chapter 2.

A. Purpose and Effect of Resolution

Laws 2016, Chapter 2 (SB1428) established a Tier 3 of pension participation and benefits for PSPRS members hired on or after July 1, 2017. In addition to establishing Tier 3 for the Defined Benefit (DB) plan, legislation also established a Defined Contribution (DC) plan for new employees hired on or after July 1, 2017. Upon employment a new employee now has the option to participate in either the DB or DC plan and, absent an election, will default into the DB plan.

A DB plan is an annuity in which the employer inherits the investment risk of the plan and failure to meet assumed rates of return resulting in unfunded liabilities to the employer plan. A DC plan is similar to a 401(k) in that the investment risk is inherited by the employee and, upon retirement, the employee can withdraw funds in a lump sum or annuitize their benefits. There are no unfunded liabilities in a DC plan.

Tier 1 and 2 members must meet certain periods of service requirements between 15 and 20 years in order to become eligible for retirement benefits. However, many police and fire personnel are hired in Arizona as their second career following service in the military, service in police or fire employment in another state, or in other career paths. During the Pension Ad Hoc Committee established by the Arizona House of Representatives, the committee heard testimony from police and fire personnel indicating they wished they had the opportunity to join a DC plan and not be bound by the years of service requirement for Tiers 1 and 2.

Current liabilities in the PSPRS Fund, as of 06/30/2017, amount to \$15,578,700,116 with a total of 33,522 active, inactive, retired, disabled, and survivor members. Although liabilities vary by individual, the average per-member liability totals \$464,730. By permitting police and fire personnel to make an irrevocable election to join the PSPRS DC plan two outcomes will result: 1) for each member that joins the DC plan, the employer's plan liabilities will diminish and 2) it provides employees a voluntary election they do not currently have to participate in a plan that may more adequately suit their situation.

B. Relevance to Municipal Policy

Title 38, Chapter 5, Article 4 established PSPRS and its corresponding construct, including membership. Of the 233 separate employer plans in PSPRS, 122 of the plans are municipal police and fire plans. Potential alleviation of employer liabilities by permitting Tier 1 and 2 employees to join the DC plan would permit municipalities to utilize those funds in a different way.

C. Fiscal Impact to Cities and Towns

While the fiscal impact is unknown because it is contingent upon each individual election, each individual transitioning from the DB to DC plan will save hundreds of thousands of dollars.

D. Fiscal Impact to the State

The State of Arizona has within its purview the Department of Public Safety (DPS) which has 1,059 employees and \$819,253,340 in unfunded liabilities. While there will be benefits to the state, the exact amount is unknown for the reasons listed above relating to cities and towns.

E. Contact Information

Sponsoring City or Town: League of Arizona Cities and Towns

League Staff: Nick Ponder

Phone: 602-258-5786

Email: nponder@azleague.org

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Agenda Item Submission Form – Section I

Meeting Date: August 15, 2018

- Consent Agenda Decision Agenda Executive Session Requested
- Presentation Only Action/Presentation

Requesting Department: Finance Staff Resource/Contact Person: Mike Showers / Russ Martin

Agenda Title (be exact): Discussion, consideration and approval/direction to staff for the procurement of budgeted vehicles and equipment for the 2019 fiscal year.

List Attached Documents: 1) Enterprise Fleet Synopsis, 2) Town Vehicle Menu Pricing, 3) Town Equipment List

Estimated Presentation Time: 10 mins

Estimated Discussion Time: 10 mins

Reviews and comments Completed by:

Town Manager: _____ Department Head: _____

Town Attorney Comments: _____

Risk Management: _____

Finance Department
 Fiscal Impact:
 Budget Code: 13-999-20-880010 / 13-99-20-880110 Amount Remaining: \$225,000.00

Comments: The attached Town Menu Pricing list of 13 vehicles (plus potentially 1 more truck) have been requested by various departments along with various pieces of equipment as listed on the Equipment Listing page. That equipment was expected to cost a total of \$1 million with a 5-year annual payment amount of roughly \$225,000, ie the budgeted expense amount. Staff has looked into enlisting the services of Enterprise Fleet Management to work with the Town for leasing and maintenance of Town vehicles. A brief synopsis is attached.

Background Information: None.

Recommended Action (Motion): Approve the Town Manager & Finance Director to move forward with securing financing for the requested equipment and entering into an agreement with Enterprise Fleet to help manage the Town's vehicles.

Instructions to the Clerk: N/A



FLEET MANAGEMENT

FLEET SYNOPSIS | CAMP VERDE



Camp Verde, Arizona
473 S. Main Street
Suite 102
Camp Verde, AZ 86322

Enterprise Fleet Management, Inc.

600 Corporate Park Drive
St. Louis, MO 63105
314-512-5000 Main
314-518-5583 Fax

Tim Warren

Senior Account Executive
4100 W Galveston St.
Suite 1
Chandler, AZ 85226
602-859-1267 Cell
Timothy.Warren@efleets.com

FLEET SYNOPSIS | CAMP VERDE

Impact of Partnership

THE SITUATION

Camp Verde, Arizona is interested in finding ways to lower fleet expenses and improve efficiency. In an effort to reduce increasing vehicle costs, the town has researched leasing options to supplement town vehicle purchases as a solution to better manage its aging fleet.

- 57% of the current light and medium duty fleet is over 10 years old, 28% is more than 20 years old
- Older vehicles have higher fuel costs, maintenance costs, fewer safety features, and tend to be unreliable.
- It would take 20 years to cycle out the entire fleet based on historical acquisition rates (average over last 10 years)

THE OBJECTIVES

Enterprise Fleet Management's proposal is to save town resources and budget dollars through a managed vehicle program.

- Utilize an open-end lease* as a funding mechanism, allowing the town to acquire additional vehicles while avoiding a large capital budget outlay.
- Replace aged vehicles with newer models to increase fuel efficiency and reduce maintenance expense. Maintenance and repairs can be performed by local businesses if desired to further stimulate economic growth and the integration of more fuel efficient vehicles will reduce carbon footprint.
- Establish a proactive replacement plan that maximizes potential equity at time of resale, reduces operational expenses, and increases safety.

*An open-end lease means there are no early termination, mileage, or abnormal wear and tear penalties. Leases are written to a residual balance to preserve cash flow. The town receives flexibility of ownership, as well as net equity from sale at time of disposal.

CLIENT TESTIMONIAL

"The Enterprise projection is that we'll save about \$135,000 over ten years by going to this fleet management program. We really think that is a conservative estimate because of how high our maintenance costs were getting as this fleet aged."

– Chris Hobby, Bainbridge City Manager

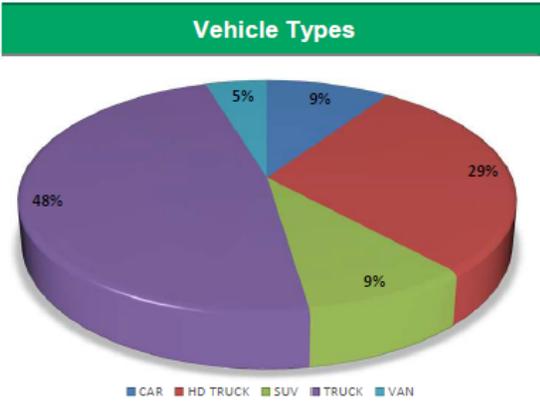
THE RESULTS

By partnering with Enterprise Fleet Management, Camp Verde will be able to update the aged fleet in a strategic manner that is anticipated to reduce overall vehicle costs by a long-term average of more than \$16,000 each year. Leveraging an open-end lease maximizes cash flow and recognizes equity from vehicles sold. Furthermore, the town will leverage Enterprises Fleet Management's ability to sell vehicles at an average of 113.5% above market average. By shifting from reactively replacing inoperable vehicles to planning vehicle purchases and maximizing resale value, the town will be able to replace 12 of its oldest vehicles in 2019.

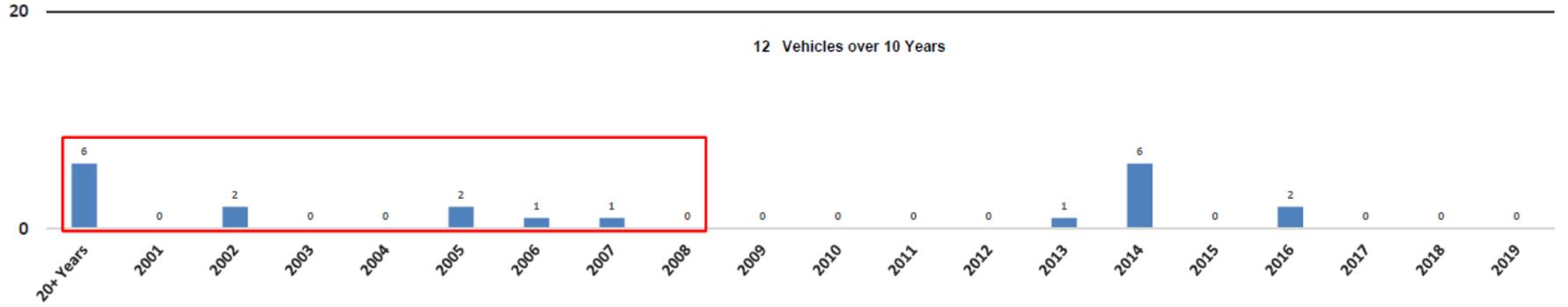
Tim Warren | (602-859-1267) | Timothy.Warren@efleets.com

Town of Camp Verde - Fleet Profile

Fleet Profile				Fleet Replacement Schedule						Replacement Criteria
Vehicle Type	# of Type	Average Age (years)	Average Annual Mileage	2019	2020	2021	2022	2023	Under-Utilized	
Mid-size Sedan	1	0.0		0	0	0	0	0	0	* Fiscal Year 2019 = 10 years old and older, or odometer over 100,000
Full-size Sedan	1	13.6	7,200	0	1	0	0	0	0	* Fiscal Year 2020 = 8 years old and older, or odometer over 80,000
Minivan-Passenger	1	18.7	4,600	1	0	0	0	0	0	* Fiscal Year 2021 = 6 years old and older, or odometer over 60,000
Compact SUV 4x2	1	19.1	8,500	1	0	0	0	1	0	* Fiscal Year 2022 = 4 years old and older, or odometer over 40,000
Full Size SUV 4x2	1	2.4	2,900	0	0	0	0	1	0	* Fiscal Year 2023 = Remaining Vehicles
Compact Pickup Reg 4x2	3	17.3	8,100	1	2	0	0	0	0	* Underutilized = Annual Mileage less than 2,500
1/2 Ton Pickup Reg 4x2	6	9.4	6,700	2	0	3	0	0	1	
1/2 Ton Pickup Ext 4x2	1	13.6	9,500	1	0	0	0	0	0	
3/4 Ton Pickup Reg 4x2	2	12.1	9,200	1	0	1	0	0	0	
3/4 Ton Pickup Ext 4x2	1	4.5	8,200	0	0	1	0	0	0	
1 Ton Pickup Reg 4x2	3	12.3	6,200	1	1	1	0	0	0	
Totals/Averages	21	11.5	6,800	8	4	6	0	2	1	



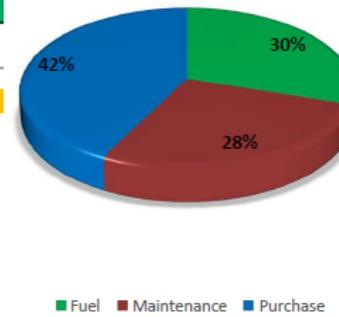
Model Year Analysis



Town of Camp Verde - Fleet Planning Analysis

Current Fleet	21	Fleet Growth	-1.09%	Proposed Fleet	20
Replacement plan	10.75	Annual Miles	7,100	Proposed Cycle	5.00
Current Maint.	\$130.00	Insurance	\$0.00	Proposed Maint.	\$29.75
Fuel Info		MPG	12	Price/Gallon	\$3.00

Fleet Costs Analysis



Fiscal Year	Fleet Mix			Fleet Cost							Annual	
	Fleet Size	Annual Needs	Owned	Leased	Purchase	Lease*	Maintenance	Insurance	Fuel	Fleet Budget	Net Cash	
Average	21	2.0	21	0	50,399	0	32,760	0	35,700	118,859	0	
'19	20	8	12	8	0	41,407	21,576	0	31,500	94,483	24,376	
'20	20	4	7	12	0	62,147	15,203	0	27,615	104,966	13,893	
'21	20	6	1	18	0	94,464	7,985	0	24,465	126,914	-8,056	
'22	20	0	1	18	0	94,464	7,985	0	24,465	126,914	-8,056	
'23	20	2	0	20	0	36,023	7,139	0	25,200	68,362	50,497	
'24	20	8	0	20	0	74,311	7,139	0	25,200	106,650	12,209	
'25	20	4	0	20	0	45,362	7,139	0	25,200	77,701	41,157	
'26	20	6	0	20	0	108,188	7,139	0	25,200	140,527	-21,669	
'27	20	0	0	20	0	88,056	7,139	0	25,200	120,395	-1,537	
'28	20	2	0	20	0	36,023	7,139	0	25,200	68,362	50,497	

10 Year Savings	\$153,311	Avg. Sustainable Savings	\$16,131
------------------------	------------------	---------------------------------	-----------------

Current Fleet Equity Analysis

YEAR	2019	2020	2021	2022	2023
QTY	9	5	6	0	1
RESALE	\$1,500	\$2,000	\$3,500	\$0	\$8,500
TOTAL	\$13,500	\$10,000	\$21,000	\$0	\$8,500
Estimated Current Fleet Equity**					\$53,000

Summary

10 Year Savings	\$153,311
Estimated Fleet Equity	\$53,000
Net Cash***	\$206,311

Key Objectives

- **Lower average age of the fleet**
 - **57%** of the fleet is over 10 years old
 - Lower the average fleet age from **11.5 to 5**
 - Improved Safety on newer vehicles - Electronic Stability Control, Airbag Standardization, Back up camera
- **Reduce operating costs**
 - Newer vehicles have a significantly lower maintenance expense
 - Average fuel increase to **17 MPG**
- **Maintain a manageable vehicle budget**
 - Challenged by inconsistent yearly budgets
 - Currently vehicle budget is underfunded

* Lease Rates are conservative estimates

**Estimated Current Fleet Equity is based on the current fleet "sight unseen" and can be adjusted after physical inspection

***Net Cash is the sum of the 10 year savings from the Fleet Planning Analysis and the Estimated Current Fleet Equity

Town of Camp Verde - Marshall - Fleet Profile

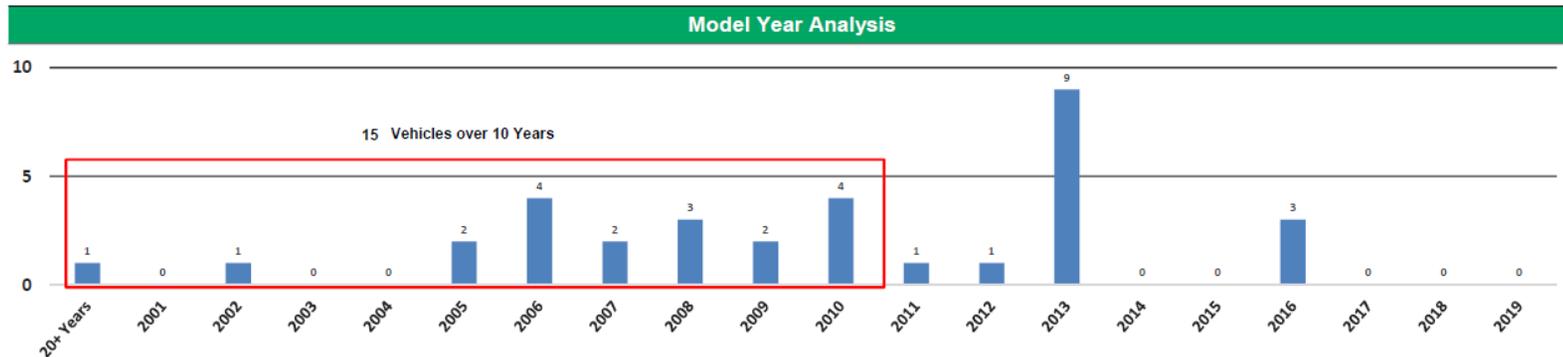
Fleet Profile				Fleet Replacement Schedule					Replacement Criteria
Vehicle Type	# of Type	Average Age (years)	Average Annual Mileage	2019	2020	2021	2022	2023	Under-Utilized
Mid-size Sedan	2	8.5	12,300	1	0	1	0	0	0
Full-size Sedan	13	11.0	9,400	10	3	0	0	0	0
Compact SUV 4x2	1	8.5	9,700	0	1	0	0	0	0
Full Size SUV 4x2	13	4.9	12,500	0	2	8	0	3	0
1/2 Ton Pickup Reg 4x2	3	13.3	7,600	3	0	0	0	0	0
3/4 Ton Pickup Reg 4x2	1	18.7	5,600	1	0	0	0	0	0
Totals/Averages	33	8.8	10,500	15	6	9	0	3	0

Replacement Criteria:

- * Fiscal Year 2019 = 10 years old and older, or odometer over 100,000
- * Fiscal Year 2020 = 8 years old and older, or odometer over 80,000
- * Fiscal Year 2021 = 6 years old and older, or odometer over 60,000
- * Fiscal Year 2022 = 4 years old and older, or odometer over 40,000
- * Fiscal Year 2023 = Remaining Vehicles
- * Underutilized = Annual Mileage less than 2,500

Vehicle Types

Vehicle Type	Percentage
CAR	46%
SUV	42%
HD TRUCK	3%
TRUCK	9%



CASE STUDY | CAMP VERDE

CASE STUDY | LACKAWANNA COUNTY



Pennsylvania county replaces vehicles and reduces fleet spend by over \$95,000.

BACKGROUND

Location: Scranton, PA
Industry: Government
Total vehicles: 71 vehicles

THE PROBLEM

Prior to partnering with Enterprise Fleet Management, the majority of Lackawanna County's vehicles were approaching ten to thirteen years in service. The aged fleet was causing significant operational inefficiencies and the county's annual fleet budget was being spent on maintenance, repairs and high fuel expenses, leaving little to no money for newer vehicles. County employees were experiencing a lot of downtime which ultimately effected productivity.

THE SOLUTION

Lackawanna County partnered with Enterprise Fleet Management to update its vehicles and handle its ongoing fleet needs. The county now benefits from proactive fleet planning with the best vehicle recommendations. Lackawanna County has acquired new vehicles and has reduced overall fleet costs by eliminating unplanned repairs and by lowering fuel costs by running a more fuel efficient fleet.

Lackawanna County enrolled in Enterprise's maintenance program and uses the budget-friendly, fixed maintenance program to plan ahead for its fleet service expenses. Additionally, the county has been able to capitalize on higher vehicle resale values to apply to its new vehicles, offering the department a lower, sustainable fleet that is predictable year-over-year. This makes it easy for the county to proactively plan and report on its total annual fleet spend.

"The Enterprise program has allowed us to update our aged fleet of vehicles in a strategic manner that reduces our overall fleet costs."

— Kevin Mitchell, Deputy Director of Purchasing

THE RESULTS

With Enterprise Fleet Management, the County of Lackawanna upgraded its aged fleet while staying under budget. According to county employees, selling its old vehicles with minimal staff involvement has been an unforeseen benefit of the Enterprise program. By increasing the fleet's fuel efficiency and decreasing annual maintenance costs, the county has reduced its annual fleet spend by over \$95,000. Lackawanna County has also seen an increase in productivity since the vehicles are rarely out of service, and always on the road.

To learn more, visit efleets.com or call 877-23-FLEET.

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Key Results

OVER
\$95,000
IN ANNUAL SAVINGS



INCREASED
FUEL
EFFICIENCY

INCREASED
PRODUCTIVITY



DECREASED
DOWNTIME



REFERENCES | CAMP VERDE

CURRENT PARTNERS

- Pinal County
- City of Cottonwood
- Town of Sahuarita
- City of Douglas
- Arizona State University
- Northwest Fire District
- Welton Mohawk Irrigation District

REFERENCES

Town of Sahuarita – A.C. Marriotti, Finance Director
Amarriotti@sahuaritaaz.gov
(520) 822-8838

Northwest Fire District – Doug Emans, Assistant Chief
demans@northwestfire.org
(520) 887-1010

Pinal County – Levi Gibson, Finance Director
levi.gibson@pinalcountyaz.gov
(520) 866-6404

Kern County CA – Sandi Formhals
formhalss@kerncounty.com
661-868-3033

Kern County Board video (we've edited at their permission)
<https://www.youtube.com/watch?v=FF62iizfmcQ>



FLEET MANAGEMENT

Town of Camp Verde, Arizona

Menu Pricing - 8/3/2018

Equity Lease Menu Pricing

Department	Class	Year	Make	Model	Trim Level
Police Patrol	Full Size SUV	2019	Ford	Interceptor SUV	Police Vehicle AWD
Animal Control	1/2 Ton Pickup	2018	Ford	F150 SuperCab	XL 4x2 8ft Bed
Streets/HURF	3/4 Ton Pickup	2019	Ford	F250 Crew Cab	XL 4x4 8ft Bed (Diesel)
Streets/HURF	1 Ton Chassis W/ Norstar Flatbed	2019	Ford	F350 Chassis Crew Cab	XL 4X4 179" WB DRW (Diesel)
Parks	3/4 Ton Pickup	2019	Ford	F250 Regular Cab	XL 4x2 8ft Bed (Gas)
Parks	3/4 Ton Pickup	2019	Ford	F250 SuperCab	XL 4x2 8ft Bed (Gas)
Parks	1Ton Chassis W/ Dump Body	2019	Ford	F350 Chassis Regular Cab	XL 4x2 169in WB DRW (Gas)
Community Development (Option 1)	Compact Pickup	2019	Chevrolet	Colorado	WT 4x2 Extended Cab 6ft Box
Community Development (Option 2)	1/2 Ton Pickup	2018	Ford	F150 Regular Cab	XL 4x2 8ft Bed
General	Compact SUV	2019	Ford	Escape	SE FWD
General	Minivan	2019 (ESTIMATED Pricing)	Kia	Sedona	LX (8 Passenger)
General	Minivan	2019	Dodge	Grand Caravan	SE FWD (7 Passenger)

Quantity	Term	Estimated Annual Mileage	Monthly Cost (Lease Payment)	Full Maintenance	Annual Cost Including Maintenance	Annual Cost Including Maintenance by Quantity
4	60	20000	\$795.42	Not Available	\$9,545.04	\$38,180.16
1	60	10000	\$568.08	\$36.29	\$7,252.44	\$7,252.44
1	60	7000	\$726.93	\$37.25	\$9,170.16	\$9,170.16
1	60	7000	\$916.16	\$38.35	\$11,454.12	\$11,454.12
1	60	7000	\$511.84	\$29.68	\$6,498.24	\$6,498.24
1	60	7000	\$547.35	\$29.68	\$6,924.36	\$6,924.36
1	60	7000	\$663.70	\$30.29	\$8,327.88	\$8,327.88
0	60	7000	\$386.50	\$27.67	\$4,970.04	\$0.00
1	60	7000	\$372.01	\$28.63	\$4,807.68	\$4,807.68
1	60	7000	\$394.60	\$27.67	\$5,067.24	\$5,067.24
1	60	7000	\$409.91	\$28.63	\$5,262.48	\$5,262.48
0	60	7000	\$438.77	\$28.63	\$5,608.80	\$0.00

Lease rates are based upon factory order pricing (unless noted) and miles per year
 Maintenance does not include brakes or tires
 Pricing does not include any applicable taxes
 Pricing does not include expected return on equity at end of lease
 Factory orders must be executed 1 week prior to order cut off dates to ensure time to place with manufacturer.
 Instock orders may be placed after cut off but will be limited to local inventory availability
 Manufacturers may change order cut offs at any time.

Total Quantity of Vehicles	13
Total Annual Cost Including Maintenance	\$102,944.76
Total Annual One Time Aftermarket Cost	\$40,174.96

Aftermarket Cost Down Payment	One time Aftermarket Cost (By Quantity)	Factory Order Cut Off Date	Incentive Expiration	EFM Quote #
\$7,541.36	\$30,165.44	9/21/2018	3/31/2019	3964365
\$1,643.00	\$1,643.00	8/10/2018		3964366
\$0.00	\$0.00	TBD	1/14/2019	3966336
\$1,954.00	\$1,954.00	TBD	1/14/2019	3966389
\$0.00	\$0.00	TBD	3/31/2019	3966329
\$0.00	\$0.00	TBD	1/14/2019	3966323
\$6,412.52	\$6,412.52	TBD	1/14/2019	3966370
\$0.00	\$0.00	TBD		3964368
\$0.00	\$0.00	8/10/2018	3/31/2019	3886228
\$0.00	\$0.00	TBD	3/31/2019	3964370
\$0.00	\$0.00	Ordering not available till 4th quarter 2018		3886267
\$0.00	\$0.00	TBD		3972497

Town of Camp Verde
 Equipment List
 for FY19 capital purchases

Item	Estimated Cost	Dept
Mower	\$ 20,000	Maint
Backhoe	\$ 175,000	Streets
Front-end Loader	\$ 210,000	Streets
Street Sweeper	\$ 135,000	Streets
	<u>\$ 540,000</u>	
 Est'd Annual Payment	 <u>\$120,000</u>	

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Agenda Item 7.3.



Town of Camp Verde

Meeting Date: August 15, 2018

- Consent Agenda Decision Agenda Executive Session Requested
 Presentation Only Action/Presentation Work Session Agenda

Requesting Department: Administration

Staff Resource/Contact Person: Russ Martin

Agenda Title (be exact): Discussion, consideration, and possible direction concerning the purchase of the Camp Verde Water System to include but not limited to any one or more of the following: direction to end negotiations, prepare a formal response, a new letter of intent to purchase, initiate condemnation processes and/or reengage on and possible preparation necessary for a franchise agreement election.

List Attached Documents:

1. Initial Letter Of Interest (LOI)
2. CV Water Company LOI revisions
3. Town LOI revisions
4. Letter from CV Water Company
5. Memo to Council regarding status
6. Staff generated breakdown of current projected and previous financial data
7. CV Water recent P&L statements

Estimated Presentation Time: 15 minutes

Estimated Discussion Time: 15 minutes

Reviews Completed by:

- Department Head:** Russ Martin
- Town Attorney Comments:** The initial LOI was reviewed and approved by both Bill Sims and Water Attorney Steve Wene. Steve Wene has been lead at this point in negotiations with the understanding of Bill Sims. Mr. Wene has been involved in the negotiations and meetings to date.
- Finance Department:** Generated the breakdown of the 4 years with the assistance of the CV Water Company

Background Information:

Throughout the final stages leading to this staff report the staff generate breakdown was built with assistance of the water company and should accurately reflect the general items of revenue and expenses extrapolated from the audited financials of 2015-2017. It is important to note that the adjustments projected in 2018 are full year assuming

a full year of operations by the Town moving forward and are as accurate as can be projected from the information received. Also important to note is what is different from Town operations and private operations is located in the lost revenue and lost expenses lines at the bottom that would reflect items the Town would not be paying or would be handling differently in items in bold in the 2018 Adj'd amounts. Without breaking them down individually they include items such as wages of directors and others that would no longer be paid and associated expenses of those individuals such as cell phones. Additionally, items such as property taxes we won't have and liability insurance that we offset in our adjustments make up these amounts.

Per the attached memo to Council the basic premise is that the revenue from the ratepayers at the current rates would be sufficient to cover the amount financed to purchase and operate the water company from day one with an approximate projected \$100,000 revenue surplus that could go towards future issues or capital/maintenance needs. This is a conservative approach staff and Council took to this purchase. This is also to limit the possibility that at least for the first few years of this agreement the Town would not have to increase rates.

Per the latest attached response, it may be true that the Town cannot afford the purchase at the amount requested. That is because Council direction and staff have felt from the beginning that this should not have an effect on the General Fund and other taxpayer revenues. This is clearly the result and serves to demonstrate the need to maintain due diligence moving forward with future possibilities for purchase.

Also important to note, this is a due diligence process but recognition of what assets would be transferred and in what condition have always been part of the equation. However, moving forward those assets and their condition regardless of who owns and the maintenance and replacement will still be at the expense of those being served water and potential rate increases to offset those costs in either hands do not change with potential ownership changes.

Condemnation as suggested by the CV Water Company and the process to do so would be an expense that at the time the staff report need to go out was not available but will be at the meeting Wednesday for your consideration. Additionally, it needs to be addressed as we have worked on a franchise agreement that has led to no solution over the past couple of years. Staff believe that the CV Water Company like the other utilities using the roadways for their business should be under similar agreements, any direction Council would like to take here is necessary as the election cycle and opportunity to get this done is closing.

Recommended Action (Motion):

Move to direct staff to move forward to a request to approve the last franchise agreement Council agreed to or other legal considerations necessary to get a franchise agreement on the November 2018 ballot.



Town of Camp Verde

Gateway to the Verde Valley

◆ 473 S. Main Street, Suite 102 ◆ Camp Verde, Arizona 86322 ◆

◆ Telephone: 928.567.6631 ◆ Fax: 928.567.9061 ◆

◆ www.campverde.az.gov ◆

Camp Verde Water Company (Hand Delivered)

The Town of Camp Verde (“**Buyer**”) presents to Camp Verde Water Company, LLC. (“**Seller**”) this letter of intent (“**LOI**”) to purchase real property and operations described below (“**Property and Operations**”) under the terms and conditions described in this LOI. This LOI is an outline of the terms under which Buyer will commence negotiations for the purchase of the Property and Operations and does not constitute a binding offer to purchase, nor does it include all the terms and conditions that would be incorporated into a purchase agreement (the “**Purchase Agreement**”) if the parties elect to proceed with negotiations. Notwithstanding any statement or provision in this LOI or any other documents in relation to this proposed transaction, all terms and any agreement are subject to final formal approval of the Town Council (“**Council**”) and no terms will be binding upon the Buyer unless and until such approval is obtained.

1. **SUBJECT PROPERTY:** All system lines, wells, tanks and other items necessary to produce water depicted on Exhibit A (“**Properties**”). Exact legal descriptions will be provided during escrow and attached hereto. Also all operational aspects, information, documents necessary for operations Exhibit B (“**Operations**”)
2. **PURCHASE PRICE:** The Purchase Price shall be the fair market value price currently determined at \$6 million that is mutually agreed upon which shall be subject to Council final approval (the “**Purchase Price**”), pursuant to Section 3 below. The total aggregate Purchase Price is based upon the actual properties and provided by the Seller during the Feasibility Period (defined below).
3. **ADDITIONAL CONSIDERATIONS:** The Buyer agrees to take on all wages and staff currently on payroll at current wage rates and agree to pay board member salaries at current rates (both determined by the highest of the last three years) for a period of 5 years during transition to Town understanding and control.
4. **CONDEMNATION CONTINGENCY:** The purchase shall be in lieu of condemnation and subject to appropriate documentation being established by both the Buyer and the Seller.
5. **EARNEST MONEY:** At the opening of escrow, Buyer shall deposit with Escrow Agent earnest money in the amount of \$5,000, which amount shall become non-refundable upon the expiration of the Feasibility Period Defined below as set forth in the Purchase Agreement. All earnest money and any interest earned thereon (collectively the “**Earnest Money Deposit**”), shall be applied toward the Purchase Price at closing or returned to Buyer if the transaction does not close for reasons other than a Buyer event of default, as set forth in the Purchase Agreement.



6. **OPENING OF ESCROW; ESCROW AGENT:** The opening of escrow shall be the date upon which a fully-executed Purchase Agreement is delivered to Yavapai Land Title ("**Escrow Agent**")
7. **FEASIBILITY PERIOD:** Buyer shall have sixty (60) days from the opening of escrow as Buyer's Feasibility Period ("**Feasibility Period**"). Prior to expiration of the Feasibility Period, Buyer shall have the right to cancel the escrow for any reason, whereupon all the Earnest Money Deposit shall be returned to Buyer. The Earnest Money Deposit shall become nonrefundable to Buyer if Buyer does not terminate the escrow prior to expiration of the Feasibility Period, provided Seller has not committed an event of default as set forth in the Purchase Agreement.
8. **CLOSE OF ESCROW:** The close of escrow shall occur on or before thirty (30) days after final approval by the Council following the expiration of the Feasibility Period.
9. **DUE DILIGENCE MATERIALS:** The preliminary title report, together with copies of all documents referenced therein, shall be provided to Buyer by Escrow Agent promptly after the opening of escrow. Buyer to use the Feasibility Period to review title and conduct all other necessary investigations, including but not limited to environmental, financial, operational reviews. Within ten (10) business days of the Opening of Escrow, Seller shall provide to Buyer copies of any surveys, reports, studies, including (without limitation) any environmental studies, audits, and other information which Seller may have in its possession or under its control. During the escrow, Buyer may, at its sole discretion and cost, order a survey, environmental analysis, and such other studies and reports as may be required by Buyer.
10. **REAL PROPERTY TAXES:** Real property taxes shall be prorated as of the date of close of escrow.
11. **COSTS AND FEES:** Escrow costs, recording fees and documentary stamps which are payable in connection with the closing shall be divided and borne in accordance with the usual practices at the office of Escrow Agent.

This Letter of Intent shall remain in effect for a period of ten (10) business days and creates no legal obligation of any kind to either party and is only an expression of the basic terms and conditions to be incorporated into the Purchase Agreement.

Please acknowledge your agreement to these general terms by signing below, and we will proceed to have a purchase agreement prepared for review. This letter may be executed in any number of counterparts. Facsimile signatures shall be shall be treated as originals.

Sincerely,

Charles German
Mayor

AGREED AND ACCEPTED:

SELLER:

By _____



Camp Verde Water Company System, Inc. (Hand Delivered)

The Town of Camp Verde (“**Buyer**”) presents to Camp Verde Water Company, LLC System, Inc. (“**Seller**”) (together known as “parties”) this letter of intent (“**LOI**”) to purchase real property and operations described below (“**Property and Operations**”) under the terms and conditions described in this LOI. This LOI is an outline of the terms under which Buyer will commence negotiations for the purchase of the Property and Operations and does not constitute a binding offer to purchase, nor does it include all the terms and conditions that would be incorporated into a purchase agreement (the “**Purchase Agreement**”) if the parties elect to proceed with negotiations. No verbal agreements or conduct by the parties shall be effective to become a binding offer to purchase or waive the condition of the more formal Purchase Agreement referenced in this LOI. The parties expressly acknowledge that each party proceeds at its own risk and knowingly intends to bear its own costs if negotiations cease for any reason.

Notwithstanding any statement or provision in this LOI or any other documents in relation to this proposed transaction, all terms and any agreement are subject to final formal approval of the Town Council (“**Council**”) and Seller and no terms will be binding upon the Buyer and Seller unless and until such approval is obtained.

1. **SUBJECT PROPERTY:** All system lines, wells, tanks, and other items necessary to produce water depicted on Exhibit A (“**Properties**”). Exact legal descriptions will be provided during escrow by and attached hereto. Also, it includes all operational aspects, information, documents necessary for operations Exhibit B (“**Operations**”).
2. **PURCHASE PRICE:** The Purchase Price shall be the fair market value price currently determined at \$8 million by Seller, that is mutually agreed upon which shall be subject to Council final approval (the “Purchase Price”) and Seller, pursuant to Section 3 below. The total aggregate Purchase Price is based upon the actual properties and provided by the Seller during the Feasibility Period (defined below). Buyer shall pay the Purchase Price in cash to Seller at closing.
3. **ADDITIONAL CONSIDERATIONS:** The Buyer agrees to take on all wages and benefits’ compensation on Seller’s payroll for employees at current wage rates and in the same capacity (determined by the highest wages paid during the last three (3) years) for a period of at least-5 ten (10) years. The Buyer also agrees to take on all wages and benefits’ compensation for those employees who are also board members salaries at current wage rates and in the same capacity (both determined by the highest wages of paid during the last three (3) years) for a period of at least 5 10 (ten) years during transition to Town understanding and control.
4. **CONDEMNATION CONTINGENCY:** No changes.
5. ARIZONA CORPORATION COMMISSION APPROVAL: Seller agrees to prepare and file an application (“Application”) at the Arizona Corporation Commission (“ACC”) to request the permanent cancellation and extinguishment of its certificate of convenience and necessity and

approval of the transfer of its assets to the Buyer. Buyer agrees to support the Seller's Application and shall provide oral and written testimony, discovery, and attend open meetings in support of the Application at the ACC.

6. EARNEST MONEY: no changes
7. OPENING OF ESCROW; ESCROW AGENT: no changes
8. CLOSE OF ESCROW: no changes
9. DUE DILIGENCE MATERIALS: Insert after the last sentence: **Seller and Buyer shall each pay the fees and expenses of their respective legal counsel and expenses of accountants and other consultants or advisors incurred in connection with the Purchase Agreement.**
10. REAL PROPERTY TAXES, **ASSESSMENTS, PERMITS: Real property taxes, assessments, and permit payments shall be prorated as of the date of close of escrow.**
11. COSTS AND FEES: Escrow costs, recording fees, and documentary stamps which are payable in connection with the closing shall be divided and borne in accordance with the usual practices at the office of Escrow Agent **in the custom in Yavapai County, Arizona.**

This Letter of Intent shall remain in effect for a period of ten (10) business days and creates no legal, **contractual** obligation of any kind to either party and is only an expression **of the framework** for the basic terms and conditions that **may** be incorporated into the Purchase Agreement. **This LOI will be superseded by the terms of any written Purchase Agreement signed by the parties.**

Please acknowledge your agreement to these general terms by signing below, and we will proceed to have a purchase agreement prepared for review. This letter may be executed in any number of counterparts. Facsimile signatures shall be shall be treated as originals.

Rest of document remains the same.

Camp Verde Water Company System, Inc. (Hand Delivered)

The Town of Camp Verde (“**Buyer**”) presents to Camp Verde Water Company, LLC. System, Inc. (“**Seller**”) (together known as “parties”) this letter of intent (“**LOI**”) to purchase real property and operations described below (“**Property and Operations**”) under the terms and conditions described in this LOI. This LOI is an outline of the terms under which Buyer will commence negotiations for the purchase of the Property and Operations and does not constitute a binding offer to purchase, nor does it include all the terms and conditions that would be incorporated into a purchase agreement (the “**Purchase Agreement**”) if the parties elect to proceed with negotiations. No verbal agreements or conduct by the parties shall be effective to become a binding offer to purchase or waive the condition of the more formal Purchase Agreement referenced in this LOI. The parties expressly acknowledge that each party proceeds at its own risk and knowingly intends to bear its own costs if negotiations cease for any reason.

Notwithstanding any statement or provision in this LOI or any other documents in relation to this proposed transaction, all terms and any agreement are subject to final formal approval of the Town Council (“**Council**”) and Seller and no terms will be binding upon the Buyer and Seller unless and until such approval is obtained.

1. **SUBJECT PROPERTY:** All system lines, wells, tanks, and other items necessary to produce water depicted on Exhibit A (“**Properties**”). Exact legal descriptions will be provided during escrow by and attached hereto. Also, it includes all operational aspects, information, documents necessary for operations Exhibit B (“**Operations**”).
2. **PURCHASE PRICE:** The Purchase Price shall be the fair market value price currently determined at \$6.58 million by Seller, that is mutually agreed upon which shall be subject to Council final approval (the “Purchase Price”) and Seller, pursuant to Section 3 below. The total aggregate Purchase Price is based upon the actual properties and provided by the Seller during the Feasibility Period (defined below). Buyer shall pay the Purchase Price in cash to Seller at closing.
3. **ADDITIONAL CONSIDERATIONS:** The Buyer agrees to take on all wages and benefits’ compensation on Seller’s payroll for employees at current wage rates and in the same capacity (determined by the highest wages paid during the last three (3) years) for a period of at least 5 ten (10) years. as Town employees with the same rights and under the rules of the latest adopted employee manual. The Buyer also agrees to take on all wages and benefits’ compensation for those employees who are also board members salaries at current wage rates and in the same capacity as consultants (both determined by the highest wages of paid during the last three (3) years) for a period of at least 5 10 (ten) years during transition to Town understanding and control.
4. **CONDEMNATION CONTINGENCY:** No changes.

5. **ARIZONA CORPORATION COMMISSION APPROVAL: Seller agrees to prepare and file an application ("Application") at the Arizona Corporation Commission ("ACC") to request the permanent cancellation and extinguishment of its certificate of convenience and necessity and approval of the transfer of its assets to the Buyer. Buyer agrees to support the Seller's Application and shall provide oral and written testimony, discovery, and attend open meetings in support of the Application at the ACC.**
6. EARNEST MONEY: no changes
7. OPENING OF ESCROW; ESCROW AGENT: no changes
8. CLOSE OF ESCROW: no changes
9. DUE DILIGENCE MATERIALS: Insert after the last sentence: **Seller and Buyer shall each pay the fees and expenses of their respective legal counsel and expenses of accountants and other consultants or advisors incurred in connection with the Purchase Agreement.**
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11. COSTS AND FEES: Escrow costs, recording fees, and documentary stamps which are payable in connection with the closing shall be divided and borne in accordance with the usual practices at the office of Escrow Agent **in the custom in Yavapai County, Arizona.**

This Letter of Intent shall remain in effect for a period of ~~ten (10)~~ sixty (60) business days and creates no legal, **contractual** obligation of any kind to either party and is only an expression ~~of the framework for~~ the basic terms and conditions that ~~may~~ **to** be incorporated into the Purchase Agreement. **This LOI will be superseded by the terms of any written Purchase Agreement signed by the parties.**

Please acknowledge your agreement to these general terms by signing below, and we will proceed to have a purchase agreement prepared for review. This letter may be executed in any number of counterparts. Facsimile signatures shall be shall be treated as originals.

Rest of document remains the same.

**CAMP VERDE WATER SYSTEM, INC.
499 S. SIXTH STREET
P.O. BOX 340
CAMP VERDE AZ 86322
(928) 567-5281
CVWSINC@YAHOO.COM**

RE: Letter of Intent to acquire Camp Verde Water System

Dear Russ Martin, Town Manager:

I am writing on behalf of Camp Verde System, Inc. (CVWS) regarding the Letter of Intent (LOI) the Town of Camp Verde (Town) has submitted to CVWS.

It appears that the Town can not afford to acquire the CVWS assets. The last information we have does not meet our requirements. We understand the Town has the right to use Eminent Domain to acquire the assets of the CVWS. This would require the town do an appraisal of the water system to get an updated fair value which is what the Town must pay for the assets. This is a costly appraisal. CVWS would have an updated appraisal done. Most likely the two appraisals would not match, and the court would have to decide what is the fair value.

Thank you for your interest in acquiring the CVWS, but currently I believe that it is in the best interest of CVWS to terminate consideration of the LOI.

Please contact me with any questions.

Sincerely,



Stanley Bullard
President

Memo

To: Mayor and Town Council

From: Russ Martin, Town Manager

Date: May 6, 2016

Re: Recent Call to the Public and subsequent Bugle Article

The Camp Verde Water Company purchase is a subject of great debate among several in our community and I wanted to assure you of what we have been discussing in general with a more specific written memo.

Attached is a 4-year income statement, the best we can determine from comparing the public audits available with the water company's general ledger, so that the information can be compared back to 2015. Additionally, we add, in 2018, what would be our estimate of the costs of a full annual budget from our perspective, less expenses and revenues from the water company that we will not be taking on.

Essentially the financial statement breaks down to "Operating Net" which under the private water company can be used for several things including future expansion/profit/shareholder equity/etc. However, for the Town, this would be used for primarily two purposes initially. First, we would need to pay the purchase price currently set at 6.5 million and over a set number of years, presumably 30 years with an interest rate between 3-4%. The annual payment is expected to be somewhere around \$375K based on the upper end of those rates.

With \$478,278 projected in 2018 to be an annual cash operating net even after adding our estimated costs (*note that they have been operating, with expenses we won't have, for about \$100K more than we project we will in the first year. For example, based on the 2017 audited numbers of operating net of \$655,484 minus operational cost differences of \$285,226, netting them actually only \$370,258 before depreciation in 2017*) and at minimum the second reason for this operating net would be to create an annual contribution to reserve of around \$100K per year, with the possibility of larger amounts with anticipated lower interest rates. This is a necessary amount to make sure we are able to withstand any unexpected capital costs in the first few years and to avoid rate increases.

Second, to ensure a proper transition we also will be hiring their staff and transitioning them to our employee manual and benefits package. The costs are included in the adjusted numbers as

well as the contractual obligation to the two that would remain on from the board of directors, Stacy and Justin for the currently agreed upon timeframe of 10 years.

It is important to note that throughout the conversation the Town is considering doing this with limited (my time and some attorney costs) general fund expense for this purchase up front and ultimately will not have any general fund expenses in the future. This is an incredible opportunity for the Camp Verde Water Company to achieve the value they wanted for the business they have built.

Since I have written this, this morning we received what is attached and although we still may have options it appears they believe we cannot/will not go to 8 million which as you will see below does put us in a more difficult if not impossible position to make this operation work like staff has conservatively suggested below. Again going that high would possibly require if not immediately most definitely sooner than I would want to see any increase in monthly rates. We have expressed that to the Bullards, the \$6.5 million offer was the last offer we made and was rejected with the attached letter.

Nevertheless, we have the following analysis of the attachments we include for your consideration and will most likely be placing this for direction next week, and at that time I look forward, if possible to make this all public. I think this will demonstrate that not only was it a good deal for all parties but that we were not only not going to raise rates but would likely be positioned to be conservatively operating this business at or below, with the purchase cost included, below what revenue it currently generates giving us a decent cushion against inevitable infrastructure replacements/repairs.

Camp Verde Water System 4-Year Income Statements

	2018 Adj'd	2018 6 months	2018 Est'd	2017 Books/Audit	2016 Books/Audit	2015 Books/Audit
Revenues						
Residential Customers	\$ 745,274	\$ 372,637	\$ 745,274	\$ 719,398	\$ 700,746	\$ 707,611
Commercial Customers	\$ 534,132	\$ 267,066	\$ 534,132	\$ 595,979	\$ 579,256	\$ 515,043
Conn/Reconn/Inspection	\$ 14,840	\$ 7,420	\$ 14,840	\$ 18,346	\$ 38,134	\$ 21,738
Other Rev's	\$ 16,094	\$ 8,047	\$ 16,094	\$ 10,117	\$ 9,195	\$ 8,902
Total Revenues	\$ 1,310,340	\$ 655,170	\$ 1,310,340	\$ 1,343,840	\$ 1,327,331	\$ 1,253,294
Change from last year			-2.5%	1.2%	5.9%	
Expenses						
Wages	\$ 333,575	\$ 206,840	\$ 413,680	\$ 404,370	\$ 357,631	\$ 294,831
Taxes	\$ 51,191	\$ 25,595	\$ 51,191	\$ 54,631	\$ 49,966	\$ 40,643
Health	\$ 48,125		\$ -	\$ 49	\$ 21,274	\$ 20,778
Retirement	\$ 38,695	\$ 7,826	\$ 15,652	\$ 14,928	\$ 13,513	\$ 11,379
Contracts	\$ 80,105					
Electric	\$ 68,986	\$ 34,493	\$ 68,986	\$ 80,472	\$ 62,459	\$ 61,538
Phone	\$ 3,790	\$ 1,895	\$ 3,790	\$ 4,957	\$ 4,351	\$ 3,841
Cell/Pager	\$ 1,500	\$ 200	\$ 2,400	\$ 2,411	\$ 2,411	\$ 2,397
Sewer	\$ 1,242	\$ 621	\$ 1,242	\$ 1,218	\$ 1,218	\$ 1,117
Materials & Supplies	\$ 20,588	\$ 10,294	\$ 20,588	\$ 17,553	\$ 22,406	\$ 46,031
Office	\$ 18,490	\$ 9,245	\$ 18,490	\$ 19,411	\$ 18,150	\$ 17,294
Contract Services	\$ 39,982	\$ 19,991	\$ 39,982	\$ 37,294	\$ 54,200	\$ 63,818
Land leases	\$ 2,400	\$ 1,200	\$ 2,400	\$ 3,600	\$ 3,600	\$ 3,600
Equipment Rental	\$ 11,546	\$ 5,773	\$ 11,546	\$ 11,995	\$ 22,639	\$ 11,974
Fuel/Transportation	\$ 14,154	\$ 7,077	\$ 14,154	\$ 17,940	\$ 3,747	\$ 18,821
Repairs and Maint	\$ 9,240	\$ 4,620	\$ 9,240	\$ 6,032	\$ 11,261	\$ 11,259
Travel/Meals	\$ 586	\$ 293	\$ 586	\$ 884	\$ 1,160	\$ 1,991
Insurance	\$ 30,000	\$ -	\$ -			
Town Admin Fee	\$ 51,000	\$ -	\$ -			
Customer Dep Interest	\$ 1,820	\$ 910	\$ 1,820	\$ 1,725	\$ 1,452	\$ 1,491
Other Interest	\$ 632	\$ 316	\$ 632	\$ 884	\$ 1,056	\$ 1,016
Misc Fees	\$ 13,296	\$ 6,648	\$ 13,296	\$ 15,395	\$ 14,973	\$ 11,469
Backflow Tariff Sales	\$ (8,881)	\$ (4,440)	\$ (8,881)	\$ (7,393)	\$ (6,686)	\$ (6,945)
Cash Exp's	\$ 832,062	\$ 339,397	\$ 680,794	\$ 688,356	\$ 660,781	\$ 618,343
Operating Net	\$ 478,278	\$ 315,773	\$ 629,546	\$ 655,484	\$ 666,550	\$ 634,951
Depreciation	\$ 80,620	\$ 40,310	\$ 80,620	\$ 80,619	\$ 81,438	\$ 96,770
Town's Net	\$ 397,658	\$ 275,463	\$ 548,926	\$ 574,865	\$ 585,112	\$ 538,181
Lost Revenues	\$ -	\$ 8,719	\$ 17,438	\$ 23,146	\$ 15,079	\$ 14,863
Lost Expenses	\$ -	\$ 143,296	\$ 267,176	\$ 296,512	\$ 307,619	\$ 284,102
Audit Differences	\$ -	\$ -	\$ -	\$ 11,860	\$ (18,226)	\$ (9,713)
Total Removed	\$ -	\$ (134,577)	\$ (249,738)	\$ (285,226)	\$ (274,314)	\$ (259,526)
Change from last year			-12.4%	4.0%	5.7%	
NET	\$ 397,658	\$ 140,886	\$ 299,188	\$ 289,639	\$ 310,798	\$ 278,655
Change from last year			3.3%	-6.8%	11.5%	

Camp Verde Water System, Inc.
Balance Sheets
December 31, 2016 and 2015

ASSETS

	<u>2016</u>	<u>2015</u>
<u>Utility Plant</u>		
Plant in Service	\$ 8,235,298	\$ 7,959,133
Accumulated Depreciation	3,948,094	3,734,670
<u>Net Plant in Service</u>	<u>\$ 4,287,204</u>	<u>\$ 4,224,463</u>
<u>Current Assets</u>		
Cash	\$ 361,725	\$ 226,344
Accounts Receivable	93,058	113,266
Materials and Supplies Inventory	37,764	36,547
Prepaid Expenses	3,943	5,193
<u>Total Current Assets</u>	<u>\$ 496,490</u>	<u>\$ 381,350</u>
<u>Other Assets</u>		
Restricted Cash	\$ 130,614	\$ 113,631
Beneficial Interest - CVW Trust	76,008	76,343
<u>Total Other Assets</u>	<u>\$ 206,622</u>	<u>\$ 189,974</u>
<u>Total Assets</u>	<u>\$ 4,990,316</u>	<u>\$ 4,795,787</u>

STOCKHOLDERS' EQUITY & LIABILITIES

<u>Stockholders' Equity</u>		
Common Stock	\$ 79,053	\$ 79,053
Additional Paid-in Capital	1,246,038	1,246,038
Retained Earnings	1,273,104	1,062,306
<u>Total Stockholders' Equity</u>	<u>\$ 2,598,195</u>	<u>\$ 2,387,397</u>
<u>Long-Term Debt, Net of Current Portion</u>	<u>\$ 124,167</u>	<u>\$ 232,263</u>
<u>Current Liabilities</u>		
Current Portion of Long-Term Debt	\$ 106,318	\$ 100,616
Accounts Payable	869	-
Accrued Liabilities	36,553	37,352
<u>Total Current Liabilities</u>	<u>\$ 143,740</u>	<u>\$ 137,968</u>
<u>Other Liabilities</u>		
Customer Deposits	\$ 72,141	\$ 69,082
Advances in Aid of Construction	280,390	406,670
<u>Total Deferred Liabilities</u>	<u>\$ 352,531</u>	<u>\$ 475,752</u>
<u>Contributions in Aid of Construction</u>	<u>\$ 1,771,683</u>	<u>\$ 1,562,407</u>
<u>Total Stockholders' Equity & Liabilities</u>	<u>\$ 4,990,316</u>	<u>\$ 4,795,787</u>

See Independent Accountants' Compilation Report

Camp Verde Water System, Inc.
Balance Sheets
December 31, 2017 and 2016

ASSETS

	<u>2017</u>	<u>2016</u>
<u>Utility Plant</u>		
Plant in Service	\$ 9,009,387	\$ 8,235,298
Accumulated Depreciation	4,197,557	3,948,094
<u>Net Plant in Service</u>	<u>\$ 4,811,830</u>	<u>\$ 4,287,204</u>
<u>Current Assets</u>		
Cash	\$ 469,521	\$ 361,725
Accounts Receivable	96,943	93,058
Materials and Supplies Inventory	42,118	37,764
Prepaid Expenses	3,827	3,943
<u>Total Current Assets</u>	<u>\$ 612,409</u>	<u>\$ 496,490</u>
<u>Other Assets</u>		
Restricted Cash	\$ 0	\$ 130,614
Beneficial Interest - CVW Trust	0	76,008
<u>Total Other Assets</u>	<u>\$ 0</u>	<u>\$ 206,622</u>
<u>Total Assets</u>	<u>\$ 5,424,239</u>	<u>\$ 4,990,316</u>

STOCKHOLDERS' EQUITY & LIABILITIES

<u>Stockholders' Equity</u>		
Common Stock	\$ 79,053	\$ 79,053
Additional Paid-in Capital	1,246,038	1,246,038
Retained Earnings	1,437,745	1,273,104
<u>Total Stockholders' Equity</u>	<u>\$ 2,762,836</u>	<u>\$ 2,598,195</u>
<u>Long-Term Debt, Net of Current Portion</u>	<u>\$ 8,003</u>	<u>\$ 124,167</u>
<u>Current Liabilities</u>		
Current Portion of Long-Term Debt	\$ 10,775	\$ 106,318
Accounts Payable	654	869
Accrued Liabilities	36,819	36,553
<u>Total Current Liabilities</u>	<u>\$ 48,248</u>	<u>\$ 143,740</u>
<u>Other Liabilities</u>		
Customer Deposits	\$ 67,854	\$ 72,141
Advances in Aid of Construction	20,377	280,390
<u>Total Deferred Liabilities</u>	<u>\$ 88,231</u>	<u>\$ 352,531</u>
<u>Contributions in Aid of Construction</u>	<u>\$ 2,516,921</u>	<u>\$ 1,771,683</u>
<u>Total Stockholders' Equity & Liabilities</u>	<u>\$ 5,424,239</u>	<u>\$ 4,990,316</u>

Agenda Item 7.4.



Town of Camp Verde

Meeting Date: August 15, 2018

- Consent Agenda Decision Agenda Executive Session Requested
 Presentation Only Action/Presentation Work Session Agenda

Requesting Department: Administration

Staff Resource/Contact Person: Russ Martin

Agenda Title (be exact): Discussion, consideration, and possible approval of an extension of all documents and agreements for the Mayor to execute any and all documents related to the purchase of real property otherwise known as the formal Circle K property once the title company is able to complete proper titling.

List Attached Documents:

Estimated Presentation Time: 5 minutes

Estimated Discussion Time: 5 minutes

Reviews Completed by:

Department Head: Russ Martin

Town Attorney Comments: Bill Sims has been lead attempting to clear title of the property that contains an abandoned alleyway that had no formal documentation. This has led to County and title search reviews that may require a complete redrafting of the description to ensure proper title transfer. This process has been delayed looking for solutions to gain clear title and it is expected the attorney will achieve the necessary clean title allowing the documents to be recorded once this is clear.

Finance Department:

Background Information:

The attachment shows the alley, that has been suggested and at this point demonstrated, to be abandoned as being transferred, however title company was unable to secure this information in time to close per previous approvals and the Town Attorney would like additional Council action to final this as soon as possible. This extension will allow for the title work to be possibly redone for proper, clean closure.

Recommended Action (Motion):

Move to authorize an extension of the purchase of property associated with the old Circle K to secure proper/clean title.