



## Town of Chino Valley

### MEETING NOTICE TOWN COUNCIL

**REGULAR MEETING**  
**Tuesday, July 22, 2014**  
**6:00 P.M.**

**Council Chambers**  
**202 N. State Route 89**  
**Chino Valley, Arizona**

### AGENDA

- 1) **CALL TO ORDER, INVOCATION; PLEDGE OF ALLEGIANCE; ROLL CALL**
- 2) **INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS**

- a) Presentation of the final concept of the Chino Valley Skate Park. (Ron Grittmann, Public Works Director)

- 3) **CALL TO THE PUBLIC**

*Call to the Public is an opportunity for the public to address the Council concerning a subject that is not on the agenda. Public comment is encouraged. Individuals are limited to speak for three (3) minutes. The total time for Call to the Public may be up to 30 minutes per meeting. Council action taken as a result of public comment will be limited to directing staff to study the matter, scheduling the matter for further consideration and decision at a later date, or responding to criticism.*

- 4) **RESPONSE TO THE PUBLIC**

*Response to the Public is an opportunity for the Mayor to inform the public about how Town officials addressed matters raised during Call to the Public at a previous meeting.*

- a) The possibility of current sewer users being exempt from the proposed property tax due to the bills incurred when sewer system was originally established.

Who represents the out of state owners, which are unable to vote on the proposed tax?

## 5) CURRENT EVENT SUMMARIES AND REPORTS

*This item is for information only. The Mayor, any Councilmember, or Town Manager may present a brief summary or report of current events, or ask a staff member to provide the same. Presentation on information requested by the Mayor and Council will be made and questions answered. No action will be taken.*

- a) Status report by Town Manager Robert Smith regarding Town accomplishments, and current or upcoming projects.

## 6) CONSENT AGENDA

*All those items listed below are considered to be routine and may be enacted by one motion. Any Councilmember may request to remove an item from the Consent Agenda to be considered and discussed separately.*

- a) Consideration and possible action to approve the May 13, 2014 regular meeting minutes. (Jami Lewis, Town Clerk)
- b) Consideration and possible action to to approve change order number 3 to contract with Economists.com in an amount not to exceed \$8,000.00 for additional utility rate analysis and an update to the valuation of the Wilhoit Water Company. Funds to come from water and sewer professional services line item. (Ron Gritman, Public Works Director)

## 7) ACTION ITEMS

- a) Consideration and possible action to award Banking Services Contract to National Bank of Arizona. (Joe Duffy, Finance Director)

Recommended Action: Award Banking Services Contract to National Bank of Arizona.

- b) PUBLIC HEARING and consideration and possible action to adopt Resolution No. 14-1040, approving the proposed statements and estimates of expenses of the Town of Chino Valley Street Lighting Improvement Districts for fiscal year 2014/2015, pursuant to Section 48-616, Arizona Revised Statutes, as amended provided for by the levy and collection of ad valorem taxes on the assessed value of all the real and personal property in the districts. (Joe Duffy, Finance Director)

Recommended action: (1) Hold a public hearing; and (2) Approve Resolution No. 14-1040, approving the proposed statements and estimates of expenses of the Town of Chino Valley Street Lighting Improvement Districts for fiscal year 2014/2015.

- c) Consideration and possible action to approve the Leasing Services Proposal from NB: AZ Public Financial Services, a Division of Zions First National Bank and Affiliate of National Bank of Arizona, authorizing the Town Manager to execute the Lease Purchase Agreement and approve Resolution No. 14-1042. (Joe Duffy, Finance Director)

Recommended Action: Approve the Leasing Services Proposal from NB: AZ Public Financial Services, authorizing the Town Manager to execute the Lease Purchase Agreement and approve Resolution No. 14-1042.

- d) Consideration and possible action to approve the purchase of four Ford Police Interceptors from Berge Ford in an amount not to exceed \$28,868.40 each, one Ford 550 from Berge Ford in an amount not to exceed \$55,756.25, one John Deere 544K front end loader from RDO Equipment Company in an amount not to exceed \$166,503.38, and one 410K backhoe from RDO Equipment in an amount not to exceed \$107,898.66 for a combined total of \$445,631.89. Funds to come from capital replacement line items. (Ron Gritman, Public Works Director)

Recommended Action: Approve the purchase of four Ford Police Interceptors from Berge Ford in an amount not to exceed \$28,868.40 each, one Ford 550 from Berge Ford in an amount not to exceed \$55,756.25, one John Deere 544K front end loader from RDO Equipment Company in an amount not to exceed \$166,503.38, and one 410K backhoe from RDO Equipment in an amount not to exceed \$107,898.66 for a combined total of \$445,631.89.

- e) Consideration and possible action to adopt Ordinance No. 14-786, amending Section 1.9 Review and Approval Processes, and Subsection s1.9.2 Amendments and 1.9.4 Planned Area Development Overlay District: PAD of the Unified Development Ordinance (UDO). (Ruth Mayday, Planner)

Recommended Action: Adopt Ordinance No. 14-786, amending Section 1.9, and Subsections 1.9.2 and 1.9.4, of the UDO.

- f) Consideration and possible action to accept the language in the publicity pamphlet related to the General Obligation Bond for authorization by voters at the November 2014 election. (Robert Smith, Town Manager)

Recommended Action: Modify or accept the language in the publicity pamphlet related to the General Obligation Bond.

- g) Consideration and possible action to accept the language in the publicity pamphlet related to the General Plan for ratification by voters at the November 2014 election. (Robert Smith, Town Manager)

Recommended Action: Modify or accept the the language in the publicity pamphlet related to the General Plan.

## 8) EXECUTIVE SESSION

*Council may vote to recess the Regular Meeting and hold an executive session, which will not be open to the public, for the following purposes.*

- a) Council may hold an executive session pursuant to A.R.S. 38-431.03(A)(1) for discussion or consideration of employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of the Town Magistrate.(Councilmember Hatch/Councilmember McKee)
- b) An executive session pursuant to A.R.S. § 38-431.03(A)(4) for discussion or consultation with the Town Attorney in order to consider its position and instruct the Town Attorney regarding the Town's position regarding a Settlement and Release Agreement with Fann Contracting, Inc. related to the construction of the wastewater treatment plant. (Robert Smith, Town Manager)

9) **ACTION ITEMS RESUMED**

*After the Executive Session, Council will reconvene the Regular Meeting.*

- a) Consideration and possible action to approve the recommendation by the Magistrate Evaluation Subcommittee regarding a salary increase for the Magistrate and to prepare an amendment to the Magistrate's Employment Contract.

10) **ADJOURNMENT**

Dated this 15th day of July, 2014.

By: **Jami C. Lewis, Town Clerk**

The Town of Chino Valley endeavors to make all public meetings accessible to persons with disabilities. Please call 636-2646 (voice) or 1-(800) 347-1695 (Arizona Relay Service) 48 hours prior to the meeting to request a reasonable accommodation to participate in this meeting.

Supporting documentation and staff reports furnished to the Council with this agenda are available for review on the Town website at <http://www.chinoaz.net/clerk/townagenda.shtml>, and in the Public Library and Town Clerk's Office.

**CERTIFICATION OF POSTING**

The undersigned hereby certifies that a copy of this notice was duly posted at Chino Valley South Campus, Chino Valley Post Office, and Chino Valley North Campus in accordance with the statement filed by the Town Council with the Town Clerk.

Date: \_\_\_\_\_ Time: \_\_\_\_\_ By: \_\_\_\_\_  
Jami C. Lewis, Town Clerk



## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

Item No. **2. a.**

**Meeting Date:** 07/22/2014  
**Contact Person:** Ron Grittmann, Town Engineer  
 Phone: 928-636-2646 x-1223  
**Department:** Public Works  
**Item Type:** Presentation Only  
**Estimated length of staff presentation:** 5 minutes  
**Physical location of item:** Community Center Park

### AGENDA ITEM TITLE:

Presentation of final concept of the Chino Valley Skate Park.

### RECOMMENDED ACTION:

N/A

### SITUATION AND ANALYSIS:

N/A

### Fiscal Impact

**Fiscal Impact?:** None

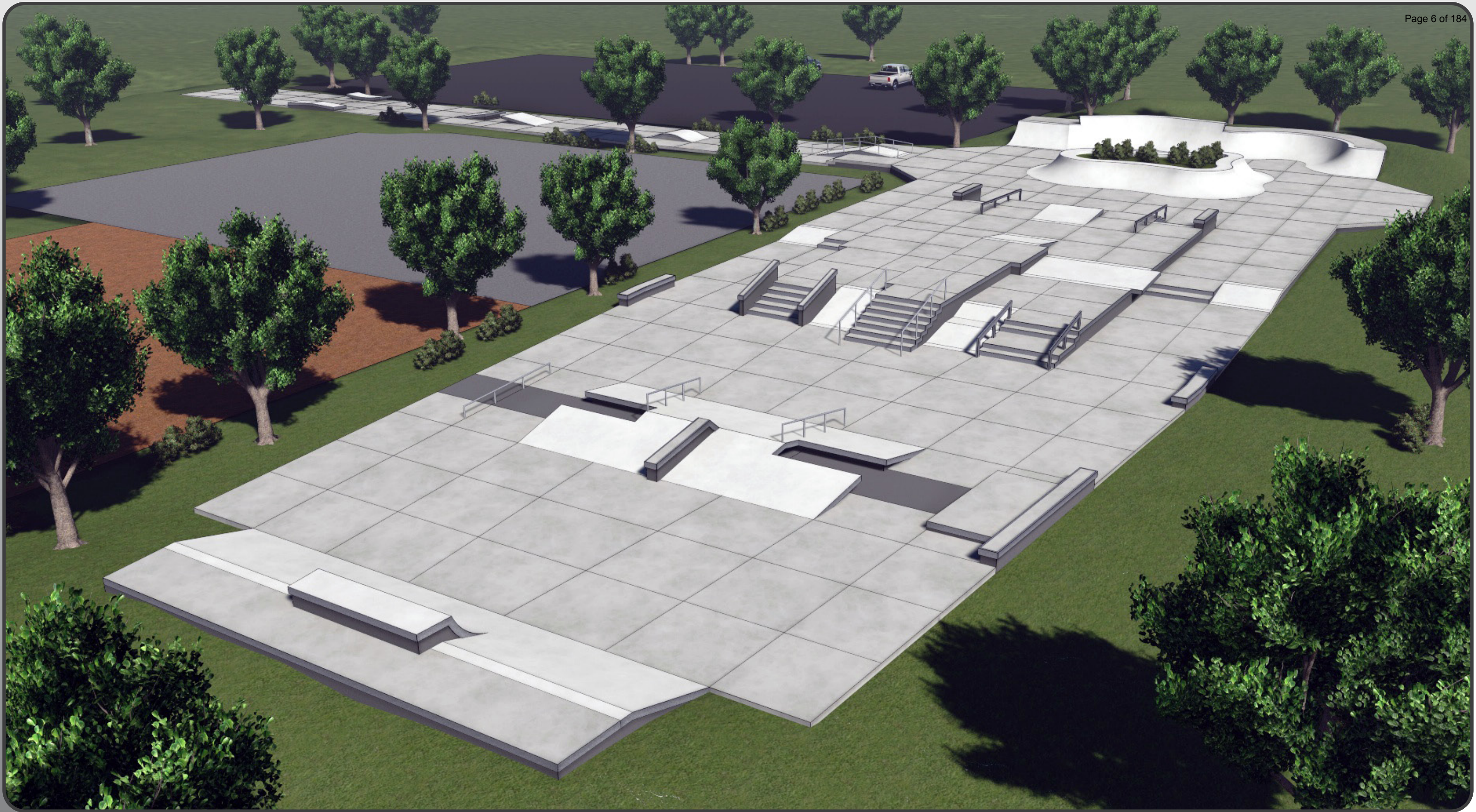
**If Yes, Budget Code:**

**Available:**

**Funding Source:**

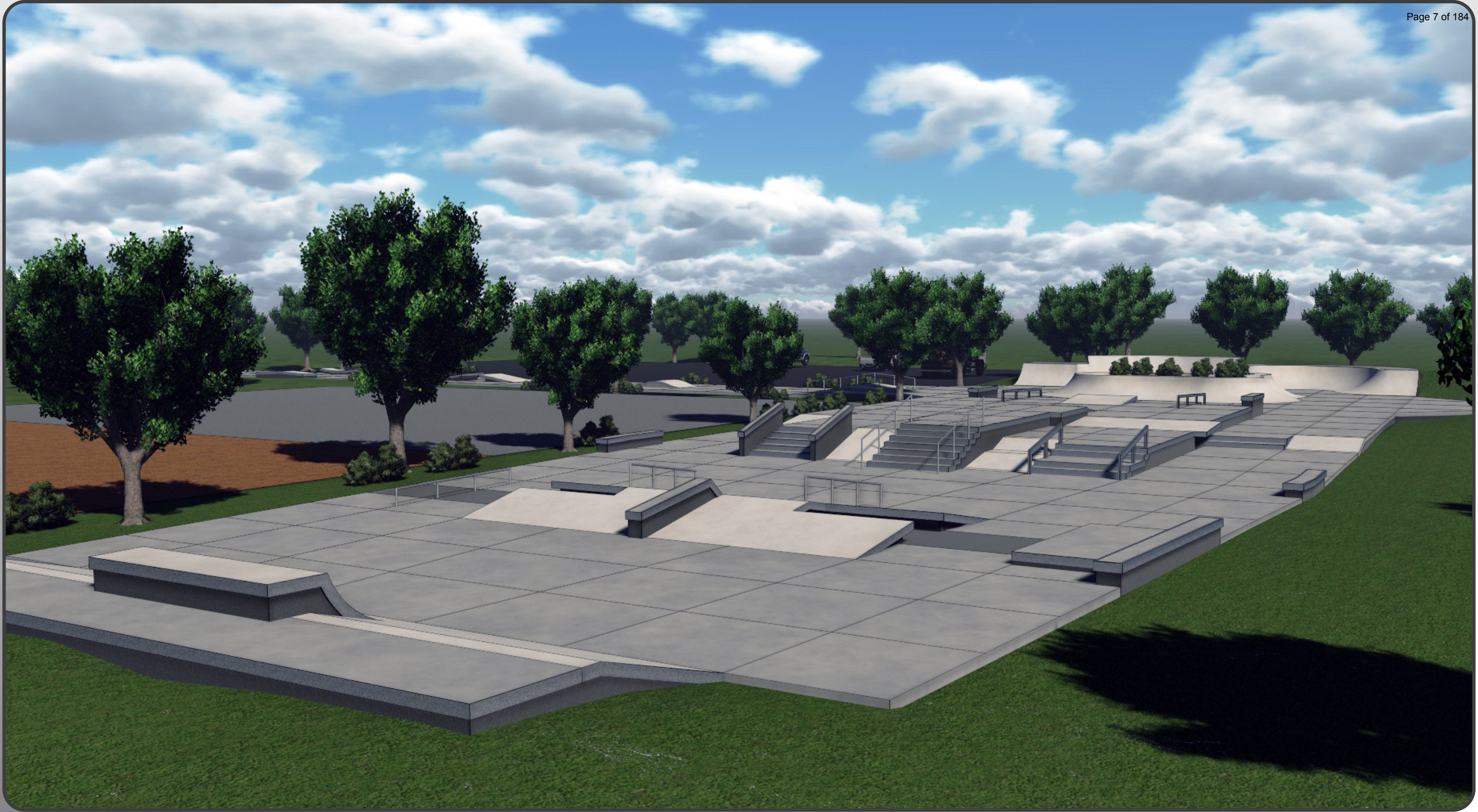
### Attachments

Final Concept



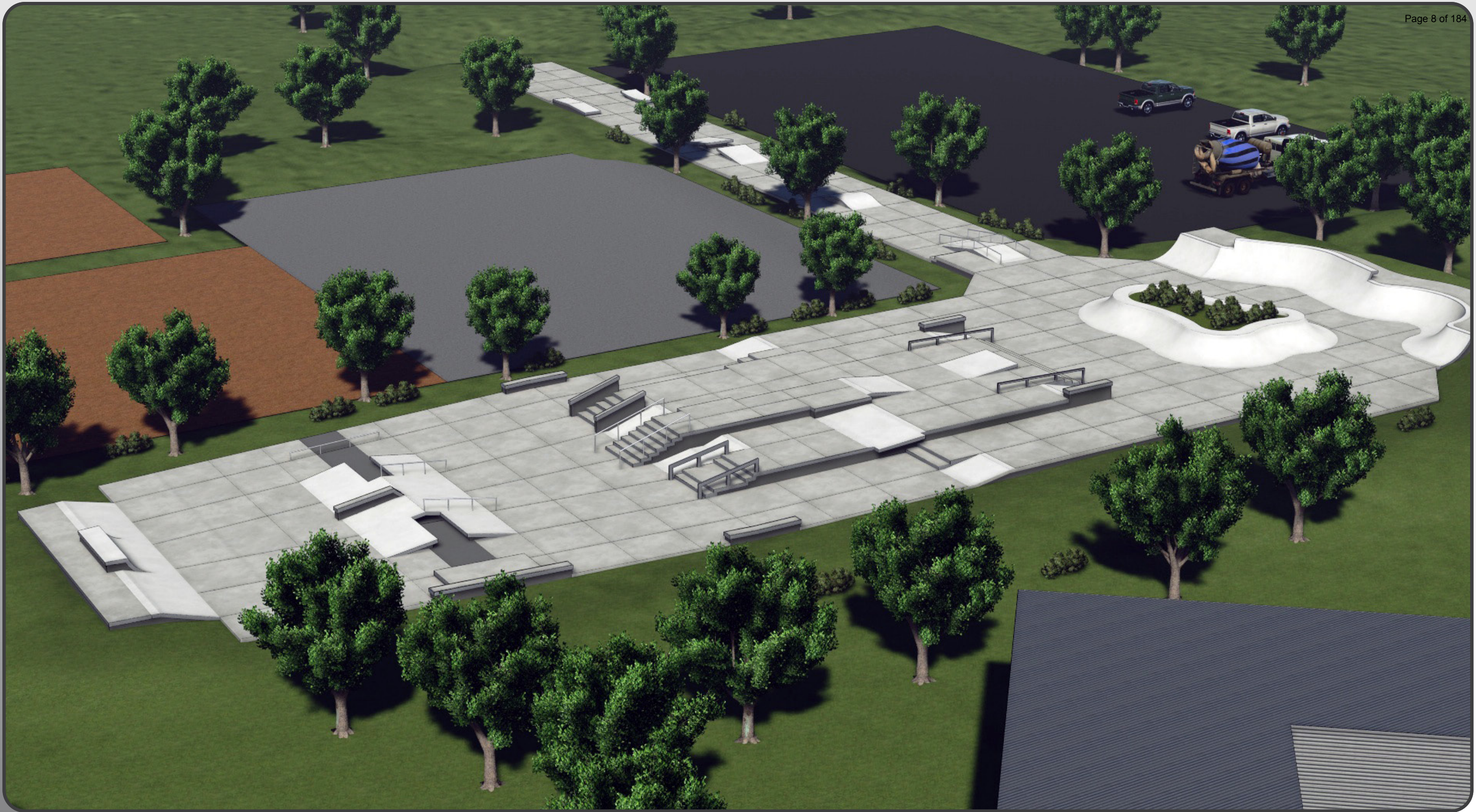
CHINO VALLEY SKATEPARK  
FINAL CONCEPT



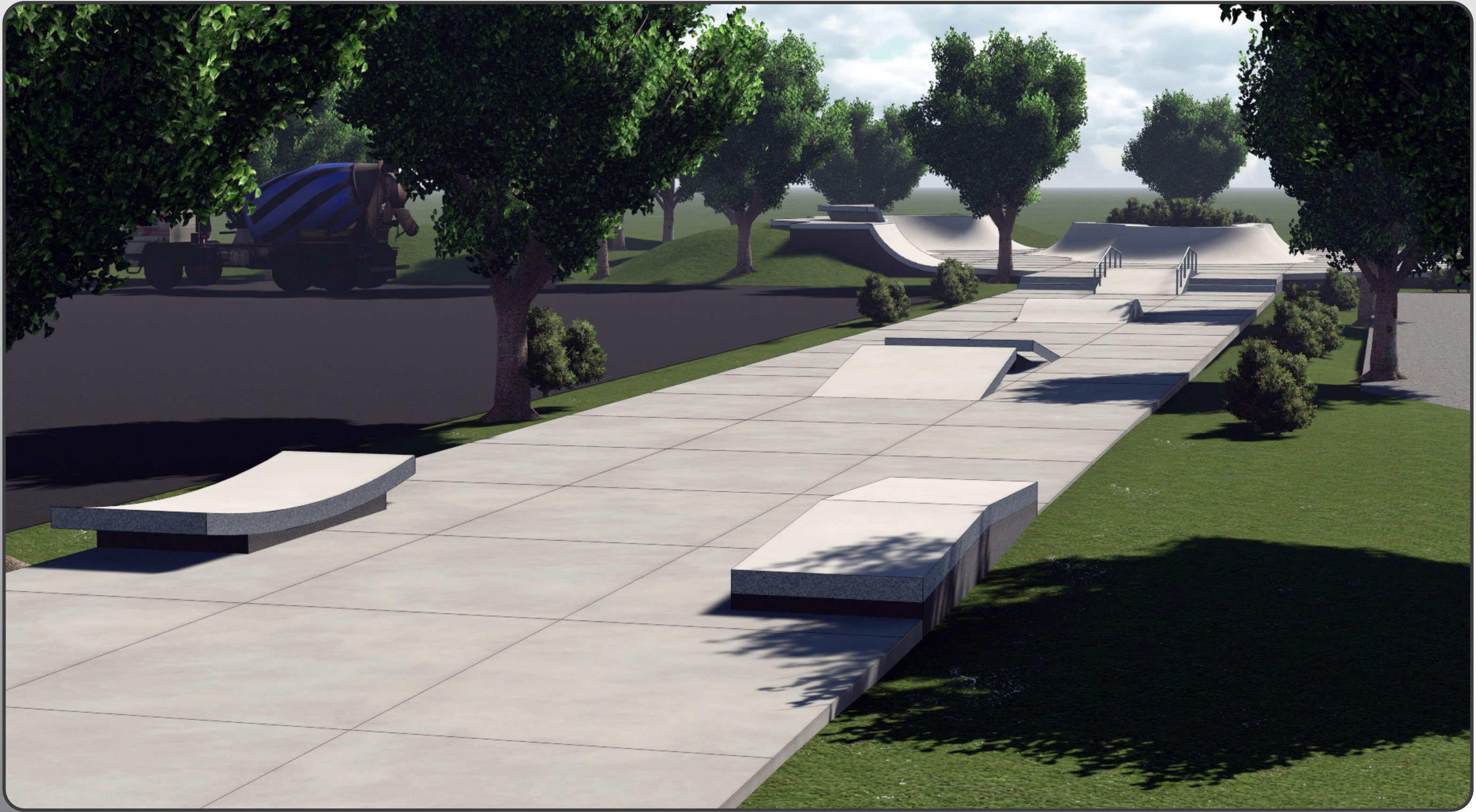


CHINO VALLEY SKATEPARK  
FINAL CONCEPT



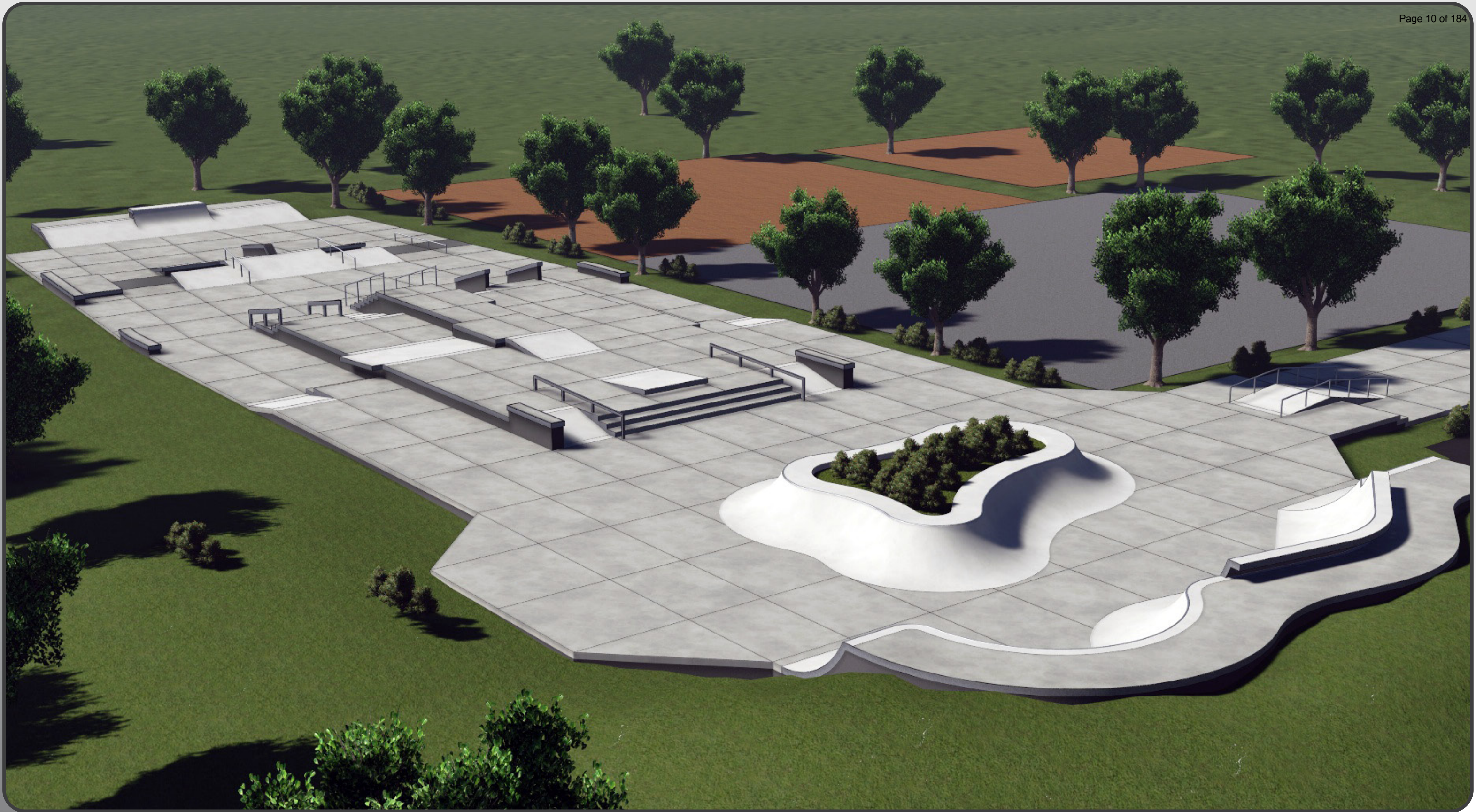


CHINO VALLEY SKATEPARK  
FINAL CONCEPT

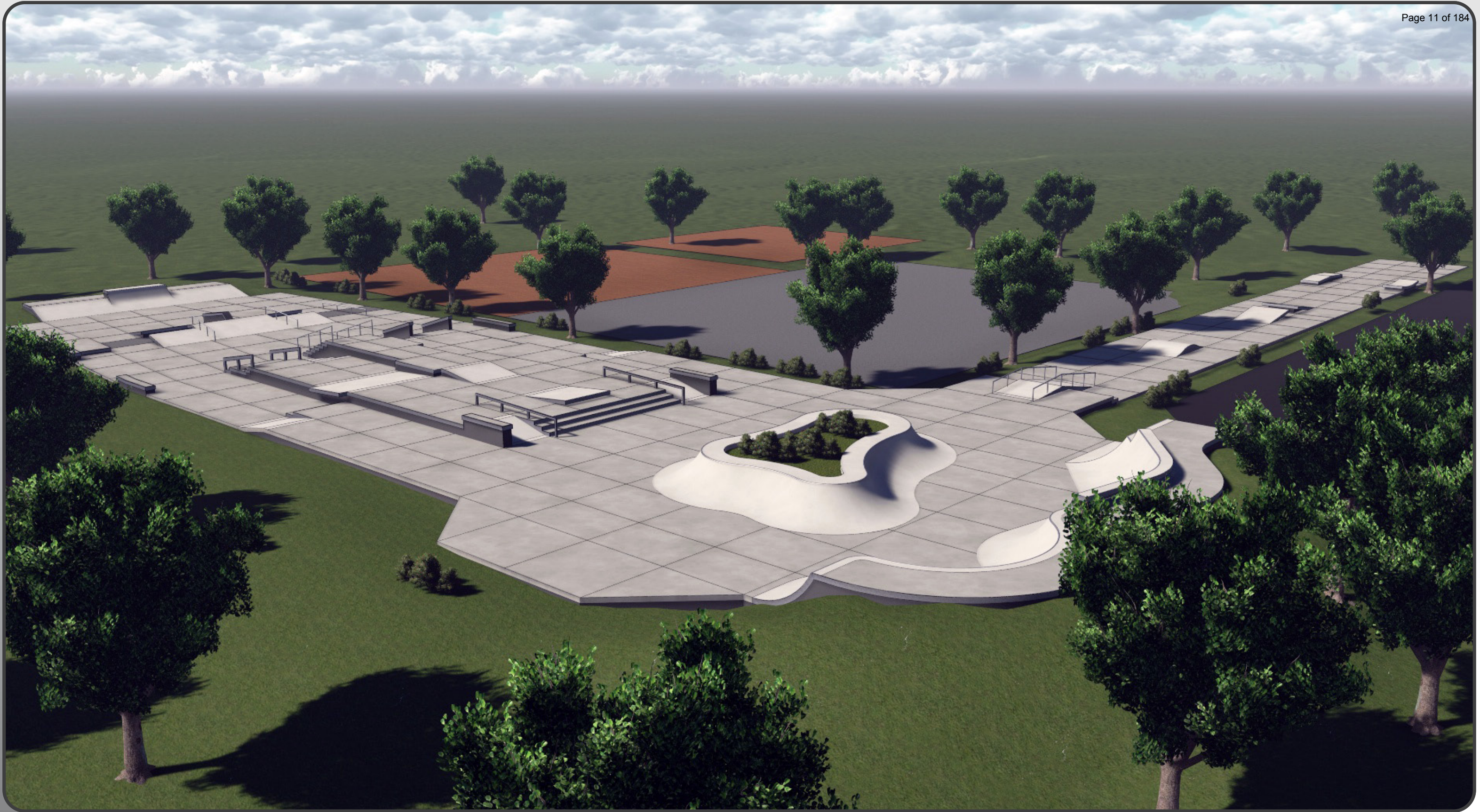


CHINO VALLEY SKATEPARK  
FINAL CONCEPT





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## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

Item No. **6. a.**

**Meeting Date:** 07/22/2014

**Contact Person:** Jami Lewis, Town Clerk

Phone: 928-636-2646 x-1208

**Department:** Town Clerk

**Item Type:** Consent

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#### AGENDA ITEM TITLE:

Consideration and possible action to approve the May 13, 2014 regular meeting minutes. (Jami Lewis, Town Clerk)

#### RECOMMENDED ACTION:

Approve the May 13, 2014 regular meeting minutes.

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#### Attachments

May 13, 2014 minutes

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# DRAFT

## MINUTES OF THE REGULAR MEETING OF THE TOWN COUNCIL OF THE TOWN OF CHINO VALLEY

**TUESDAY, MAY 13, 2014  
6:00 P.M.**

The Town Council of the Town of Chino Valley, Arizona, met for a Regular Meeting in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, May 13, 2014.

Present: Mayor Chris Marley; Vice-Mayor Darryl Croft; Councilmember Mike Best; Councilmember Linda Hatch; Councilmember Pat McKee; Councilmember Lon Turner; Councilmember Don Wojcik

Staff      Town Manager Robert Smith; Planner Ruth Mayday; General Services Director Cecilia Watts; Town  
Present: Attorney Phyllis Smiley; Town Attorney Sharon Sargent-Flack; Town Attorney Mark Drutz;  
Finance Director Joe Duffy; Police Chief Chuck Wynn; Magistrate John Walker; Town  
Engineer/Public Works Director Ron Gritman; Civil Engineer Richard Straub; Building Official  
Dan Trout; Town Clerk Assistant Liz Hart; Town Clerk Assistant Liz Hart (recorder)

### 1)      **CALL TO ORDER, INVOCATION; PLEDGE OF ALLEGIANCE; ROLL CALL**

Mayor Marley called the meeting to order at 6:00 p.m.

Mayor Marley gave the invocation and led the Pledge of Allegiance.

(Councilmember Lon Turner arrived at 6:02 p.m.).

### 2)      **INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS**

- a)      Proclamation declaring May 23-25, 2014 as "Poppy Days," sponsored by the American Legion Auxiliary. (Mayor Marley)

Mayor Marley read the proclamation and presented it to a representative of the American Legion Auxiliary.

- b)      Proclamation declaring May 2014 as "Mental Health Month," sponsored by the West Yavapai Guidance Clinic Foundation. (Mayor Marley)

Mayor Marley read the proclamation and presented it to Susan Bell on behalf of the West Yavapai Guidance Clinic Foundation.

- c) Presentation of certificates and pins to 2014 Spring Citizens Academy graduates. (Vice-Mayor Croft; Mayor Marley)

Vice-Mayor Croft spoke about the Academy, which was co-sponsored by the Town, and Ms. Schimikowsky recognized the participants.

- d) Presentation by Tracie Schimikowsky, President/CEO, Chino Valley Area Chamber of Commerce, regarding the results of the Chamber's Water, Sewer, and Bond Survey. (Vice-Mayor Croft; Mayor Marley)

Ms. Schimikowsky reported that the Chamber had begun conducting opinion polls during its monthly luncheons. One topic pertained to the Town possibly placing a utility bond measure on the November ballot. The questions asked and responses were as follows:

| Question                                                                               | Yes    | No |
|----------------------------------------------------------------------------------------|--------|----|
| Should the Town expand sewer on Highway 89?                                            | 79.55% | 0% |
| Should the Town buy the Prescott water system in Chino Valley?                         | 97.73% | 0% |
| Would you be willing to help pay for these services through a General Obligation Bond? | 88.64% | 0% |

- Of the 44 respondents: 45% came from business owners with a combined total of 297 employees and 52% were from individuals; 63% were Chino Valley residents and 31% were not; and 18% had a storefront in the town.
- Comments in favor were that the town needed the bond and infrastructure expansion for economic sustainability, to increase property values, encourage business and reduce leakage, keep the town from becoming a 100% retirement community, and determine how to grow the town and give the citizens a vote on how to accomplish this.
- Other respondents asked for more education on the bond and suggested using Old Home Manor for warehousing and manufacturing.
- Concerns were expressed about indebtedness, misuse of bond monies, preserving small businesses, and property owners' choices regarding private wells and septic.
- The Chamber supported the bond measure and urged Council to place it before the voters.

### 3) CALL TO THE PUBLIC

*Call to the Public is an opportunity for the public to address the Council concerning a subject that is not on the agenda. Public comment is encouraged. Individuals are limited to speak for three (3) minutes. The total time for Call to the Public may be up to 30 minutes per meeting. Council action taken as a result of public comment will be limited to directing staff to study the matter, scheduling the matter for further consideration and decision at a later date, or responding to criticism.*

No one from the public spoke.

### 4) RESPONSE TO THE PUBLIC

*Response to the Public is an opportunity for the Mayor to inform the public about how Town officials addressed matters raised during Call to the Public at a previous meeting.*

Mayor Marley had nothing to report.

## 5) CURRENT EVENT SUMMARIES AND REPORTS

*This item is for information only. The Mayor, any Councilmember, or Town Manager may present a brief summary or report of current events, or ask a staff member to provide the same. Presentation on information requested by the Mayor and Council will be made and questions answered. No action will be taken.*

Councilmember Hatch reported on a recent Magistrate Evaluation Subcommittee meeting.

Vice-Mayor Croft spoke about Armed Forces Week.

Mayor Marley reported on current public body vacancies and a possible Council study session on May 15 to go over the tentative budget and the SR 89 Committee's report. He then read the Monthly Mayor's Report, which pertained to the SR 89 Committee's report.

- a) Status report by Town Manager Robert Smith regarding Town accomplishments, and current or upcoming projects.

Mr. Smith reported on the recent Skate Park public hearing and SR 89 Committee report to be given during this meeting.

## 6) CONSENT AGENDA

*All those items listed below are considered to be routine and may be enacted by one motion. Any Councilmember may request to remove an item from the Consent Agenda to be considered and discussed separately.*

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Pat McKee to approve consent agenda items 6a, b c, d and e.

**Vote: 7 - 0 PASSED**

- a) Consideration and possible action to approve the April 16, 2014 study session minutes. (Jami Lewis, Town Clerk)
- b) Consideration and possible action to approve the April 17, 2014 study session minutes. (Jami Lewis, Town Clerk)
- c) Consideration and possible action to approve the April 22, 2014 regular meeting minutes. (Jami Lewis, Town Clerk)
- d) Consideration and possible action to approve the April 29, 2014 study session minutes. (Jami Lewis, Town Clerk)
- e) Consideration and possible action to approve the May 1, 2014 study session minutes. (Jami Lewis, Town Clerk)

## 7) EXECUTIVE SESSION

*Council may vote to recess the Regular Meeting and hold an executive session, which will not be open to the public, for the following purposes.*

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to move items 8a and 8b before items 7a and 7b.

**Vote: 7 - 0 PASSED**

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Pat McKee to go into executive session to discuss items 7a and b at 6:48 p.m.

**Vote: 7 - 0 PASSED**

Mayor Marley reconvened the regular meeting at 8:22 p.m.

- a) Pursuant to A.R.S. § 38-481.03(A)(1) for discussion or consideration of employment, assignment, salaries, or disciplining of Town Manager Robert Smith. (Mayor and Council)

Mayor Marley reported that Council directed staff to prepare a document listing goals for the town manager.

- b) Pursuant to A.R.S. § 38-431.03(A)(4) for discussion or consultation with the Town Attorney in order to consider the Town's position and instruct the Town Attorney regarding the Town's position regarding a contract with Prescott Sportsmen's Club, Inc. related to management services for the Chino Valley Shooting Range that is the subject of negotiations. (Mayor Marley)

Mayor Marley reported that Council took no action on this item.

## 8) ACTION ITEMS

- a) PUBLIC HEARING and consideration and possible action to adopt Resolution No. 14-1033, adopting the Chino Valley General Plan 2014; containing introductory community information, public participation process, demographic data, Community Vision, Goals and Strategies, and Elements on Land Use, Circulation/Transportation, Open Space/Recreation, Water Resources/Environment, Cost of Development, and Economic Development; and Postscript: Considerations for Creating a Sense of Place in Chino Valley for consistent and flexible design/development features for new commercial construction in areas of greatest Town image identification. (Dava Hoffman, Planning Consultant)

### Recommended Action:

- (i) Hold a Public Hearing on the proposed Chino Valley General Plan 2014.
- (ii) Adopt Resolution No. 14-1033, adopting the Chino Valley General Plan 2014 as presented.

(This item was heard after item 6e but is retained here for clarity.)

Consultant Dava Hoffmann reported that:

- In compliance with Arizona statutes requiring the review, revision or adoption of a new General Plan every ten years, Council approved a Resolution Community Participation Plan and appointed a General Plan Committee (GPC) in February 2012. The GPC held regular public meetings through December 2013, in addition to conducting public workshops and

briefings with the Planning and Zoning Commission ("Commission") and Council. The draft General Plan 2014 ("draft Plan") was made available to the public, the Commission, Council, and Town officials in mid-December 2013.

- The draft Plan was officially distributed to state, regional and local agencies on January 6, 2014 to commence the 60-day review and comment period. Comments received were reviewed at the Commission's public hearing on April 1, 2014. The Commission recommended approval of the draft Plan with revisions.
- Council held a study session on April 29, 2014 to review the recommended draft Plan with revisions. At the study session, Council requested additional revisions, which were included in the draft Plan for tonight's public hearing and possible adoption.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to hold the public hearing on the proposed Chino Valley General Plan for 2014.

**Vote: 7 - 0 PASSED**

A citizen asked where she could receive copies of the General Plan. Ms. Hoffman related that the review draft was on the town website and the final version would be uploaded in the next 30 days.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to close the public hearing on the proposed Chino Valley General Plan for 2014.

**Vote: 7 - 0 PASSED**

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Linda Hatch to adopt Resolution No. 14-1033, adopting the Chino Valley General Plan 2014 as presented.

**Vote: 7 - 0 PASSED**

- b) (i) Presentation of the SR 89 Utility Project Citizen Committee's final report and recommendation by Committee Chair Gary Warren.
- (ii) Consideration, discussion, and possible action with regard to the SR 89 Utility Project Citizen Committee's final report and recommendation. (Mayor and Council)

Recommended Action: Direct staff to schedule a study session for further review and discussion, or prepare a resolution to place a bond measure on the November 4 ballot, or other direction to staff or the Committee as determined by Council.

The staff report by Town Clerk Lewis stated that:

- On April 8, 2014, Council directed the SR 89 Utility Project Citizen Committee to provide Council with a recommendation on a proposal for the Town to issue a general obligation (G.O.) bond for water and sewer infrastructure improvements, subject to approval by the Chino Valley voters.
- The committee met several times from April 17, 2014 through May 8, 2014 and was presenting its final report and recommendation tonight.
- Council may discuss their next steps, which may include directing staff to schedule a study session for further review and discussion, directing staff to prepare a resolution for Council approval to place a bond measure on the November 4 ballot, or other direction to staff or the committee. As a study session was already scheduled for May 15 to review the tentative budget, the Mayor and Vice-Mayor had suggested that this topic be added to that agenda.

Gary Warren, SR 89 Committee Chair reported that:

- One year ago, the SR 89 Committee reviewed a similar infrastructure project and bond measure. The committee's recommendations then were to take a G.O. bond to the voters (7-0 vote), for a total bonding amount of \$9.5 million (6-1 vote), for a project area starting at Road 3 North and going as far south as possible.
- This year, the committee, with four new members, reviewed a revised project with a greatly reduced project area.
- The committee's recommendation on the revised project was to: (i) take a G.O. bond to the voters (7-0 vote); (ii) include purchase of the Fann wastewater plant and City of Prescott water distribution system within the town limits for a total bonding amount of \$13.5 million (7-0 vote); (iii) identify the project area from Road 3 North to Road 2 North (6-1 vote)--one committee member preferred the project area to be in the Road 1 South area; and (iv) have Council determine the connection costs for each property owner to ensure fairness (7-0 vote).
- Regarding connection costs, staff anticipated that the amortization fee would be \$100 per month. The committee discussed the pros and cons of waiving the fees, but Council would be the final arbiter.

Mayor Marley opened the item up for public comment. No one spoke.

Council comments:

- Council should allow the citizens to decide their own destiny by placing the item on the ballot.
- The Call of Election resolution should include connection fee language.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to direct staff to prepare a resolution to place a G.O. bond measure on the November 4, 2014 ballot and set a study session to discuss the wording of the resolution for 6:00 p.m. on May 15, 2014.

**Vote: 7 - 0 PASSED**

Town Attorney Smiley advised that it might not be legal to include connection fees in the bond amount, the bond attorneys should write the language for the ballot, and May 15 may be too soon to request bond counsel presence.

- c) Consideration and possible action to adopt Resolution No. 14-1034, adopting Housing Rehabilitation Guidelines in accordance with the requirements set forth in the Notice of Funding Announcement (NOFA) for the Owner Occupied Housing Rehabilitation Program. (Ruth Mayday, Planner)

Recommended Action: Adopt Resolution No. 14-1034, adopting Housing Rehabilitation Guidelines in accordance with the requirements set forth in the NOFA.

(This item was heard after item 7b but is retained here for clarity.)

Ms. Mayday reported that:

- On February 14, 2014, the Arizona Department of Housing (ADOH) released a Notice of Funding Announcement (NOFA) to fund Owner Occupied Housing Rehabilitation (HR) Program. This program was funded in part by HUD HOME funds awarded to ADOH for distribution to non-entitlement communities throughout Arizona on a competitive basis.
- The purpose of the HR Program was to address the health and safety issues for low to

moderate income households that were physically or financially unable to repair or rehabilitate their homes on their own. In order to qualify, an applicant must be the owner of record of the property benefiting from the rehabilitation services, and they must meet specific income requirements. In addition, a certain percentage of households at each income level, as well as specific priority populations, must be served.

- One of the requirements to apply was for the governing body to approve the Housing Rehabilitation Guidelines (HRGs) prior to application. The HRGs constituted the framework for managing the program, should the Town be awarded funding. By adopting the HRGs and approving application for funding, the Town will be further meeting its obligation to promote the health, safety, and general welfare of the community, as defined in the Unified Development Ordinance, by ensuring that properties meet minimum property maintenance and building codes.
- The program provided funding for administration of the program in an amount not to exceed ten percent (10%) of the rehabilitation funds awarded. For the FY 2013/2014 funding cycle, the maximum funds available was \$250,000 plus the additional 10% of \$25,000, for a total award of \$275,000. Should staff be successful in its application, the Mayor will need to sign a letter reserving the funds, and the contract with ADOH will be brought to Council for approval.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to adopt Resolution No. 14-1034, adopting Housing Rehabilitation Guidelines in accordance with the requirements set forth in the NOFA.

**Vote: 7 - 0 PASSED**

- d) Consideration and possible action to adopt Resolution No. 14-1032, authorizing Ruth Mayday, Planner, to apply for funding through the Arizona Department of Housing (ADOH) for an Owner Occupied Housing Rehabilitation Program (Housing Rehab), and take all actions necessary to fulfill the terms and requirements of the program. (Ruth Mayday, Planner)

Recommended Action: Adopt Resolution No. 14-1032, authorizing Ruth Mayday, Planner, to apply for funding through the Arizona Department of Housing (ADOH) for a Housing Rehab Program, and take all actions necessary to fulfill the terms and requirements of the program.

Ms. Mayday reported that:

- This item represented the final resolution required by NOFA and the application packet to demonstrate to ADOH that Council supported the program outlined in item 8c.
- In accordance with the HOME program requirements of the Cranston-Gonzalez Act, this program was available to persons who owned and occupied their dwelling unit and met the 80% below Area Median Income (AMI) requirement as defined by HUD. Priority was given to those households with the greatest need and those that comprised special populations as defined by ADOH. The deadline for submission was June 16, 2014.
- If successful, the Town will be awarded funds to reimburse both the cost of actual repairs and the costs for administering the program. There is no cash match requirement for this program. Staff recommended adopting the resolution and authorizing staff to take all actions necessary to fulfill the terms and requirements of the program.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Pat McKee to adopt Resolution No. 14-1032, authorizing Ruth Mayday, Planner, to apply for funding through the Arizona Department of Housing (ADOH) for a Housing Rehab Program, and take all actions necessary to fulfill the terms and requirements of the program.

**Vote: 7 - 0 PASSED**

- e) Consideration and possible action to approve the agreement for professional consulting services with Lyon Engineering, for the 2014 Adjacent Ways Project, in an amount not to exceed \$47,695.00. Funds to come from Chino Valley School District Adjacent Ways Grant and will be accounted for in the Grant Fund with no Town match. (Ron Grittmann, Public Works Director/Town Engineer)

Recommended Action: Approve the agreement for professional consulting services with Lyon Engineering, for the 2014 Adjacent Ways Project, in an amount not to exceed \$47,695.00.

Mr. Grittmann reported that:

- The current operation of student drop-off at Del Rio and Heritage Schools caused traffic to back up and gridlock along Road 1 West and Road 2 North. The agreement proposed to hire Lyon Engineering to develop engineering, and construction plans, based on adjacent ways funds available for improvements to Road 1 West and Road 2 North as well as onsite improvements that will better address traffic flow at these facilities. Separation of bus and passenger traffic, along with traffic flow, will be examined.
- Once the final improvements were agreed upon by both the School District and the Town, the project will be bid and awarded through the Town for construction based on availability of funding.
- The School District generated approximately \$100,000.00 per year for adjacent ways projects. Staff will only expend funds for this project that were exactly equal to the funds received from the District, which had asked the Town to expend \$30,000 in the current fiscal year and the remaining \$17,000 after July 1.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Lon Turner to approve the agreement for professional consulting services with Lyon Engineering, for the 2014 Adjacent Ways Project, in an amount not to exceed \$47,695.00.

**Vote: 7 - 0 PASSED**

- f) Consideration and possible action to authorize staff to place on hold various vehicles and pieces of equipment anticipated to be purchased in fiscal year 2014/2015, in order to reserve 2014 prices and acquire the equipment before anticipated price increases. (Joe Duffy, Finance Director)

Recommended Action: Authorize staff to reserve four Ford Police Interceptors, one Ford 550, one John Deere 544K front end loader, and one 410K backhoe.

Mr. Duffy reported that:

- Over the last few fiscal years, as a result of the economic downturn, the Town had not been able to replace capital equipment on a regular basis, resulting in a significant backlog, especially in the police department.
- In the FY 2015 budget, staff included a scheduled replacement and financing plan to address this issue and identified individual pieces of equipment, up to a value of \$765,000, that should be acquired.
- Fleet and Public Works staff researched and found used equipment with low miles, all through state contract or other cooperative purchasing agreements in accordance with the Town Procurement Policy. Dealers were currently honoring the existing 2014 public bids from existing inventory and were willing to hold the equipment until they could be purchased at the beginning of next fiscal year. As dealers anticipated cost increases in the 2015 public bidding process, staff recommended reserving the equipment, and subject to obtaining adequate financing terms, purchasing the equipment in July 2014. The Town was under no obligation to complete the purchases and current quotes for the equipment were \$129,000 less than budgeted estimates.

- Staff recommended financing the equipment through lease-purchase, a broadly used method of acquiring assets, and anticipated entering into a five-year lease purchase agreement. The Town received a preliminary quote with an interest rate of 2.54% for a 60-month term; staff used a 3% interest rate in its budget estimates. Typically, at the end of the leasing period, the Town will accept ownership at no additional cost. Staff will bring each individual purchase to Council for approval.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to authorize staff to reserve four Ford Police Interceptors, one Ford 550, one John Deere 544K front end loader, and one 410K backhoe.

**Vote:** 7 - 0 PASSED

- g) Consideration, discussion, and possible action regarding review of the Road 4 South extension project expenditures. (Councilmember McKee; Councilmember Hatch)

Recommended Action: Direction to staff.

Councilmember McKee reported that she requested this item for the following reasons:

- One of her campaign promises was to guard fiscal responsibilities. After staff's presentation on the Road 4 South project on April 22, 2014, she was asked questions about how the project was done so inexpensively. She believed certain costs associated with the project were not included or were understated in the presentation, such as the purchase price of the land, additional compensation to Mr. James, and additional machinery costs. She believed that staff should report all costs connected with this or any project to the citizens because they deserved to know how their money was being spent.
- The project had been divided into two parts to avoid state financial restrictions, whereas, typically when doing two projects, one would be finished before starting another, or if both were being done at same time, they would be considered one project and all figures should be included.
- She reviewed purchase orders associated with the project and found that purchases of approximately \$28,781 were not included or were incorrect in the presentation, and figures for salaries were based on an average, not a total, which allowed for skewing the numbers up or down. She believed there was a discrepancy of \$169,794.
- She questioned if an audit should be done to determine if the Town saved any money by doing the project inhouse.

Councilmember McKee passed out several handouts with her findings stating that she only received this information yesterday.

A report provided by Town Engineer Gritman in the packet stated that:

- The costs summarized to Council on April 24 only focused on construction costs and did not include right-of-way acquisition costs. The Town's procurement procedures did not allow staff to expend large sums of money without Council approval and this item had been discussed at several meetings in 2013-2014.
- On September 24 and October 17, 2013 executive sessions were held to discuss the matter.
- On September 24, 2013, Council approved an expenditure not to exceed \$55,000.00 to purchase 8.569 acres of land from Deep Well Ranches for the Road 4 South right-of-way. On October 17, 2013, Council approved a Letter of Intent for purchase of the land from Deep Well Ranches in the amount of \$219,062.44.
- On December 10, 2013, Council approved the proposed settlement agreement regarding the Cortez litigation, which financial costs were summarized on March 11, 2014 under the

manager's report.

Council comments:

- Councilmembers should take such issues to the town manager to discuss before bringing them to Council.
- While Council and staff had discussed the project in detail over several meetings and the whole Council approved the project, they did so possibly without all the applicable figures.
- The figures staff presented on April 24 for Phase 1 did not add up correctly; Council missed the discrepancy and should have had those numbers in advance. As Council did not have the information in the handouts prior to tonight's meeting, it was premature to discuss the matter.
- The item should be put on a future agenda with appropriate responses and information from staff provided ahead of time to clear the record.

Town Manager Smith stated that the April 24 presentation materials were not provided in the packet as they were given during a Response to the Public item, not a Council-requested discussion or action item. Staff did not typically provide Responses to the Public ahead of time, but they would if Council so requested.

Mayor Marley offered to sponsor the item on a future agenda.

## 9) **ADJOURNMENT**

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Pat McKee to adjourn the meeting at 8:47 p.m.

**Vote: 7 - 0 PASSED**

---

Chris Marley, Mayor

ATTEST:

---

Jami C. Lewis, Town Clerk

### CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the 13th day of May, 2014. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 22nd day of July, 2014.

---

Jami C. Lewis, Town Clerk

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## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

Item No. **6. b.**

**Meeting Date:** 07/22/2014  
**Contact Person:** Ron Grittmann, Town Engineer  
 Phone: 928-636-2646 x-1223  
**Department:** Public Works  
**Item Type:** Consent  
**Estimated length of staff presentation:** None  
**Physical location of item:** Townwide

### AGENDA ITEM TITLE:

Consideration and possible action to approve change order number 3 to contract with Economists.com in an amount not to exceed \$8,000.00 for additional utility rate analysis and an update to the valuation of the Wilhoit Water Company.

### RECOMMENDED ACTION:

Move to approve change order number 3 to contract with Economists.com in an amount not to exceed \$8,000.00 for additional utility rate analysis and an update to the valuation of the Wilhoit Water Company.

### SITUATION AND ANALYSIS:

See Attached

### Fiscal Impact

**Fiscal Impact?:** Yes

**If Yes, Budget Code:** 04-83-5212

**Available:** 8,000.00

**Funding Source:**

Funds to come from water and sewer professional services line item.

### Attachments

Situation and Analysis

Change Order 3 Scope of Work

Exhibit E

## **Agenda Item Staff Report SITUATION & ANALYSIS**

### **Issue Statement**

*Brief narrative description of the issue at hand, including information about the problem or reason why Council involvement is required, why the item is now suitable for Council consideration and requires Council action for the item to move forward.*

The Council had requested that Economists.com perform some additional water and sewer rate analysis based on various buy-in-fee scenarios. In addition, the owner of the Wilhoit Water Company has requested Economists.com perform a brief update to the 2007 valuation.

### **Applicable “Policy”**

*Bulleted list, by section number and title, of the statute, code, plan, policy, goal, initiative, etc. relevant to the issue that must be satisfied in order to resolve the issue. A brief summary of the “policy” section(s) may be included if there are multiple issues or details that need to be covered.*

- N/A

### **Satisfaction of “Policy”**

*Bulleted list, by section number and title, of the above relevant “policies,” with a narrative explaining how each of them were/will be met or satisfied.*

- N/A

### **Summary of Issues and Staff Rationale**

*Narrative explaining the issue at hand and how/why the staff proposed solution(s) are best for the Town. This may include more than one resolution or solution/alternative for Council to consider.*

Attached is the proposal from Economists.com for the additional analysis of the Town’s utility rate structure. The scope is separated into two parts, the first is the analysis of the effects of various buy-in-fee options that the Council has requested and the second part is an update to the valuation of the Wilhoit Water Company that was originally prepared in 2007.

The original 2007 valuation of the Wilhoit Water Company was based on several valuation methods, including, Reconstruct New Less Depreciation (RCNLD,) Net Book Value, Single Period Capitalization, Net, Earnings Before Interest, Depreciation, Taxes, and Amortization (EDITDA,) Discounted Cash Flow, and Market Value Per Connection.

The RCNLD method requires the input from a professional engineer regarding the construction costs associated with the water system. Coe and Van Loo provided a very high cost for their portion of the valuation. Therefore, it was determined to drop the RCNLD method of valuation of the water system. Because the Wilhoit Water Company is a willing seller, staff felt that the remaining methods of valuation will provide the Town sufficient information to determine the value of the water system. In addition, aside from the installation of the arsenic treatment coagulation and filtration system, the water system has not changed in an appreciable manner.

**Findings of Fact**

*Bulleted list of staff findings that support the determination that the proposed resolution is the best solution for the Town.*

- Economists.com has already presented the alternatives to the buy-in-fee issue at the June 24<sup>th</sup> Council meeting.
- Economists.com has begun the update to the valuation of the Wilhoit Water Company and will be prepared to present his report in early August 2014.
- The attached proposal summaries the costs.

Portland  
Dallas



July 7, 2014

Mr. Ron Grittmann  
Town Engineer  
Town of Chino Valley, Arizona  
1020 W. Palomino  
Chino Valley, AZ 86323

Dear Mr. Grittmann:

Thank you for allowing **Economists.com** the opportunity to present this proposal for water and wastewater utilities economic and financial consulting services for the Town of Chino Valley, Arizona ("The Town").

Economists.com is an economic and financial consulting firm with offices in Dallas, Texas and Portland, Oregon. Our principal clients are national, state and local governments. Our firm contains professionals with decades of experience in water and wastewater utility operations and economic/financial management. Our specific water and wastewater services include:

- **Water and Wastewater Rate Studies**
- Sanitation Rate Studies
- Economic evaluation of water resources
- Water Planning and Management
- Connection and Impact Fee Studies
- Expert Witness Testimony on Reasonableness of Rate Structure
- Resource Allocation Studies
- Privatization Analysis
- Economic Impact and Development Studies

More information is available on our firm and professionals at our web site, [www.economists.com](http://www.economists.com). We are proud to have served as the Town's rate consultants for the past eight years and look forward to continuing to provide such service to the Town.

It is our understanding that the Town is seeking to expand our scope of services to include the following additional tasks:

### 1) **Buy-In Fee Analysis**

In this task the Town seeks to review the impact of altering its Buy-In Fees on its long-term rate plan. We will analyze and provide a rate plan for two additional scenarios: eliminating Buy-In fees for the Highway 89 service area, and eliminating all Buy-In Fees. We will prepare a PowerPoint presentation outlining our findings and recommendations, which we will present to the Chino Valley Town Council.

### 2) **Wilhoit Water Company Valuation**

In this task we will update our original 2007 financial valuation of Wilhoit Water Company. It is our understanding that the company has been granted a rate increase, which will impact the financial value of the company. Wilhoit's new owner has pledged to provide updated financial statements for 2011, 2012 and 2013, which we will use for our analysis. This data should be available to us by the end of July. We will summarize our results in a report and PowerPoint presentation, which we will present to the Town Council.

I will serve as Project Manager for this engagement and will have sole responsibility for its successful outcome. I will also utilize the services of Ms. Becky Schafer, Senior Manager.

Our fee proposal is summarized as follows:

| <b>ECONOMISTS.COM<br/>FEE PROPOSAL</b> |                                |
|----------------------------------------|--------------------------------|
| <b>Task</b>                            | <b>Total<br/>Not-to-Exceed</b> |
| I. Buy-In Fee Analysis                 | \$ 3,000                       |
| II. Wilhoit Valuation                  | <u>5,000</u>                   |
| <b>Total</b>                           | <b>8,000</b>                   |

If this proposal is acceptable to you, please execute one copy of this letter and return it to our Dallas office. Thank you for this opportunity; we look forward to working with the Town of Chino Valley again.

Very Truly Yours,



Dan V. Jackson  
Managing Director

ACCEPTED BY:

---

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Date



**EXHIBIT E**  
**CHANGE ORDER**

CHANGE ORDER NO.   3  

Distribution: TOWN ☒ ☐  
CONSULTANT ☒ ☐  
OTHER ☐ ☐

PROJECT: City of Prescott Valuation  
OWNER: Town of Chino Valley  
CONSULTANT: Economists.com  
AGREEMENT DATED: 10/8/2013

DATE: July 22, 2014

CHANGES: The Agreement is changed as follows: Financial analysis of buy-in-fee options.  
See attached Scope of Work.

Not valid until signed by both Town and A/E.  
Signature of A/E indicates acceptance.

The original compensation was \$55,160.00

Net change by previously authorized Change Orders C.O. #1 \$5,000.000, C.O. #2 \$9,500.00

The compensation prior to this Change Order was \$69,660.00

The compensation will be increased by this Change Order in the amount of \$8,000.0

The new compensation under the Agreement including this Change Order will be \$77,660.00

The Contract Time will increase by 4 Months

ACCEPTANCE STATUS:

\_\_\_\_\_  
A/E  
By \_\_\_\_\_

\_\_\_\_\_  
Town of Chino Valley  
By \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_



## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

Item No. 7. a.

**Meeting Date:** 07/22/2014  
**Contact Person:** Joe Duffy, Finance Director  
 Phone: 928-636-2646 x-1211  
**Department:** Finance  
**Item Type:** Action-Presentation  
**Estimated length of staff presentation:** 5 minutes  
**Physical location of item:** n/a

### AGENDA ITEM TITLE:

Consideration and possible action to award Banking Services Contract to National Bank of Arizona.

### RECOMMENDED ACTION:

Award Banking Services Contract to National Bank of Arizona.

### SITUATION AND ANALYSIS:

Per the Town of Chino Valley's Financial Policies every five years the Finance Department will issue a request for banking services to all qualified banks located within the Town's geographic boundaries. The request for banking services was issued and two responses were received.

The responses were reviewed with the Finance Committee on July 15, 2014.

Staff recommends awarding the Banking Services Contract for the next five years to National Bank of Arizona.

### Fiscal Impact

**Fiscal Impact?:** NO

**If Yes, Budget Code:**

**Available:**

**Funding Source:**

### Attachments

RFP Response Summary

Banking RFP

Banking Agreement

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| Town of Chino Valley                         |                                  |
|----------------------------------------------|----------------------------------|
| Request for Proposals                        |                                  |
| Banking Services Summary                     |                                  |
| Company                                      | Proposal Complete                |
| <b>Chase Bank Government Banking</b>         | No - did not submit required RFP |
| 20 E. University Drive, 3rd Floor            |                                  |
| Tempe, Az 85281                              |                                  |
| George W. McManus                            |                                  |
| 480-377-3955                                 |                                  |
|                                              |                                  |
|                                              |                                  |
| <b>NB   AZ Public Financial Services</b>     | Yes                              |
| <b>a Division of Zions First Nation Bank</b> |                                  |
| 201 N. Montezuma Street, Suite 100           |                                  |
| Prescott, Arizona 86301                      |                                  |
| Doug Lindbert                                |                                  |
| 928-708-6926                                 |                                  |
|                                              |                                  |
|                                              |                                  |
|                                              |                                  |
|                                              |                                  |

REQUEST FOR PROPOSAL

June 30, 2014

# Request for Proposal

## Banking Services



**Doug Lindberg**  
Relationship Manager, VP  
201 N. Montezuma Street, Suite 100  
Prescott, AZ 86301  
928-708-6926  
[douglas.lindberg@nbarizona.com](mailto:douglas.lindberg@nbarizona.com)

**Alison Townsend**  
Treasury Sales Officer, VP  
9878 W Camelback Road  
Glendale, AZ 85305  
480-466-2645  
[alison.townsend@nbarizona.com](mailto:alison.townsend@nbarizona.com)

**Mark Garman**  
Branch Manager, AVP  
481 S. Highway 89  
Chino Valley, AZ 86323  
928-636-4466  
[mark.garman@nbarizona.com](mailto:mark.garman@nbarizona.com)

**REQUEST FOR PROPOSAL****June 30, 2014**

June 30, 2014

National Bank of Arizona is delighted to have the opportunity to present this proposal to Town of Chino Valley. We appreciate your consideration of National Bank of Arizona for your banking services. We believe that you will benefit from a partnership with National Bank of Arizona due to numerous advantages, which include:

- **Quality products at competitive prices.**
- **A competitive earnings credit rate.**
- **A high-touch approach to servicing your accounts.** This includes a direct line to your Relationship Manager, Branch Manager and our Arizona-based Treasury Management Team.
- **An easy implementation process.** Tailored specifically to meet your needs. We will provide your staff with training on all of the products you choose for implementation.

Please let us know if you have any questions or need additional information. This proposal is valid for 90 days. We look forward to your acceptance of this proposal.

Sincerely,

**Doug Lindberg**  
Relationship Manager, VP  
201 N. Montezuma Street, Suite 100  
Prescott, AZ 86301  
928-708-6926  
[douglas.lindberg@nbarizona.com](mailto:douglas.lindberg@nbarizona.com)

**Alison Townsend**  
Treasury Sales Officer, VP  
9878 W Camelback Road  
Glendale, AZ 85305  
480-466-2645  
[alison.townsend@nbarizona.com](mailto:alison.townsend@nbarizona.com)

**Mark Garman**  
Branch Manager, AVP  
481 S. Highway 89  
Chino Valley, AZ 86323  
928-636-4466  
[mark.garman@nbarizona.com](mailto:mark.garman@nbarizona.com)

## REQUEST FOR PROPOSAL

June 30, 2014

**EXCELLENCE IN BANKING*****National Recognition***

Overall Satisfaction  
 Overall Client Satisfaction  
 Likelihood to Recommend  
 Relationship Manager Capability  
 Customer Service Treasury  
 Overall Treasury Management

***Regional Recognition  
Western Region***

Overall Satisfaction  
  
 Overall Satisfaction – Treasury  
 Management

**Greenwich Middle Market Banking Excellence Awards**

Every year, Greenwich Associates surveys more than 14,000 businesses with sales of \$10-500 million in markets across the U.S. To benchmark market shares as well as the quality of banking products and services in the marketplace, Greenwich Associates asks decision makers at these companies to evaluate each of the banks they use in a variety of categories. The results of this research are used to determine the winners of the Greenwich Middle Market Banking Excellence Awards, which are handed out in 10 categories at the national level and in two categories across four geographic regions. Recognition is based on statistical differentiation at a 95% confidence level.

**2013**

#1 Bank – Ranking Arizona  
 Best Private Bank – Best of Our Valley  
 Corporate Partner of the Year  
 Keith Maio, President & CEO – Named one of Arizona's  
 most respected & influential business leaders  
 12 Greenwich Associates Awards

Arizona Business Magazine  
 Arizona Foothills Magazine  
 NAWBO  
 AZ Business Leaders Magazine  
  
 As an Affiliate of Zions Bancorporation

**2012**

#1 Bank – Ranking Arizona  
 Best of the Valley – Best Private Bank  
 Top 25 Work Places for Women  
 AZ's 100 Best Companies  
 Corporate Partner of the Year  
 Branding AZ Award  
 13 Greenwich Associates Awards

Ranking Arizona Magazine  
 Arizona Foothills Magazine  
 AZ Magazine  
 Best Companies AZ  
 NAWBO  
 AZ Business Magazine  
 As an Affiliate of Zions Bancorporation

**2011**

#1 Bank – Ranking Arizona  
 Best of the Best – Best Private Bank  
 Best of the Valley – Best Private Bank  
 Top 25 Workplaces for Women  
 Corporate Partner of the Year  
 Best of Tucson – Best Bank  
 13 Greenwich Associates Awards

Ranking Arizona Magazine  
 Ranking Arizona Magazine  
 Arizona Foothills Magazine  
 AZ Magazine  
 NAWBO  
 Arizona Foothills Magazine  
 As an Affiliate of Zions Bancorporation

## REQUEST FOR PROPOSAL

June 30, 2014

**NB|AZ CORE VALUES**

National Bank of Arizona's core values, which are at the heart of our brand dimensions, defines how we do business each and every day. These values that we embrace enable us to fulfill our brand promise to our customers...we've been there, we'll be here.

We are **True Partners** with all stakeholders – shareholders, customers, employees and the local community. We're consistent, dependable and honest. We blend the best interests of the bank, its customers and employees to ensure the best possible solution.

We believe that a *True Partner* is a friend and coach to customers and employees.

A **Can-Do Attitude** is the appropriate response to a customer's need. We are empowered to create custom solutions through local decision-making and will work together to create a winning work environment. Our employees are motivated and portray a sense of vitality and urgency.

Our staff is **Genuine & Approachable**. We demonstrate a willingness to get involved in the best interests of customers and other employees. We are respectful, straightforward, friendly and trustworthy. *Genuine & Approachable* is the personality of the bank, the guiding behavior of employees and the tone of all communications.

We know the value of experience. We understand that **Business Savvy** is essential to providing a unique banking experience. We base our business decisions on a depth of Arizona expertise and an understanding of the market drivers unique to this state. It's this value that permits local decision-making, separating our bank from the competition and delivering a unique Arizona character.

**Our Pledge**

- To be **True Partners** with our customers and employees.
- To respond to customer needs with a **Can-Do Attitude**.
- To always be **Genuine and Approachable** when dealing with customers and employees.
- To demonstrate **Arizona Business Savvy**.

## REQUEST FOR PROPOSAL

June 30, 2014

**STRENGTH & STABILITY**

**National Bank of Arizona** was founded on a mission of building local relationships and offering exceptional customer service. More than 27 years later our approach hasn't changed. We still pride ourselves on providing local expertise and delivering award-winning services. And, as part of the Zions Bancorporation family, one of the nation's premier financial services companies, we combine the sophistication and strength you require with the local responsiveness and personalized service you want from your bank.

**National Bank of Arizona**

- Arizona's 4th largest bank
- \$4.6 billion in assets
- Serving Arizona for over 30 years
- Local management and decision making
- Over 70 branches in 50 communities throughout Arizona

**Zions Bancorporation**

- 139 years' experience
- One of the top 25 holding companies in U.S
- \$55.5 billion in assets
- 480 offices in 10 states

**Our Brand Promises**

Our 360° Banking Philosophy integrates your needs into a complete, customized banking solution that revolves around you.

**Premier**

It's what we strive for in every aspect of our business. This unwavering commitment is the very reason our clients continuously choose NB|AZ as Arizona's #1 bank from Ranking Arizona, Arizona's largest opinion poll.

**Innovative**

We're reinventing banking by transforming new ideas into intelligent solutions. We approach every opportunity with creative, forward-thinking strategies to help our clients stay ahead of the curve. We are setting industry standards with our energy efficiency lending and solar lease programs.

**Responsible**

We believe trust and responsibility go hand-in-hand and we take seriously the trust that our clients place in us. The decisions we make are guided by how they will benefit our clients, our communities and the environment.

**People**

The relationships we have forged in our communities and with our clients are our greatest success and the livelihood of our business. We are committed to creating opportunities for the people of our state – because, like you, we call Arizona home.

## REQUEST FOR PROPOSAL

June 30, 2014

## NOTICE & REQUEST FOR PROPOSALS TOWN OF CHINO VALLEY

**Services: Banking Services**

Proposal Opening/Deadline for Submittal: June 30, 2014 at 3:00 p.m. MST

Location: 202 North State Route 89, Chino Valley, AZ 86323

Town Staff Contact/ telephone number: Joe Duffy/ 928-636-2646/ jduffy@chinoaz.net

Contract Documents available at: Chino Valley Finance Department, 202 North State Route 89, Chino Valley, AZ 86323 and online at [www.chinoaz.net](http://www.chinoaz.net)

**Date and Location for Submittal of Sealed Proposals:** Sealed proposals will be received at the Town of Chino Valley Clerk's Office, 202 North State Route 89, Chino Valley, Arizona 86323 until 3:00 p. m. June 30, 2014, for the above services. Proposals must be submitted in a sealed envelope clearly marked on the outside with the name of the services. Any proposal received after the time specified will be returned unopened. It is the proposer's responsibility to assure proposals are received at the above location on or before the specified time. Proposals will be opened at 3p.m. in the Town Council Chambers, and the names of proposers publicly read aloud immediately after the time for receiving proposals.

**Work Summary:** Chino Valley seeks banking services. The initial contract term will commence upon execution of the contract and continue for a period of five (5) years unless terminated, cancelled or extended as otherwise provided in the Contract. Upon mutual agreement of Chino Valley and Contractor, the Contract may be extended for up to five (5) additional one-year terms. The services are generally described as follows: Online and regular banking services to accommodate the Town's needs related to the Town's bank accounts which, at the time of the solicitation include:

- Town General Fund – used for the majority of deposits and disbursements made by the Town;
- Court General Account – used for the majority of deposits and disbursements from the municipal court;
- Court Trust Account – used for bonds received and disbursed from the municipal court;
- Court Savings JCEF – Savings account for restricted Court funds;
- Court Fill in the Gap Funds – Savings account for restricted Court Funds.

**Proposal Requirement:** Each proposal will be in accordance with the proposal requirements, set forth in the Request for Proposals, which may be obtained by contacting Joe Duffy, telephone no. (928) 636-2646 or via email at [jduffy@chinoaz.net](mailto:jduffy@chinoaz.net). Any proposal which does not conform in all material respects to the Request for Proposals will be considered non-responsive.

**Right to Reject Proposals:** Chino Valley reserves the right to reject any or all proposals, waive any informality in a proposal or to withhold the Award for any reason Chino Valley determines.

**Equal Opportunity:** Chino Valley is an equal opportunity employer. Minority and women's business enterprises are encouraged to submit proposals on this solicitation.

# REQUEST FOR PROPOSAL

June 30, 2014

DATED: \_\_\_\_\_

TOWN OF CHINO VALLEY, ARIZONA

Publications Date(s)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Jami Lewis, Town Clerk

**REQUEST FOR PROPOSAL**

June 30, 2014

**IMPORTANT PROPOSER'S  
CHECK LIST**

- ☐ 1. The proposal has been signed in the Section IV. (Proposals not signed in this section will not be considered.)
- ☐ 2. Authorized Signature Form is enclosed.
- ☐ 3. The proposal prices offered have been reviewed. (See Section 1.16)
- ☐ 4. Any required descriptive literature or other information have been included.
- ☐ 5. The Contract Time and/or schedules have been included.
- ☐ 6. Any addendums have been included/noted in Offer Section. (See Section 4.6)
- ☐ 7. The mailing envelope/package has been addressed to:  
  
Town of Chino Valley Town Clerk  
202 North State Route 89  
Chino Valley, Arizona 86323
- ☐ 8. Proposal Package/Envelope has been identified with proposal title.
- ☐ 9. The proposal is submitted in time to be received and stamped in by Clerk's Office representative no later than specified time on designated date. (Otherwise the proposal cannot be considered.)

REQUEST FOR PROPOSAL DOCUMENTS FOR:  
BANKING SERVICES  
FOR THE TOWN OF CHINO VALLEY, ARIZONA

Chino Valley intends to purchase banking services in compliance with these specifications.

I. REQUIREMENTS FOR PROPOSERS.

1.1 Proposal Opening Date and Location: Proposals will be received in the office of the Finance Department, 202 North State Route 89, Chino Valley, Arizona 86323, until 3:00 p.m. MST, on June 30, 2014, at which time the names of the proposers will be opened and publicly read. Proposal prices will not be read. Late proposals will not be considered

1.2 Proposal Documents Available: The Proposal Documents consist of four parts: I. Requirements for Proposers, II. General Conditions, III. Scope of Work, and IV. Proposer's Proposal (form). The Proposal Documents are available for downloading on the Town's website at [www.chinoaz.net](http://www.chinoaz.net) or by contacting Joe Duffy, telephone no. (928) 636-2646.

1.3 Incorporation of Proposal Documents: All of the Proposal Documents apply to and become a part of the terms and conditions of the proposal.

1.4 Proposal Form: Proposals must be submitted only on the proposal form. All proposals must be submitted in a sealed envelope clearly marked "Proposal for Banking Services - Office of the Town Clerk"

1.5 Reserved.

1.6 Town's Right to Reject Proposals: The Town of Chino Valley reserves the right to reject any and all proposals and to waive technicalities.

1.7 Late Proposals: Late submittals and/or unsigned Proposals will not be considered under any circumstances. Envelopes containing Proposals with insufficient postage will not be accepted by Chino Valley. It is the sole responsibility of the Proposer to see that his/her Proposal is delivered and received by the proper time and at the proper place.

1.8 Proposal Amendment or Withdrawal: A Proposal may be withdrawn anytime before the Proposal due date and time. A Proposal may not be amended or withdrawn after the Proposal due date and time except as otherwise provided by applicable law.

1.9 Public Record: All Proposals submitted in response to this solicitation and all evaluation related records shall become property of Chino Valley and shall become a matter of public record for review, subsequent to proposal opening. Request for nondisclosure of data such as trade secrets and other proprietary data, must be made known in writing to Chino Valley in

Proposals submitted, and the information sought to be protected clearly marked as proprietary. Chino Valley will not insure confidentiality of any portion of the proposal that is submitted in the event that a public record request is made. Chino Valley will provide 48 hours notice before releasing materials identified by the proposal as confidential or proprietary in order for the proposer to apply for a court order blocking the release of the information.

1.10 Persons with Disabilities: Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Clerks Office. Requests shall be made as early as possible to allow time to arrange the accommodation.

1.11 Proposal Acceptance Period: All proposals shall remain open for 90 days after the day of the opening of proposals, but Chino Valley may, at its sole discretion, release any proposal and return the proposal security (as applicable) prior to that date. No Proposer may withdraw his Proposal during this period without written permission from Chino Valley. Should any Proposer refuse to enter into a contract, under the terms and conditions of the procurement, Chino Valley may retain the security (as applicable), not as a penalty, but as liquidated damages.

1.12 Addendum: This Request for Proposals may only be modified by a written Addendum. Potential Proposers are responsible for obtaining all addenda.

1.13 Proposer Registration: Proposers shall register with the Town Clerk in order to automatically receive notification of Addenda to this Solicitation or notice of other solicitation opportunities. All addenda will be posted on the Chino Valley website at [www.chinoaz.net](http://www.chinoaz.net).

1.14 Proposal Bond: None required.

1.15 General Evaluation Standards:

1.15.1 Chino Valley seeks to obtain the services described above in the Scope of Work. Chino Valley will evaluate proposals on the selection criteria set forth below. Chino Valley will be the sole judge of whether the services offered are acceptable. Proposals from individuals who have provided inadequate services to municipalities in the past, or proposals offering services proven unsatisfactory in Town's sole judgment may be rejected and not considered

- A. Firm Experience and Capability
- B. Expertise of Firm's Key Staff
- C. Local Firm Consideration
- D. Prior Projects with Town
- E. Other Prior Projects
- F. Insurability
- G. Additional Requirements:
  - 1. Firm must have a branch located within the corporate limits of the Town
  - 2. Firm must be a state or federally chartered banking institution

3. Firm must be a member of FDIC.
4. Positive references from at least 3 customers
5. Positive references reflecting experience providing services for Arizona municipalities
6. Ability to provide daily bank balance reporting to the Town by 8:30 a.m. MST.

1.15.2 Waiver and Rejection Rights. Chino Valley reserves the right to reject any or all proposals or any part thereof, or to accept any proposal, or any part thereof, or to withhold the award and to waive or decline to waive irregularities in any proposal when it determines that it is in its best interest to do so.

1.15.3 A Proposer (including each of its principals) who is lawfully prohibited from any public procurement activity may have its Proposal rejected.

1.15.4 Clarifications. Chino Valley reserves the right to obtain Proposer clarifications where necessary to arrive at full and complete understanding of Proposer's product, service, and/or solicitation response. Clarification means a communication with a Proposer for the sole purpose of eliminating ambiguities in the Proposal and does not give Proposer an opportunity to revise or modify its proposal.

1.16 Proposal Preparation:

1.16.1 Format. Proposers shall submit their Proposal with an original and 5 copies either on the forms provided in this Solicitation or their substantial equivalent. Any substitute document must be legible and contain the same information requested on the forms.

1.16.1.1 Title Page: The title page must show the subject, date of the Proposal, Bank or Service Provider's name and name, address and telephone number of the contact person at the bank or service provider.

1.16.2 No Facsimile or Electronic Mail Proposals. Proposals may not be submitted in facsimile or electronically. A facsimile or electronic mail Proposal shall be rejected.

1.16.3 Typed or Ink Corrections. The Proposal shall be typed or in ink. Erasures, interlineations or other modifications in the Proposal shall be initialed in ink by the person signing the Proposal.

1.16.4 No Modifications. Modifications shall not be permitted after Proposals have been opened except as otherwise provided under applicable law.

1.16.5 Content. The Proposal shall contain all of the following information:

1.16.5.1 For each numbered question, proposers must provide a numbered response to the specific question identified below and 1) acknowledge that their financial institution is able to provide the services outlined or, if not able, so indicate; 2) briefly describe how the Town's service requirements will be met, and 3) identify all third party contractors (subcontractors) that will be utilized to provide the service.

- a. Provide a signed letter stating the Proposer's understanding of the work to be done, the commitment to perform the work within the time period, why the firm believes itself to be the best qualified to perform the required duties and a statement that the proposal is a firm, irrevocable offer for 90 days.

**See cover letter.**

- b. Address of branch[es] located within the Town of Chino Valley.

**See cover letter.**

- c. State or federal charter information

**See annual report.**

- d. FDIC Membership confirmation

**See annual report.**

1.16.5.2 Banking Services Fee Schedule (Attachment A)

- a. Provide a list of all fees with explanations

**See Attachment A.**

- b. Proposals must include an earnings credit rate (ECR) and the basis for determining this rate (e.g., three-month Treasury Bill + 25 basis points). The ECR and collected balance shall be used for computing the earnings credit balance. The method of calculation shall not change during the life of the contract without the prior written approval of the Town.

**The ECR rate at National Bank of Arizona is determined by our ALCO directors and is reviewed quarterly based on industry analysis. The rate will not decrease during the contract period.**

- c. Town will determine whether it will pay fees directly for services used, apply an earnings credit from compensating balances, or use a combination thereof. Town may consider other optional methods of payment proposed by the Bank or Service Provider. The Proposer should propose various reimbursement or payment options available to Town.

**Analysis fees are billed monthly and debited on the 21<sup>st</sup> of the following month for the previous months activity.**

- 1.16.5.3 Sample copies of all agreements required to provide services

**See sample agreements.**

- 1.16.5.4 List of current government or municipal client references

**Town of Buckeye**

Contact: Iris Wallace  
Title: Financial Services Manager  
Phone: 623/349-6152  
Email: [iwallace@buckeyeaz.gov](mailto:iwallace@buckeyeaz.gov)  
Address: 1101 E Ash Ave  
Buckeye, AZ 85326

**Yuma County**

Contact: Gil Villegas, Jr  
Title: Finance Director  
Phone: 928/373-1012  
Email: [Gilberto.Villegas@yumacountyaz.gov](mailto:Gilberto.Villegas@yumacountyaz.gov)  
Address: 198 S Main St Yuma, AZ 85364  
Yuma, AZ 85364

**Town of Marana**

Contact: Erik Montague  
Title: Finance Director  
Phone: 520/382-1930  
Email: [emontague@marana.com](mailto:emontague@marana.com)  
Address: 11555 W. Civic Center Drive, Bldg A3 Marana, AZ 85653

- 1.16.5.5 Annual Report for most current fiscal year

**See annual report.**

## 1.16.5.6 Sample monthly analysis statement

## Town of Chino Valley - Sample Analysis

Month: 06 14

Number of Days in Cycle: 30

Based on activity balances from June 2014

|                                       |    |                              |    |       |
|---------------------------------------|----|------------------------------|----|-------|
| Average Ledger Balance                |    | Balance Excess/(Shortfall)   | \$ | -     |
| Less: Average Float                   |    | Earnings Credit Rate*        |    | 0.15% |
| Average Collected Balance             | \$ | Earnings Credit Allowance    | \$ | -     |
| Less: Average Uncollected Balance     |    | Less: Total Activity Charges | \$ | -     |
| Average Investable Balance            | \$ |                              |    |       |
| Balance Required to Offset Total Fees | \$ | Excess Earnings Credit (fee) | \$ | -     |

| TYPE OF SERVICE                                      | VOLUME | PRICE                            | SERVICE CHARGE |
|------------------------------------------------------|--------|----------------------------------|----------------|
| <b>Basic Account Services</b>                        |        |                                  |                |
| Account Maintenance                                  |        | \$ 16.00                         | \$ -           |
| Balance Based Fee (per hundred)                      | -      | \$ 0.13                          | \$ -           |
| Debits (checks written)                              |        | \$ 0.18                          | \$ -           |
| Credits                                              |        | \$ 0.80                          | \$ -           |
| Checks Deposited:                                    |        |                                  |                |
| On-Us Items                                          |        | \$ 0.10                          | \$ -           |
| Local Items                                          |        | \$ 0.13                          | \$ -           |
| Transit Items                                        |        | \$ 0.13                          | \$ -           |
| Per ACH Debit/Credit Item                            |        | \$ 0.14                          | \$ -           |
| Non-Sufficient Funds (NSF)                           |        | \$ 33.00                         | \$ -           |
| Uncollected Funds Utilization Fee                    |        | Prime Rate + 4%                  |                |
| Deposited Item Return Fee                            |        | \$ 10.00                         | \$ -           |
| Cash Deposited, Per \$100                            |        | \$ 0.15                          | \$ -           |
| Wire Transfers Services                              |        |                                  |                |
| Incoming (International, Manual)                     |        | \$ 30.00                         | \$ -           |
| Outgoing (International, Manual)                     |        | \$ 40.00                         | \$ -           |
| <b>NBJAZ Business Connect - Information Services</b> |        |                                  |                |
| One Time Setup Fee                                   |        | \$ 50.00                         | \$ -           |
| Previous Day Reporting (1st account)                 |        | \$ 25.00                         | \$ -           |
| Previous Day Reporting (additional account)          |        | \$ 10.00                         | \$ -           |
| Same Day Reporting (per account)                     |        | \$ 7.50                          | \$ -           |
| Previous/Same Day Items (per item)                   |        | \$ 0.10                          | \$ -           |
| Paid Item Images (per account)                       |        | \$ 7.50                          | \$ -           |
| Paid/Deposited Item Images (per account)             |        | \$ 12.50                         | \$ -           |
| Electronic Report and Statement Delivery (ERD)       |        | Free with Previous Day Reporting |                |
| Book Transfers (per transfer)                        |        | \$ 1.00                          | \$ -           |
| Stop Payments - 12 Months (per check)                |        | \$ 15.00                         | \$ -           |
| <b>NBJAZ Business Connect - Wire Services</b>        |        |                                  |                |
| Setup Fee - One Time                                 |        | \$ 25.00                         | \$ -           |
| Monthly Maintenance (per account)                    |        | \$ 5.00                          | \$ -           |
| Outgoing (Domestic)                                  |        | \$ 11.00                         | \$ -           |
| Outgoing (International)                             |        | \$ 25.00                         | \$ -           |
| <b>NBJAZ Business Connect - ACH Services</b>         |        |                                  |                |
| Setup Fee - One Time                                 |        | \$ 50.00                         | \$ -           |
| Monthly Maintenance (per account)                    |        | \$ 30.00                         | \$ -           |
| Originated Items (credit/debit)                      |        | \$ 0.15                          | \$ -           |
| Addenda Records Originated                           |        | \$ 0.06                          | \$ -           |
| Returns and Notifications of Change                  |        | \$ 4.00                          | \$ -           |
| Item Deletion or Reversal                            |        | \$ 15.00                         | \$ -           |
| <b>Positive Pay Services</b>                         |        |                                  |                |
| Setup Fee - One Time                                 |        | \$ 25.00                         | \$ -           |
| ACH Positive Pay, per account, per month             |        | \$ 15.00                         | \$ -           |
| Check Positive Pay, per account, per month           |        | \$ 25.00                         | \$ -           |
| Check Positive Pay, per paid item                    |        | \$ 0.04                          | \$ -           |
| ACH Exception Items (1-5 exceptions)                 |        | \$ -                             | \$ -           |
| ACH Exception Items (+6, per exception)              |        | \$ 1.50                          | \$ -           |
| Check Exception Items (per exception)                |        | \$ 1.50                          | \$ -           |

| Anytime Remote Deposit Services       |    |        |             |
|---------------------------------------|----|--------|-------------|
| Setup Fee - One Time                  | \$ | 50.00  | \$ -        |
| Monthly Maintenance (Premium Service) | \$ | 125.00 | \$ -        |
| Credits                               | \$ | 0.65   | \$ -        |
| Checks Deposited:                     |    |        | \$ -        |
| On-Us Items                           | \$ | 0.10   | \$ -        |
| Local Items                           | \$ | 0.10   | \$ -        |
| Transit Items                         | \$ | 0.10   | \$ -        |
| Deposit Correction Fee                | \$ | 5.00   | \$ -        |
| <b>TOTAL ACTIVITY CHARGES</b>         |    |        | <b>\$ -</b> |

### 1.16.5.7 Earnings credit rate for prior 12 month period

| Public Funds Analysis (129) |             |
|-----------------------------|-------------|
| ECR for All Balances        |             |
| <b>2013</b>                 |             |
| June                        | <b>0.25</b> |
| July                        | <b>0.25</b> |
| August                      | <b>0.25</b> |
| September                   | <b>0.25</b> |
| October                     | <b>0.25</b> |
| November                    | <b>0.25</b> |
| December                    | <b>0.25</b> |
| <b>2014</b>                 |             |
| January                     | <b>0.25</b> |
| February                    | <b>0.25</b> |
| March                       | <b>0.15</b> |
| April                       | <b>0.15</b> |
| May                         | <b>0.15</b> |
| June                        | <b>0.15</b> |

1.16.5.8 Credit rating information and date of rating. Credit rating information must be provided from one of the following bank rating services: A.M. Best Company, Bankrate, Inc., Bauer Financial Inc. FIS-Financial Information Systems, LLC, LACE Financial Corporation, IDC Financial Publishing, or Highline Financial, LLC.

**See annual report**

1.16.5.9 Brief Description of the Proposer's Firm, including:

- a.. Office location
- b. Length of time in business
- c. Total number of employees and number of local employees
- d. Names of principals, their disciplines, and Arizona registration
- e. Services provided by the firm
- f. Experience in providing similar services within the last 5 years
- g. Three (3) references

**See Cover Letter, Strength and Stability, Recommendation Details, and section 1.16.5.4**

1.16.5.10 Subcontractors: Please list any firms that will act as subcontractors to your firm. Provide information regarding prior projects on which subcontractors have worked with your firm.

N/A

1.16.5.11 Project Team: List the names and location of the senior banking official (Vice President or higher) who will serve as liaison for the Town and other individuals who will be providing services to the Town pursuant to this Contract. Provide the following information for each team member:

**The Town of Chino Valley will be assigned 3 primary contacts as follows:**

**Doug Lindberg**  
**Relationship Manager, VP**  
**Doug will oversee the entire relationship and be the primary contact for the Town.**

**Mark Garman**  
**Branch Manager, AVP**  
**Mark and his Team will assist the Town at the local Branch in Chino Valley with day to day needs.**

**Alison Townsend**  
**Treasury Sales Officer, VP**  
**Alison and her Team will oversee the Treasury Service Implementation**  
**and will provide day to day assistance with Treasury products.**

a. General qualifications

**See Excellence in Banking.**

b. Any project experience directly relevant to this Contract while with this firm

**See References.**

c. Indicate current work load and *certify* that no liaison or other team member will be substituted without prior approval from the Town of Chino Valley

**The Town will have full support from National Bank of Arizona and will receive notification of any change in staff.**

1.16.5.12 Schedule: Indicate the firm's proposed time schedule for providing services and, especially that the firm will be required to provide the Town with daily bank balance reporting no later than 8:30 a.m. MST daily.

**The Town will have access to daily balance reporting thru the Business Connect System. The information is updated every 15 minutes throughout each business day.**

### **Treasury Management Online Reporting Solution - NBLAZ Business Connect™**

The ability to access your company's financial data quickly and easily is vital to the daily operation of your business. With NBLAZ Business Connect™ you'll have access to banking information, payment solutions, and specialized reports available in a concise, one page "dashboard" that you can set up to access the data most critical to your needs.

NBLAZ Business Connect™ is not a one size fits all Information Reporting system. This powerful, secure, and 24/7 accessible web based application is built to fit your company's needs and easily customizable to suit your viewing preferences.

#### **Benefits and Features**

- **Self Administration** – The module provides the option to manage user privileges on your time frame. You can add new users, assign user access and security privileges, change user permissions or remove users at your discretion, without having to send anything to the bank.
- **eLearning** – National Bank of Arizona puts the convenience of training at your fingertips with our online training tutorials. Last minute questions and "how to's" can be answered from the comfort of your desk without making a phone call. The

narrated tutorials can be accessed online and anytime within NBLAZ Business Connect™. For example, if you need a refresher on how to send a wire transfer, build an ACH File or create a custom report you can review the narrated tutorial and select “try me” to practice using the selected topic.

- **Dashboard** – The system opens to a landing page that you set up with your most frequently used data to expedite decision making. Customizable “widgets” allow you to display the accounts and reports most meaningful to you, as well as allow your company to see “at a glance” items requiring action such as pending wires or ACH transactions.
- **Balance and Transaction Reporting** – Summary level Same Day and Previous Day information is available on all your accounts, with the ability to view more detail with a click of your mouse. Available by 8:00 a.m. local time, you can log in and view information you need to determine your cash position on each account, including ledger, collected, float and transaction types. Additional detail on transactions such as ACH and Wire Transfers can be viewed in either detail view, or a hover over pop up window; each user can determine the way they want to view the details. You will be able to access Previous Day information for 180 days, while Same Day detail is retained for 90 days.
- **Loan Reporting** – View basic loan information such as rate, amount and maturity date in addition to enhanced information such as total line amount, next payment date and amount. Details of payments and advances are also available with the click of a mouse.
- **Bank Reports** – A variety of bank reports are available online for your convenience. Examples include:
  - Current Day Summary
  - Current Day Detail
  - Previous Day Summary
  - Previous Day Detail
  - Previous Day Detail (no checks)
  - Paid Checks
  - Wire Summary
  - Wire Detail

Custom reports can be created from any of the standard bank reports and can be tailored to your specific needs. You are able to pinpoint specific accounts, types of transactions, date ranges or dollar amount ranges to identify meaningful transactions. Custom reports can be saved for future use by an individual or shared across other users in the company with similar permissions.

- **Special Reports** – A wide range of Special Reports are available to make delivery of your financial information consistent and convenient. Examples of Special Reports include:

- **EDI Reports** – View the details of incoming ACH transactions that include addenda, CTX or EDI information in an organized, human-readable format.
- **ACH Returns** – All returned ACH transactions as well as Notification of Change (NOC) are detailed on this report, including effective date, a reason for the return or change, and receiver information.
- **Statements** - Statements for all enrolled accounts can be viewed and stored in PDF with available history of 18 months. View front and back of statement details, as well as imaged check pages. eStatements can be saved and stored to your local directory for long term archival or viewed by individuals without NBI/AZ Business Connect™ access.
- **Check and Deposit Images** – This module will facilitate research or postings to your accounts receivables with the ability to view images of paid checks, deposits, Anytime Remote Deposits™ deposited items, and Lockbox deposit items. A built-in image viewer gives you the ability to review individual items (paid or deposited) without downloading software. View the front and back of each item, download the items for future reference or use them to accelerate the closure of pending research; all available at your fingertips.
- **Payment/Collection Solutions** — Conserving or increasing your balances has never been easier with the use of our online Payment/Collection solutions: ACH or Wire Transfer. Easy to use modules let you send immediate payments via wire transfer or recurring payments or collections through ACH as easily as 1, 2, 3. With the ability to set up multi levels of security you can determine how many levels of authorization are needed for payments and collections. You determine security levels according to your specifications and we provide you with guidance on minimum security requirements.
- **Book Transfers** – Quickly and easily transfer funds between enrolled accounts. Book transfer transactions can be permitted to authorized users. Transactions are processed in real time and are reflected in the Same Day balance reporting information.
- **Stop Payments** — Place stop payments online quickly and easily in real time and receive automatic confirmation online. View details and images of stop payment items via the Stop Pay Report.
- **Export Capabilities** – Export any balance reporting information into BAI2, Excel, QuickBooks, Microsoft Money, SWIFT MT940 or customized delimited or fixed width files; format for permanent storage on your local directories or for further integration into your host systems.

1.16.5.13      Approach: Demonstrate the understanding of the Services and the steps you will undertake to provide them.

National Bank of Arizona can meet all of the needs requested and can execute on all items in timely manner. Once awarded the relationship we will sit down with the Finance Director to plan the transition. Our goal will be to set a “go live” date and work

backwards from there ensuring that all systems are test and all employees are trained prior to the transition.

1.16.5.14 Other Information:

- a. Describe the Proposer's commitment to innovation. By what means will innovation impact the future of the Proposer?

**National Bank of Arizona prides itself on being a "Community Bank" with a parent Bank in Zions Bancorporation that allows us to be on the cutting edge of technology while providing the "local" banking relationship. We believe any future innovation will on benefit our clients by providing them better technology while still maintaining the "local" banking relationship.**

- b. What security measures are in place to handle unauthorized access to the system or data? What are the features that are in place to prevent security breaches for file transmission or internet transactions?

**National Bank of Arizona uses dual administration for Business Connect to ensure that dual control is in place with all clients – this is a mandatory requirement. We also highly recommend that all customers use our Positive Pay Services.**

### **Positive Pay**

Reduce the risk of fraud with Positive Pay. Check fraud in the United States has increased to billion-dollar levels. Technology has made it easy to create fraudulent checks—fraudulent checks that are presented as real checks. Banks and businesses are working together to minimize risk and exposure. With Positive Pay, you simply send us a check file every time you issue checks; or you can manually enter your checks into Positive Pay. We'll match your issues against checks presented for payment and present any exceptions to you for a "pay" or "no pay".

### **Benefits and Features**

Minimizing risk and exposure is vital for businesses of all sizes. Positive Pay offers functionality that limits risk and exposure in one easy-to-use package. Some of the benefits and features of Positive Pay include the following:

- **Improved Control and Security** for your account. You have the option to pay or return stale-dated items or items that do not match your issue information.
- **Lower Costs.** Timely return of forged or altered checks saves you many times the cost of the service in potential losses and legal fees.
- **Easy-to-Use.** The screens and menus are intuitive and easy to navigate. You can operate the system with very little training.
- **Flexible File Import Capabilities.** Positive Pay accepts virtually any file format. Examples of file formats accepted are comma-separated values (CSV), negative dollar amounts, multiple header or trailer records within one file, Julian-date formats, and slash or hyphens

within dates. Positive Pay offers you the ability to accept almost all file formats. The ease of accepting files from third parties and the use of a manual entry screen make it easier for you to transfer data from your accounting systems to the Bank.

- **Streamlined User Maintenance.** The Administration Module allows you to retain ownership of users and permissions within your company. You are able to reset passwords, maintain users, and view audit activity reports.
- **Segregation of Duties.** For optimum security, you can layer user permissions and limit user account access. The Dual Control option allows you to separate the upload and approval functions so that two employee authorizations are required to release issue and void files to the Bank.
- **Security at the Teller Line.** Because the Positive Pay information frequently updates at the Bank, tellers have access to the most current check information available when cashing items presented for payment.
- **Protection against Payee Alterations.** Payee alterations have become more prevalent due to fraudsters realizing that many businesses utilize Positive Pay to verify check number and amount only. Payee Match reduces the risk of fraud due to payee alteration.
- **Self-Reconcilement.** The online reports and file export capabilities enable you to reconcile your accounts and easily integrate information into your own accounting systems.
- **Security.** The online session is protected by Secure Socket Layer (SSL) 128-bit encryption.
- **Restricted Access.** The sign-on requires three levels of identification: Company ID, User ID, and password.
- **Images.** View images of daily exceptions and historical paid items.
- **Email Notification.** We can send notifications to one or more email addresses when daily exception items are available for review.

### ACH Positive Pay

Electronic payments are becoming more widely used, and with increased usage comes an increase in incidents of ACH fraud. ACH Positive Pay is an inexpensive and simple way to prevent unauthorized electronic transactions. With our easy-to-use web based system, you can view and decision ACH transactions, and establish and manage your list of ACH filters. With our Administration Module, you will be able to grant permissions to users, manage accounts, reinstate passwords and audit activity.

### Benefits and Features

- **Improved Control and Security for your account.** You have the option to approve payment and to return unauthorized transactions. If you choose to pay a transaction, you can also instruct the bank to create a new filter with the origination information.
- **Lower Costs.** Timely return of unauthorized transactions saves you many times the cost of the service in potential losses and legal fees.

- **Easy-to-Use.** The screens and menus are intuitive and easy to navigate. You can operate the system with very little training.
- **ACH Filter Management.** Edit or delete existing ACH filters and, add new ones. The color coded status field quickly informs you if an ACH filter is active, pending or about to expire.
- **Streamlined User Maintenance.** The Administration Module allows you to retain ownership of users and permissions within your company.
- **Security.** The online session is protected by Secure Socket Layer (SSL) 128- bit encryption. A Company ID, User ID, and password are required for access.
- **Email Notification.** We can send notifications to one or more email addresses when daily exception items are available for review.

### **Administration Module**

Our Administration Module empowers you to manage users and assign permissions; you no longer have to wait for the Bank to set up your users. Your company's Administrator can set up a new user who is ready to perform ACH Positive Pay duties immediately.

The Business Administrator is automatically assigned the following permissions:

- Set up additional users and User Groups
- Grant permissions to users and User Groups
- Assign accounts to users or User Groups
- Re-enable passwords
- Disable or suspend users and passwords
- Audit user information
- Manage and test import file definitions

**1.16.6 Solicitation Addendum Acknowledgement.** Each Solicitation Addendum shall be acknowledged in the Proposal Section, which shall be submitted together with the Proposal on the Proposal due date and time. Failure to note a Solicitation Addendum may result in rejection of the Proposal.

**1.16.7 Evidence of Intent to be Bound.** The Proposal form within the Solicitation shall be submitted with the Proposal and shall include a signature by a person authorized to sign the Proposal. The signature shall signify the Proposer's intent to be bound by its Proposal and the terms of the Solicitation and that the information provided is true, accurate and complete. Failure to submit verifiable evidence of intent to be bound, such as an original signature, shall result in rejection of the Proposal.

**1.16.8 Non-Collusion and Non-Discrimination.** By signing and submitting the Proposal, the Proposer certifies that: the Proposer did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its Proposal; and the Proposer does not discriminate against any employee or applicant for employment or person to whom it

provides services because of race, color, religion, age, sex, national origin, or disability, and that it complies with all applicable Federal, state and local laws and executive orders regarding employment.

#### 1.17 Inquiries

1.17.1 Duty to Examine. It is the responsibility of each Proposer to examine the entire Solicitation, seek clarification (inquiries), and examine its Proposal for accuracy before submitting the Proposal. Lack of care in preparing a Proposal shall not be grounds for modifying or withdrawing the Proposal after the Proposal due date and time, nor shall it give rise to any Contract claim.

1.17.2 Contact Person. Any inquiry related to a Solicitation, including any requests for or inquiries regarding standards referenced in the Solicitation should be directed solely to the Contact person listed on the cover page of the solicitation. The Proposer shall not contact or direct inquiries concerning this Solicitation to any other Town employee unless the Solicitation specifically identifies a person other than the Contact Person as a contact.

1.17.3 Submission of Inquiries. All inquiries shall be submitted in writing and shall refer to the appropriate Solicitation number, page and paragraph. Do not place the Solicitation number on the outside of the envelope containing that inquiry, since it may then be identified as an Proposal and not be opened until after the Proposal due date and time. Chino Valley shall consider the relevancy of the inquiry but is not required to respond in writing.

1.17.4 Timeliness. Any inquiry or exception to the solicitation shall be submitted as soon as possible and should be submitted at least ten (10) days before the Proposal due date and time for review and determination by Chino Valley. Failure to do so may result in the inquiry not being considered for a Solicitation Addendum.

1.17.5 No Right to Rely on Verbal Responses. A Proposer shall not rely on verbal responses to inquiries. A verbal reply to an inquiry does not constitute a modification of the Solicitation.

## II. GENERAL CONDITIONS

2.1 Contract Term; Renewal. The term of this Agreement shall be from date of execution of the Contract for five (5) years. All services identified herein shall be completed to the satisfaction of the Town.

2.2 Cooperative Use of Contract: Upon written approval of the Successful Proposer and Chino Valley, this Contract may be tendered for use by other municipalities and government agencies.

## III. SCOPE OF WORK

Online and regular banking services to accommodate the Town's needs related to the Town's bank accounts which, at the time of the solicitation include:

- Town General Fund – used for the majority of deposits and disbursements made by the Town;
- Court General Account – used for the majority of deposits and disbursements from the municipal court;
- Court Trust Account – used for bonds received and disbursed from the municipal court;
- Court Savings JCEF – Savings account for restricted Court funds;
- Court Fill in the Gap Funds – Savings account for restricted Court Funds.

## IV. PROPOSER'S PROPOSAL

4.1 Proposer's Proposal: For the proposal opening June 30, 2014 for banking services.

4.2 Covenant Clause: It is expressly agreed by Proposer that these covenants are irrevocable and perpetual.

4.3 Conditions Accepted: The undersigned Proposer declares that before preparing this proposal, he or she has read the Proposal Documents carefully, and that this proposal is made with full knowledge of the kind, quality and quantity of services to be furnished by signing this proposal. Proposer agrees to all conditions contained in the Proposal Documents.

 **LINDSEY KINKADE**  
Notary Public - State of Arizona  
**YAVAPAI COUNTY**  
My Commission Expires  
**January 23, 2018**

## TOWN OF CHINO VALLEY, ARIZONA

## AUTHORIZED SIGNATURE FORM

Chino Valley Contract Number: \_\_\_\_\_

Contractor Name: \_\_\_\_\_

WHEREAS, the Town of Chino Valley requires that Contractor execute documents necessary for the prompt and efficient execution of the business related to the Contract;

NOW, THEREFORE, on behalf of the Contractor, I hereby declare that

\_\_\_\_\_  
(Name of Parties Authorized)

is/are authorized to execute and sign on behalf of said Contractor the following documents:

- |                 |                               |
|-----------------|-------------------------------|
| 1. The Contract | 5. Change Orders              |
| 2. The Bond     | 6. All other papers necessary |
| 3. Payrolls     | for the conduct of the        |
| 4. Claims       | corporation's affairs and     |
|                 | the execution of the Contract |

The above-named person is granted the authority and duties herein referenced for the duration of the Contract for this Project or until express notice of revocation has been duly given in writing, whichever is the lesser period. In the event Contractor is governed by a Board of Directors, a copy of the Resolution of the Board granting authority to said person(s) is attached hereto, and I hereby verify that such Resolution remains in full force and effect.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

(Seal of Corporation)

STATE OF \_\_\_\_\_ )  
County of \_\_\_\_\_ ) ss.

DATED \_\_\_\_\_, 2014.

(Seal of Corporation)

This instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2014 by \_\_\_\_\_, appearing before the undersigned Notary Public, and stated that he executed such instrument on behalf of said corporation for the purpose and consideration therein expressed.

**My Commission Expires:**

**AGREEMENT FOR SERVICES****Contract No. \_\_\_\_\_**

THIS Agreement is entered into as of this 22nd day of July, 2014, by and between the Town of Chino Valley, Arizona, a municipal corporation, hereinafter referred to as the "Town" and National Bank of Arizona hereinafter referred to as the "Contractor."

FOR THE PURPOSE of providing banking services for the Town of Chino Valley, Chino Valley and Contractor do hereby mutually agree to the following:

1. **SERVICES AND RESPONSIBILITIES**

1.1 **Retention of the Contractor.** In consideration of the mutual promises contained in this Agreement, Chino Valley engages the Contractor to render services set forth herein, in accordance with all the terms and conditions contained in this Agreement.

1.2 **Scope of Services.** The Contractor shall do, perform and carry out in a satisfactory and proper manner, as determined by Chino Valley, the services set forth in this Agreement, including all exhibits ("Services"). The specific scope of work is set forth in Exhibit A.

1.3 **Responsibility of the Contractor.**

1.3.1 Contractor shall provide sufficient qualified personnel, upon reasonable notice to perform any and all services as required herein, including but not limited to inspections and preparation of reports, as reasonably requested by representatives of the Town. Contractor is solely responsible for the retention and payment of any subcontractors and/or material suppliers retained by Contractor pursuant to this Agreement, and that the payment for the foregoing is included within the total amount to be paid to Contractor pursuant to Paragraph 2.

1.3.2 Contractor hereby agrees that the documents and reports prepared by Contractor will fulfill the purposes of the Contract, shall meet all applicable federal, state and local requirements and shall comply with applicable laws and regulations. In addition, and not as a limitation on the foregoing, such documents and reports prepared by Contractor shall be prepared in accordance with professional consulting standards, as applicable. Any review or approval of said documents and reports does not diminish these requirements.

1.3.3 Reserved.

1.3.4 Contractor shall procure and maintain during the course of this Agreement insurance coverage required by Paragraph 4 of this Agreement.

1.3.5 Contractor shall designate \_\_\_\_\_ as Contractor Representative and all communications shall be directed to him. Key Contractor Personnel are set forth in Exhibit B. "Key Personnel" includes those employees who have significant responsibilities regarding the Services and Contract. Prior to changing such designation Contractor shall first obtain the approval of Town.

1.3.6 Contractor's subcontracts are set forth in Exhibit B attached hereto and made a part hereof. Any modification to the list of Subcontractors on Exhibit B, either by adding, deleting or changing subcontractors, shall require the written consent of Town.

1.3.7 Contractor shall obtain its own legal, insurance and financial advice regarding Contractor's legal, insurance and financial obligations under this Agreement.

1.3.8 Contractor shall coordinate its activities with Town's representative and submit its reports to Chino Valley's representative.

1.3.9 Contractor shall provide, pay for and insure under the requisite laws and regulations all labor, materials, equipment, and transportation, and other facilities and services necessary for the proper execution and completion of the Services. Contractor shall provide and pay for and insure for all equipment necessary for the Services.

1.3.10 Contractor shall obtain and pay for all business registrations, licenses, permits, governmental inspections and governmental fees necessary and customarily required for the proper execution and completion of Services. Contractor shall pay all applicable taxes. Contractor shall give all notices and comply with all laws, ordinances, rules, regulations and lawful orders of any public authority bearing on the performance of the Services.

1.3.11 Contractor shall not charge Town for any Day Light Overdraft fees.

1.3.12 Contractor shall provide Town with daily bank balance reporting no later than 8:30 a.m. MST daily.

1.3.13 At all times during this Contract, Contractor shall maintain a branch office located within the Town boundaries of the Town of Chino Valley.

1.3.14 Contractor shall maintain Town records relevant to this Contract for a period of seven (7) years following termination or expiration of this Contract.

#### 1.4 Responsibility of Town.

1.4.1 Town shall cooperate with the Contractor by placing at its disposal all available information concerning the Services.

1.4.2 Town designates Joe Duffy as its Town Representative. All communications to Town shall be through its Town Representative.

1.5 Contract Term; Renewal. The term of this Agreement shall be from July 23, 2014 through June 30, 2019. All services identified herein shall be completed to the satisfaction of the Town no later than June 30, 2019.

1.6 Schedule of Services. The Schedule of Services is set forth in Exhibit C.

## 2. COMPENSATION AND METHOD OF PAYMENT

2.1 Compensation. All compensation for complete and satisfactory completion of services rendered by Contractor, including its subcontractor(s), shall be set forth in Exhibit D and shall not exceed \$\_\_\_\_\_.

2.2 Method of Payment. Method of payment shall be set forth in Exhibit D. If payment is to be made monthly, Contractor shall prepare monthly invoices and progress reports which clearly indicate the progress to date and the amount of compensation due by virtue of that progress. All invoices shall be for services completed.

2.3 Invoices. Town reserves the right to deduct up to ten percent (10%) from the invoiced amount for any invoice submitted more than sixty (60) days after the Services are completed.

2.4 Contractor shall provide to Town its completed W-9 Form prior to receipt of any Compensation.

2.5 Taxes. Contractor will be responsible for and shall pay all sales, consumer, use, and other taxes. When equipment, materials or services generally taxable to Contractor are eligible for a tax exemption, credit or deduction due to the nature of the item, at Contractor's request, Town will assist Contractor in applying for and obtaining the same.

## 3. CHANGES TO THE SCOPE OF SERVICES

3.1 Change Orders. Town may, at any time, and by written change order, make changes in the services to be performed under this Agreement. A form of change order is attached hereto as Exhibit E. If such changes cause an increase or decrease in the Contractor's cost or time required for performance of any services under this Agreement, an equitable adjustment shall be made and the Agreement shall be modified in writing accordingly. Any claim of the Contractor for adjustment under this clause must be submitted in writing within thirty (30) days from the date of receipt by the Contractor of the notification of change. It is distinctly understood and agreed by the parties that no claim for extra services provided or materials furnished by Contractor will be allowed by Town except as provided herein; nor shall Contractor provide any services or furnish any materials not covered by this Agreement unless Town first approves in writing.

## 4. INSURANCE REPRESENTATIONS AND REQUIREMENTS

4.1 General. Contractor agrees to comply with all Town ordinances and state and federal laws and regulations. Without limiting any obligations or liabilities of Contractor, Contractor shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies duly licensed by the State of Arizona (admitted insurer) with an AM Best, Inc. rating of A-7 or above or an equivalent qualified unlicensed insurer by the State of Arizona (non-admitted insurer) with policies and forms satisfactory to Town. Failure to maintain insurance as specified may result in termination of this Agreement at Town's option.

4.2 No Representation of Coverage Adequacy. By requiring insurance herein, Town does not represent that coverage and limits will be adequate to protect Contractor. Town reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Contractor from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

4.3 Additional Insured. All insurance coverage and self-insured retention or deductible portions, except Workers Compensation insurance and Professional Liability insurance if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, Town, its agents, representatives, officers, directors, officials and employees as Additional Insured as specified under the respective coverage sections of this Agreement.

4.4 Coverage Term. All insurance required herein shall be maintained in full force and effect until all Services required to be performed under the terms of this Agreement is satisfactorily performed, completed and formally accepted by Town, unless specified otherwise in this Agreement.

4.5 Primary Insurance. Contractor's insurance shall be primary insurance as respects performance of subject contract and in the protection of Town as an Additional Insured.

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

4.7 Waiver. All policies, including Workers' Compensation Insurance, shall contain a waiver of rights of recovery (subrogation) against Town, its agents, representative, officials, directors, officers, and employees for any claims arising out of the Services of Contractor. Contractor shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

4.8 Policy Deductibles and or Self Insured Retentions. The policies set forth in these requirements may provide coverage, which contain deductibles or self insured retention amounts. Such deductibles or self insured retention shall not be applicable with respect to the policy limits provided to Town. Contractor shall be solely responsible for any such deductible or self insured retention amount. Town, at its option, may require Contractor to secure payment of such deductible or self insured retention by a surety bond or irrevocable and unconditional Letter of Credit.

4.9 Use of Subcontractors. If any Services under this Agreement are subcontracted in any way, Contractor shall execute written agreement with Subcontractor containing the same Indemnification Clause and Insurance Requirements set forth herein protecting Town and

Contractor. Contractor shall be responsible for executing the agreement with Subcontractor and obtaining Certificates of Insurance verifying the insurance requirements.

4.10 Evidence of Insurance. Prior to commencing any Services under this Agreement, Contractor shall furnish Town with Certificate(s) of Insurance, or formal endorsements as required by this Agreement, issued by Contractor's Insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverage's, conditions, and limits of coverage specified in this Agreement and that such coverage and provisions are in full force and effect. Acceptance and reliance by Town on a Certificate of Insurance shall not waive or alter in any way the insurance requirements or obligations of this Agreement. Such Certificate(s) shall identify the Agreement and be sent to Town. If any of the above cited policies expire during the life of this Agreement, it shall be Contractor's responsibility to forward renewal Certificates within ten (10) days after the renewal date containing all the aforementioned insurance provisions. Certificates shall specifically cite the following provisions:

4.10.1 Town, its agents, representatives, officers, directors, officials and employees is an Additional Insured as follows:

- a. Commercial General Liability-Under ISO Form CG 20 10 11 85 or equivalent.
- b. Auto Liability-Under ISO Form CA 20 48 or equivalent.
- c. Excess Liability-Follow Form to underlying insurance.

4.10.2 Contractor's insurance shall be primary insurance as respects performance of this Agreement.

4.10.3 All policies, including Workers' Compensation, waive rights of recovery (subrogation) against Town, its agents, representatives, officers, directors, officials and employees for any claims arising out of Services performed by Contractor under this Agreement.

4.10.4 Certificate shall cite a thirty (30) day advance notice cancellation provision. If ACORD Certificate of Insurance form is used, the phrases in the cancellation provision "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

4.11 Required Coverage:

4.11.1 Commercial General Liability: Contractor shall maintain "occurrence" from Commercial Liability Insurance with an unimpaired limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products and Completed Operations Annual Aggregate, and a

\$2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as Insurance Services Office, Inc. policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, Town, its agents, representative, officers, directors, officials and employees shall be cited as an Additional Insured Endorsement form CG 20 10 11 85 or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you". If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

4.11.2 Professional Liability: Contractor shall maintain Professional Liability insurance covering errors and omissions arising out of the Services performed by Contractor, or anyone employed by Contractor, or anyone for whose acts, mistakes, errors and omissions Contractor is legally liable, with an unimpaired liability insurance limit of \$1,000,000 each claims and \$1,000,000 all claims. Professional Liability coverage specifically shall contain contractual liability insurance covering the contractual obligations of this Agreement. In the event the Professional Liability insurance policy is written on a "claims made" basis, coverage shall extend for three (3) years past completion and acceptance of the Services, and Contractor shall be required to submit Certificates of Insurance evidencing proper coverage is in effect as required above.

4.11.3 Vehicle Liability: Contractor shall maintain Business Automobile Liability Insurance with a limit of \$1,000,000 each occurrence and \$2,000,000 aggregate; and minimum coverage of \$500,000 per occurrence/aggregate for property damage on Contractor's owned, hired, and non-owned vehicles assigned to or used in the performance of the Contractor's Services under this Agreement. Coverage will be at least as broad as Insurance Services Office, Inc., coverage code "1" any auto policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of performance of this Agreement, Town, its agents, representative, officers, directors, officials and employees shall be cited as an Additional Insured under the Insurance Service Offices, Inc. Business Auto Policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance. Such policies shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, or any provision which would serve to limit third party action over claims.

4.11.4 Workers' Compensation Insurance: Contractor shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance Services under this Agreement and shall also maintain Employer Liability Insurance of not less than \$500,000 for each accident, \$500,000 disease for each employee and \$1,000,000 disease policy limit.

## 5. INDEMNIFICATION

5.1 To the fullest extent permitted by law, Contractor, its successors, assigns and guarantors, shall pay, defend, indemnify and hold harmless Town, its agents, officers, officials and employees from and against all demands, claims, proceedings, suits, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), and all claim adjustment and handling expenses, relating to, arising out of, or alleged to have resulted from acts, errors, mistakes, omissions, Services caused by Contractor, its agents, employees or any tier of Contractor's subcontractors related to the Services in the performance of this Agreement. Contractor's duty to defend, hold harmless and indemnify Town, its agents, officers, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use of resulting therefrom, caused by Contractor's acts, errors, mistakes, omissions, Services in the performance of this Agreement including any employee of Contractor, any tier of Contractor's subcontractor or any other person for whose acts, errors, mistakes, omissions, Services Contractor may be legally liable including Town. Such indemnity does not extend to Town's negligence.

5.2 Insurance provisions set forth in this Agreement are separate and independent from the indemnity provisions of this paragraph and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions of this paragraph shall not be construed in any way to limit the scope and magnitude and applicability of the insurance provisions.

## 6. TERMINATION OF THIS AGREEMENT

6.1 Termination. Town may, by written notice to Contractor, terminate this Agreement in whole or in part with seven (7) days notice, either for Town's convenience or because of the failure of Contractor to fulfill his contract obligations. Upon receipt of such notice, Contractor shall: (1) immediately discontinue all services affected (unless the notice directs otherwise), and (2) deliver to Town copies of all data, drawings, reports, estimates, summaries, and such other information and materials as may have been accumulated by Contractor in performing this Agreement, whether completed or in process. This Agreement may be terminated in whole or in part by Contractor in the event of substantial failure by Town to fulfill its obligations.

6.2 Payment to Contractor Upon Termination. If the Agreement is terminated, Town shall pay Contractor for the services rendered prior thereto in accordance with percent completion at the time work is suspended minus previous payments.

## 7. ASSURANCES

7.1 Solicitations for Subcontractors, Including Procurements of Materials and Equipment. In all solicitations either by competitive bidding or negotiation made by Contractor for Services to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by Contractor of Contractor's obligations under this Agreement and any Regulations relative to nondiscrimination on the grounds of race, color or national origin.

7.2 Examination of Records. Contractor agrees that duly authorized representatives of Town shall, until the expiration of three (3) years after final payment under this Agreement, have access to and the right to examine any directly pertinent books, documents, papers, and records of Contractor involving transactions related to this Agreement.

7.3 Ownership of Document and Other Data. Original documents and other data prepared or obtained under the terms of this Agreement or any change order are and will remain the property of Town unless otherwise agreed to by both parties. Town may use such documents for other purposes without further compensation to Contractor; however, any reuse without written verification or adaptation by Contractor for the specific purpose intended will be at Town's sole risk and without liability or legal exposure to Contractor. Any verification or adaptation of the documents by Contractor for other purposes than contemplated herein will entitle Contractor to further compensation as agreed upon between the parties.

7.4 Litigation. Should litigation be necessary to enforce any term or provision of this Agreement, or to collect any damages claimed or portion of the amount payable under this Agreement, that all litigation and collection expenses, witness fees, court costs, and reasonable attorneys' fees incurred shall be paid to the prevailing party.

7.5 Independent Contractor. This Contract does not create an employee/employer relationship between the parties. It is the parties' intention that Contractor will be an independent contractor and not Town's employee for all purposes, including, but not limited to, the application of the Fair Labor Standards Act, Federal Insurance Contribution Act, the Social Security Act, the Federal Unemployment Tax Act, the Internal Revenue Code, the Immigration and Naturalization Act, Arizona revenue and taxation laws, Arizona Workers' Compensation Law, and Arizona Unemployment Insurance Law. Contractor agrees that it is a separate and independent enterprise from Town, that it has a full opportunity to find other business, that it has made its own investment in its business, and that it will utilize a high level of skill necessary to perform the work. This Contract shall not be construed as creating any joint employment relationship between Contractor and Town, and Town will not be liable for any obligation incurred by Contractor, including but not limited to unpaid minimum wages and/or overtime premiums. [FOR SOLE PROPRIETORS ONLY: Contractor shall execute the Sole Proprietor's Waiver of Workers' Compensation Benefits attached hereto and incorporated by reference.]

7.6 Immigration Law Compliance Warranty. As required by A.R.S. § 41-4401, Contractor hereby warrants its compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A). Contractor further warrants that after hiring an employee, Contractor verifies the employment eligibility of the employee through the E-Verify program. If Contractor uses any subcontractors in performance of the Contract, subcontractors shall warrant their compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A), and subcontractors shall further warrant that after hiring an employee, such subcontractor verifies the employment eligibility of the employee through the E-Verify program. A breach of this warranty shall be deemed a material breach of the Contract that is subject to penalties up to and including termination of the Contract. Contractor is subject to a penalty of \$100 per day for the first violation, \$500 per day for the second violation, and \$1,000 per day for the third violation. Town at its option may terminate the Contract after the third violation. Contractor shall not be deemed in material breach of this Contract if the Contractor and/or subcontractors establish compliance with the employment verification provisions of Sections 274A and 274B of the federal Immigration and Nationality Act and the E-Verify requirements contained in A.R.S. § 23-214(A). Town retains the legal right to inspect the papers of any Contractor or subcontractor employee who works on the Contract to ensure that the Contractor or subcontractor is complying with the warranty. Any inspection will be

conducted after reasonable notice and at reasonable times. If state law is amended, the parties may modify this paragraph consistent with state law.

7.7 Equal Treatment of Workers. Contractor shall keep fully informed of all federal and state laws, county and local ordinances, regulations, codes and all orders and decrees of bodies or tribunals having any jurisdiction or authority, which in any way affect the conduct of the work. Contractor shall at all times observe and comply with all such laws, ordinances, regulations, codes, orders and decrees; this includes, but is not limited to laws and regulations ensuring equal treatment for all employees and against unfair employment practices, including the Occupational Safety and Health Administration ("OSHA") and the Fair Labor Standards Act ("FLSA"). Contractor shall protect and indemnify Town and its representatives against any claim or liability arising from or based on the violation of such, whether by Contractor or its employees.

7.8 Exclusive Use of Services - Confidentiality. The services agreed to be provided by Contractor within this Agreement are for the exclusive use of Town and Contractor shall not engage in conflict of interest nor appropriate Town work product or information for the benefit of any third parties without Town consent.

7.10 Sole Agreement. There are no understandings or agreements except as herein expressly stated.

7.11 Notices. Any notice to be given under this Agreement shall be in writing, shall be deemed to have been given when personally served or when mailed by certified or registered mail, addressed as follows:

TOWN:

CONTRACTOR:

Town Manager  
Town of Chino Valley  
202 North State Route 89  
Chino Valley, Arizona 86323

The address may be changed from time to time by either party by serving notices as provided above.

7.12 Controlling Law. This Agreement is to be governed by the laws of the State of Arizona.

## 8. SUSPENSION OF WORK

8.1 Order to Suspend. Town may order Contractor, in writing, to suspend all or any part of the Services for such period of time as he may determine to be appropriate for the convenience of Town.

8.2            Adjustment to Contract Fee. If the performance of all or any part of the Services is, for any unreasonable period of time, suspended or delayed by an act of Town in the administration of this Agreement, or by its failure to act within the time specified in this

Agreement (or if no time is specified, within a reasonable time), an adjustment shall be made for any increase in cost of performance of this Agreement necessarily caused by such unreasonable suspension or modified in writing accordingly. However, no adjustment shall be made under this clause for any suspension or delay to the extent (1) that performance was suspended or delayed for any other cause, including the fault or negligence of Contractor, or (2) for which an equitable adjustment is provided for or excluded under any other provision of this Agreement.

9. INTERESTS AND BENEFITS

9.1 Interest of Contractor. Contractor covenants that he presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Contractor further covenants that in the performance of this Agreement, no person having any such interest shall be employed.

9.2 Interest of Town Members and Others. No officer, member or employee of Town and no member of its governing body, who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of the services to be performed under this Agreement, shall participate in any decision relating to this Agreement which affects his personal interest or have any personal or pecuniary interest, direct or indirect, in this Agreement or the process thereof.

9.3 Notice Regarding A.R.S. § 38-511. This Contract is subject to cancellation under Section 38-511, Arizona Revised Statutes.

10. ASSIGNABILITY

Contractor shall not assign any interest in this Agreement, and shall not transfer any interest in the same without the prior written consent of Town thereto.

IN WITNESS WHEREOF, Chino Valley and the Contractor have executed this Agreement as of the date first written.

TOWN OF CHINO VALLEY

By: \_\_\_\_\_  
Chris Marley, Mayor

ATTEST:

By: \_\_\_\_\_  
Jami Lewis, Town Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Curtis, Goodwin, Sullivan, Udall & Schwab, PLC  
Town Attorney

CONTRACTOR

By: \_\_\_\_\_  
Its: \_\_\_\_\_

## **EXHIBIT A SCOPE OF WORK**

### **TECHNICAL SPECIFICATIONS**

#### **Account Structure and General Information**

All of the Town's receipts (excluding the Municipal Court) are deposited into a checking account. The Town's checking account typically averages \$11.5 million in annual deposits which includes cash, deposit of checks, credit cards and ACH (Automated Clearing House) items. Deposits are made each business day.

**Account Executive:** Contractor shall assign an account executive to administer Town's overall banking relationship and ensure the successful delivery of services as outlined in this Contract. If there is a change in staff assignment for this position, Contractor shall notify the Town at least ten (10) days prior to the change and shall ensure appropriate training and information to accomplish a smooth transition. The assigned account executive shall provide the Town with a list of designated staff contacts for key areas of responsibility within the bank and notify the Town immediately of any change in staff assignments.

**Doug Lindberg**  
Relationship Manager, VP

Doug will oversee the entire relationship and be the primary contact for the Town.

**Mark Garman**  
Branch Manager, AVP

Mark and his Team will assist the Town at the local Branch in Chino Valley with day to day needs.

**Alison Townsend**  
Treasury Sales Officer, VP

Alison and her Team will oversee the Treasury Service Implementation and will provide day to day assistance with Treasury products.

**Availability of Funds Deposited:** Cash, wire transfers, ACH credits, and items drawn on servicing bank shall be available to Town on the same day as deposited. Funds for items drawn on local banks must be available to the Town the next day. All other items must be available to the Town at a minimum, as per the Federal Reserve availability schedule.

**National Bank of Arizona will meet the guidelines outlined above.**

**Delay of Funds:** If Contractor delays funds to Town beyond the availability schedule outlined above, or due to an error on the part of Contractor, Contractor shall pay interest to Town at the current Federal Funds rate.

**National Bank of Arizona will not delay any funds within the guidelines outlined above.**

**Overdrafts:** Contractor shall provide Town a one (1) day grace period to remedy any account overdrafts. All charges associated with overdraft protection must be specified where indicated on the Bank Service Fee Schedule.

**National Bank of Arizona will notify the Town of any overdrafts and allow for a deposit to be made the day of the overdraft to cover the insufficient funds.**

**Returned Checks:** Contractor shall immediately redeposit all returned checks once at no charge to Town, before returning the checks to Town by Contractor.

**National Bank of Arizona will rerun all checks a second time before returning to the Town at no charge.**

**Debit and Credit Advices:** Contractor shall provide debit and credit advices for all activity on all accounts. Advices shall be delivered to Town electronically or by fax within twenty-four (24) hours or via mail within three (3) days.

**The Town will access all balance reporting information thru the Business Connect system.**

**Notification:** Contractor shall immediately report in writing to Town any change in the financial institution's ratings, reassignment of key banking personnel, and all business acquisitions or mergers occurring during the contract period as notices are required pursuant to the Contract.

**National Bank of Arizona will report any changes in the above mentioned in writing.**

**Payroll:** Town issues payroll checks bi-weekly to its employees. Direct deposit information is downloaded to Contractor from a file created by Town's financial accounting system and automatically credited to employee bank accounts. Town uses Caselle Clarity Software. Federal and state withholdings are debited from Town's operating account on a bi-weekly basis.

### **ACH Origination Services**

Automated Clearing House (ACH) Origination allows you to initiate electronic transactions through the ACH Network. This allows you to distribute funds to your own accounts, to your vendors' accounts, or even to your employees' accounts for Payroll and Expense Reimbursements. You can also gather funds from your own accounts or from your customers' accounts.

Payment instructions are sent in an industry-standard NACHA format, generated either through your own system, a payroll vendor or third-party processor, or the ACH module of our NBLAZ Business Connect™ Service. In addition, ACH Origination offers the following services:

- Schedule disbursements for any type of payment, including vendor payments, federal and state tax payments, and employee payments such as direct deposit of payroll, expense reimbursements, and pension payments.
- Schedule collections for regularly occurring receivables, such as membership dues, rent payments, insurance premiums, and mortgage or installment payments.

### **Benefits and Features**

ACH Disbursements allow you to reduce expenses through the following features:

- Eliminates the administrative costs of ongoing check preparation, mailing, and reconciliation.
- Saves money—ACH transactions are less costly than paper items.
- Eliminates check stop payment charges and re-issue costs on lost or stolen checks.
- Helps to avoid interest and late charges on payments.
- Offers convenience and time savings to employees.
- Saves the time and trouble of depositing checks.
- Eliminates the need to be physically present to receive payment.
- Helps manage your accounts through controlled timing of disbursements—you always know when the account will be debited.

ACH Collections allow you to reduce expenses through the following features:

- Improves cash flow and funds availability.
- Simplifies cash flow forecasting with pre-established payment schedules.
- Eliminates mail and check processing float associated with receivables.
- Reduces bank expenses.
- Decreases the time and cost of manually handling statements and coupons.
- Reduces the time spent tracking and collecting late payments.
- Reduces risk by accelerating return item information, which can be reported as soon as the next business day.

### **Operations**

- Future-dating of transactions is allowed (up to 30 calendar days for files sent through transmission; up to 45 days batches manually entered or imported using NBLAZ Business Connect™ service).
- Daily ACH activity is available online through the Corporate Internet Banking service, which reports both originated and received ACH transactions.
- Return items are reported to you through one of these methods:
  - Special Report's through NBLAZ Business Connect™ service
  - Facsimile (Fax)
  - Transmission of a NACHA-formatted returns file

**Wire Transfer:** Contractor shall have wire transfer capability and shall allow Town to electronically wire or transfer funds to or from the Depository account via a PC located within Town offices or from a remote location when deemed appropriate by Town.

### Wire Transfer Services

We provide both domestic and international wire transfer services for our customers. Wire transfers are as simple as turning on the computer or picking up the phone. You can initiate wire transfer requests over the telephone or using your personal computer.

#### Benefits and Features

- **Expanded Security Controls.** Security features include personal identification numbers and maximum dollar limits on an account and / or individual basis when calling or faxing in wires.
- **Repetitive Wires.** We can establish convenient, pre-arranged wire instructions as repetitive transfers, indicated by a repeat number. Each time you process repetitive transfers, simply input any variable repeat numbers, amounts, and text. You can use this feature over the Internet, by sending a fax, or over the telephone.
- **Future-Dated Transfers.** We initiate wires for transfer on future date to accommodate your special needs. When you set up a future-dated transfer, we do not move the funds until the future date; however, the future date cannot exceed 90 days. You can use this feature over the Internet, by sending a fax, or over the telephone.
- **Automatic Standing Transfers.** If you need a repetitive transfer (e.g., daily, weekly, monthly), you can pre-arrange transfers so that they are completed automatically.
- **Drawdown Wire Transfers.** You initiate drawdown requests to transfer funds from your company's or another party's account at a different bank. With proper authorization on file at the receiving bank, the funds are transferred to your account through incoming wire transfer.
- **International Wire Transfers.** We provide funds transfer services to dozens of foreign countries and hundreds of banks in numerous foreign currencies to meet your international banking needs.

#### Operations

- **NBLAZ Business Connect™ System Access.** This module within our suite of products provides a direct Internet link to our Wire Department. We provide a secure and efficient means to initiate wires, both domestic and international, while allowing your company the flexibility to perform this process from any computer with Internet access.
- **Telephone Access.** Our Wire Department is ready to assist you in both English and Spanish from 5:00 a.m. to 5:00 p.m. Mountain Standard Time (MST) Monday through Friday.

#### Levels of Security

- **ID Password.** Unique for each user. Determines authorized functionality as follows:
  - Issue wire instructions
  - Approve wires through the call back

- Repetitive Transfers. Allows transfers to be initiated only to pre-arranged accounts.
- Secondary Authorization. Must be performed on all free-form wires by an authorized person. Second authorization can be required at customer's request on repetitive transfers.

**Unauthorized Debit:** Contractor shall not charge any debits directly to any Town account without prior written notification and approval by Town's authorized representative unless provided for under this Contract. This includes, but is not limited to, adjustments, credit reversals, Banking fees and new accounts or services. All orders for new Banking services or supplies not included as part of this Contract shall be authorized by the Town's Finance Director.

Contractor shall reverse any unauthorized charges made to Town account. Violation of this provision may result in termination of this Contract, at Town's discretion.

**The Town will need to use our Fraud Protection Services for ACH and Checks to ensure that now unauthorized items are applied.**

**Water and Sewer Utility Payments:** The Chino Valley Water and Sewer Utility has a separate billing system that serves its 1,800 customers. Bills are mailed to all customers on the system. Customers may pay their bills three different ways.

The Town uses and third party payment processor, Xpress Bill Pay, to maintain and process online payments made by the Towns customers. An account is setup for each participating customer, and the information automatically interfaces with the Towns accounting system. Customers may make their payments using ACH, credit and debit cards. Xpress Bill Pay provides the Towns merchant services.

The balance of the Chino Valley Utility customers make their payments in person at the Public works office, Town Hall or mail them directly to the Town

**National Bank of Arizona is familiar with Xpress Bill Pay as several of their current customers use this vendor. We would not anticipate any issues with Xpress Bill Pay.**

**Monthly Analysis Reporting and Service Charge:** Contractor's monthly statement shall provide, at a minimum, the following information on each account and on a total account basis:

- average daily ledger balances,
- average daily collected balances,
- daily average float,
- FDIC rate,
- earning allowance, and
- detail transaction volumes and prices.

Town shall earn and Contractor shall pay to Town interest at the prevailing rate for funds held on deposit.

Contractor shall charge Town for analysis service charges through compensating balances. Charges in excess of the monthly earning shall be collected by Contractor through a hard dollar debit to Town's account. Contractor shall debit Town's Operating Account within ten (10) days after Town's receipt of the monthly statement, unless Town notifies Contractor of a discrepancy or error in the statements.

**See Analysis Sample**

**Collateral Requirements:** Contractor shall be an "eligible depository" as that term is defined in A.R.S. § 35-321. Contractor shall comply with all of the provisions of A.R.S. § 35-321 et seq. related to collateralization of deposits.

**National Bank of Arizona complies with the collateral requirements set forth by the State of Arizona.**

The collateral requirement amount is subject to change. In the normal course of business the level of pledged collateral will be adjusted to the highest daily balance of deposits in the previous month. Contractor may be requested to increase the level of pledged collateral the same day in order to insure the coverage of any unanticipated, uncollateralized deposits. Contractor shall provide Town with monthly collateral reports.

**National Bank of Arizona complies with the collateral requirements set forth by the State of Arizona.**

**Payment for Banking Services:** Contractor shall provide a unit charge for each service to obtain a monthly total cost for each service. At its sole discretion, Town may elect to utilize a combination of fees and compensating balances to pay for its banking services.

Any earnings credit occurring in the account will be used to offset fees as computed above. Earnings credit on collected balances in excess of those required to pay charges incurred in any month shall be carried forward to offset future Bank charges.

The Earnings Credit Rate (ECR) shall be determined as set forth in the Proposal. The ECR and collected balance shall be used for computing the earnings credit balance. The method of calculation shall not change during the life of the Contract without the prior written approval by Town.

**The Town will be billed monthly and fees will be withdrawn by auto debit on the 21<sup>st</sup> of each month for the previous month's activity. No minimum balance required. The ECR will not decrease during the life of the contract.**

**Online Banking Capabilities:** Contractor shall provide daily balance and transaction information, both detail and summary, for all of Town's accounts electronically via the Internet.

**Business Connect will meet all of the requirements of the Town.**

**Bank Issued Credit Cards:** Contractor shall provide Town with credit cards that to be used for business related expenses. Groups of cards may be designated by Town to have related account numbers that will be paid on one billing statement, possibly via electronic debit from the Depository/Concentration account.

Detail of the current Credit Cards currently held by the Town:

| <b>Town Chase Credit Cards</b> |                         |                     |
|--------------------------------|-------------------------|---------------------|
| <u>Department</u>              | <u>No. of<br/>cards</u> | <u>Limit</u>        |
| Court                          | 1                       | \$ 2,000.00         |
| Finance                        | 1                       | \$ 3,000.00         |
| Development Services           | 1                       | \$ 1,000.00         |
| Police Department              | 3                       | \$ 9,000.00         |
| Public Works                   | 1                       | \$ 2,000.00         |
| Senior Center                  | 1                       | \$ 1,000.00         |
| Town Clerk                     | 1                       | \$ 3,000.00         |
| Town Manager                   | 2                       | \$ 13,000.00        |
| <b>Total</b>                   | <b>11</b>               | <b>\$ 34,000.00</b> |
| <b>Total Available Limit</b>   |                         | <b>\$40,000.00</b>  |

## Commercial Card

In today's global marketplace, companies are more diverse than ever in how and where they do business. It is more important than ever to find simple solutions that bring your corporate expenses back into tight control and efficient management.

That is what the Commercial Card is designed to do. The Commercial Card is a single charge card that allows companies to take advantage of simplified management and maximized savings.

### Benefits and Features

Now you can manage your purchasing to simplify your processes and streamline your operations.

- **Control Spending.** You get all the management and administrative tools you need to manage spending company-wide. You can limit categories of merchandise, types of suppliers; define credit limits on an individual basis and more. Your program administrator can manage all of these dynamically via Visa IntelliLink Spend Management.
- **Revenue Sharing.** You get a check each year for a percentage of the amount spent on the card. This allows you to earn, rather than pay, for all your payment needs.
- **Purchasing Power.** The Commercial Card simplifies and enhances all aspects of the purchasing process, including policy compliance, transaction monitoring, security and payment.
- **Integration.** Integrate your card transaction data into your accounting system or G/L system through customizable reports. These reports are all dynamic, and can be created, scheduled, and modified by you via Visa IntelliLink Spend Management.
- **Extensive Reporting.** Visa IntelliLink Spend Management helps you pinpoint buying trends and preferred suppliers. Using the Commercial Card to place orders dramatically reduces the costs associated with requisitions, purchase orders and checks.
- **Electronic Expense Reporting.** With our online expense reporting system you can manage your entire expense report, including card transactions and out of pocket items.
- **Travel and Expense Control.** The card allows you to create a travel and expense program that offers maximum flexibility and usability for your traveling employees and maximum savings and control for you.
- **Fleet Monitoring.** Control a cost that is constantly accelerating in today's business climate with the Commercial Card. This is far more than a simple fuel card. It facilitates easy payment for all fleet expenses, including repairs and purchases at service stations nationwide. Your employees enjoy versatility while you keep tabs.
- **Corporate Billing.** The corporate liability option adds power and versatility to your payment program. The Commercial Card provides efficient billing options that give you the power to eliminate unnecessary costs maintain control and offer employees greater flexibility. All of your Commercial Card payments for employee cardholder accounts, central purchasing accounts and division accounts are billed through a single source; reducing the time spent on program administration and helping you achieve greater cost savings.

- **Account Management Team.** With a dedicated implementation and account manager you have an experienced resource that can assist you with maximizing your program's potential, by increasing your spend and boosting your internal efficiency.
- **Fee structure** – No monthly or annual card fees.

| <b>Payment Grid Program Year 2014</b>                                                                                 |  | <b>Consortium Pricing - City, County, Municipality</b> |                                      |                                      |                                      |                                    |
|-----------------------------------------------------------------------------------------------------------------------|--|--------------------------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|------------------------------------|
|                                                                                                                       |  | <b>Annual Net Spend (Between)</b>                      |                                      |                                      |                                      |                                    |
|                                                                                                                       |  | <b>\$6,000,000<br/>\$17,999,999</b>                    | <b>\$18,000,000<br/>\$29,999,999</b> | <b>\$30,000,000<br/>\$52,499,999</b> | <b>\$52,500,000<br/>\$74,999,999</b> | <b>\$75,000,000<br/>&amp; Over</b> |
| <b>Average Days Sales Outstanding Less Than 30 Days</b>                                                               |  | <b>1.13%</b>                                           | <b>1.18%</b>                         | <b>1.24%</b>                         | <b>1.28%</b>                         | <b>1.30%</b>                       |
| <b>Large Ticket &amp; NonStandard Interchange Transactions &amp; Average Days Sales Outstanding Less Than 30 Days</b> |  | <b>0.25%</b>                                           |                                      |                                      |                                      |                                    |

\* Average days sales outstanding will be calculated at the end of the period as follows:  $\frac{\text{Average Daily Balance}}{\text{Total Sales Volume}} \times (\text{Days in Period})$

| <b>Consortium Calculation Summary:</b> |                    |
|----------------------------------------|--------------------|
| <b>Annual Net Spend</b>                | <b>\$6,000,000</b> |
| <b>Standard Interchange Spend</b>      | <b>\$6,000,000</b> |
| <b>Days in Incentive Period:</b>       | <b>365</b>         |
| <b>Average Days Sales Outstanding</b>  | <b>29 Days</b>     |
| <b>Incentive Bps (Non Lrg Tckt):</b>   | <b>1.13%</b>       |
| <b>Incentive Bps (Lrg Tckt):</b>       | <b>0.25%</b>       |

|                                                    |                  |
|----------------------------------------------------|------------------|
| <b>Company Name: Town of Chino Valley</b>          |                  |
| <b>Company Revenue Share Calculation Summary:</b>  |                  |
| <b>Annual Net Spend</b>                            | <b>\$500,000</b> |
| <b>Standard Interchange Spend</b>                  | <b>\$500,000</b> |
| <b>Large Ticket/Non-Standard Interchange Spend</b> | <b>\$0</b>       |
| <b>Days in Incentive Period:</b>                   | <b>365</b>       |
| <b>Average Days Sales Outstanding</b>              | <b>29 Days</b>   |
| <b>Incentive Bps (Standard):</b>                   | <b>1.13%</b>     |
| <b>Incentive Bps (Lrg Tckt/Non Standard):</b>      | <b>0.25%</b>     |
| <b>Incentive \$ (Standard):</b>                    | <b>\$5,650</b>   |
| <b>Incentive \$ (Lrg Tckt/Non Standard):</b>       | <b>\$0</b>       |
| <b>Total Estimated Gross Company Incentive \$:</b> | <b>\$5,650</b>   |
| <b>Losses:</b>                                     | <b>\$0</b>       |
| <b>Estimated Company Incentive Payable:</b>        | <b>\$5,650</b>   |

**Check Cashing Privileges:** Contractor shall provide convenient facilities for vendors and Town employees to cash accounts payable and payroll checks at no cost to the Town or payee, regardless of whether or not the payee maintains an account at the Bank or Service Provider.

**The Town will be able to cash checks at the local Chino Valley Branch at no charge.**

**Monthly Account Statements:** Contractor shall provide Town with statements for the Depository/Concentration, Payroll and Savings accounts on a monthly basis. Statements are to be received by Town within fifteen (15) calendar days following the end of the month and shall be available with online access by the Town.

**The Town will receive all statements via Business Connect on the 1<sup>st</sup> day of each month.**

**Other Banking Services:** Contractor may detail other banking services available in their proposal that are not specifically included in this Request for Proposal.

**National Bank of Arizona would recommend the following additional service. Each year an annual review will be conducted with the Town. This will ensure that all services are working according to the agreement and National Bank of Arizona will advise the Town of any additional services available.**

#### **Anytime Remote Deposits™**

Anytime Remote Deposits™ is a revolutionary electronic check clearing application that allows you to make check deposits electronically without having to physically transport checks to the bank. With the Web Client you do not have to install the software on their PC.

With Anytime Remote Deposits™ you have the ability to scan and electronically submit checks for deposit using a basic PC with Internet connectivity and a certified scanner available through National Bank of Arizona.

#### **Benefits and Features**

- **Extended Deposit Window.** Deposits can be made beyond traditional banking hours and on weekends. In addition, you no longer have to take the time to drive to the bank.
- **Reduced Deposit Preparation Costs.** Anytime Remote Deposits™ eliminates labor-intensive manual deposit preparation time. It also reduces research and storage time through the use of stored digital images.
- **Streamlined Operations.** Consolidate regional or nationwide deposits to a single account, thereby substantially reducing deposit collection costs.
- **Reduced Risk of Fraud.** Accelerated check clearing reduces the risk of fraud by enabling your business to identify returned items sooner, enhancing the collection process.
- **Data and Image Exports.** Data export files are available in CSV format, and image exports of both the front and back of scanned items is also available.

- **Customized Data Entry Fields.** Customizable fields are available to allow you to enter detailed payment information about an item.

**EXHIBIT B**  
**CONTRACTOR'S KEY PERSONNEL AND SUBCONTRACTORS**

**KEY PERSONNEL:**

**Doug Lindberg**  
Relationship Manager, VP  
201 N. Montezuma Street, Suite 100  
Prescott, AZ 86301  
928-708-6926  
[douglas.lindberg@nbarizona.com](mailto:douglas.lindberg@nbarizona.com)

**Alison Townsend**  
Treasury Sales Officer, VP  
9878 W Camelback Road  
Glendale, AZ 85305  
480-466-2645  
[alison.townsend@nbarizona.com](mailto:alison.townsend@nbarizona.com)

**Mark Garman**  
Branch Manager, AVP  
481 S. Highway 89  
Chino Valley, AZ 86323  
928-636-4466  
[mark.garman@nbarizona.com](mailto:mark.garman@nbarizona.com)

**SUBCONTRACTORS:****NONE**

### EXHIBIT C SCHEDULE OF SERVICES

#### Town of Chino Valley - Sample Analysis

Month: 06 14

Number of Days in Cycle: 30

Based on activity balances from June 2014

|                                       |    |                              |    |       |
|---------------------------------------|----|------------------------------|----|-------|
| Average Ledger Balance                |    | Balance Excess/(Shortfall)   | \$ | -     |
| Less: Average Float                   |    | Earnings Credit Rate*        |    | 0.15% |
| Average Collected Balance             | \$ | Earnings Credit Allowance    | \$ | -     |
| Less: Average Uncollected Balance     |    | Less: Total Activity Charges | \$ | -     |
| Average Investable Balance            | \$ |                              |    |       |
| Balance Required to Offset Total Fees | \$ | Excess Earnings Credit (fee) | \$ | -     |

| TYPE OF SERVICE                                      | VOLUME | PRICE                            | SERVICE CHARGE |
|------------------------------------------------------|--------|----------------------------------|----------------|
| <b>Basic Account Services</b>                        |        |                                  |                |
| Account Maintenance                                  |        | \$ 16.00                         | \$ -           |
| Balance Based Fee (per hundred)                      |        | \$ 0.13                          | \$ -           |
| Debits (checks written)                              |        | \$ 0.18                          | \$ -           |
| Credits                                              |        | \$ 0.80                          | \$ -           |
| Checks Deposited:                                    |        |                                  |                |
| On-Us Items                                          |        | \$ 0.10                          | \$ -           |
| Local Items                                          |        | \$ 0.13                          | \$ -           |
| Transit Items                                        |        | \$ 0.13                          | \$ -           |
| Per ACH Debit/Credit Item                            |        | \$ 0.14                          | \$ -           |
| Non-Sufficient Funds (NSF)                           |        | \$ 33.00                         | \$ -           |
| Uncollected Funds Utilization Fee                    |        | Prime Rate + 4%                  |                |
| Deposited Item Return Fee                            |        | \$ 10.00                         | \$ -           |
| Cash Deposited, Per \$100                            |        | \$ 0.15                          | \$ -           |
| Wire Transfers Services                              |        |                                  |                |
| Incoming (International, Manual)                     |        | \$ 30.00                         | \$ -           |
| Outgoing (International, Manual)                     |        | \$ 40.00                         | \$ -           |
| <b>NBJAZ Business Connect - Information Services</b> |        |                                  |                |
| One Time Setup Fee                                   |        | \$ 50.00                         | \$ -           |
| Previous Day Reporting (1st account)                 |        | \$ 25.00                         | \$ -           |
| Previous Day Reporting (additional account)          |        | \$ 10.00                         | \$ -           |
| Same Day Reporting (per account)                     |        | \$ 7.50                          | \$ -           |
| Previous/Same Day Items (per item)                   |        | \$ 0.10                          | \$ -           |
| Paid Item Images (per account)                       |        | \$ 7.50                          | \$ -           |
| Paid/Deposited Item Images (per account)             |        | \$ 12.50                         | \$ -           |
| Electronic Report and Statement Delivery (ERD)       |        | Free with Previous Day Reporting |                |
| Book Transfers (per transfer)                        |        | \$ 1.00                          | \$ -           |
| Stop Payments - 12 Months (per check)                |        | \$ 15.00                         | \$ -           |
| <b>NBJAZ Business Connect - Wire Services</b>        |        |                                  |                |
| Setup Fee - One Time                                 |        | \$ 25.00                         | \$ -           |
| Monthly Maintenance (per account)                    |        | \$ 5.00                          | \$ -           |
| Outgoing (Domestic)                                  |        | \$ 11.00                         | \$ -           |
| Outgoing (International)                             |        | \$ 25.00                         | \$ -           |
| <b>NBJAZ Business Connect - ACH Services</b>         |        |                                  |                |
| Setup Fee - One Time                                 |        | \$ 50.00                         | \$ -           |
| Monthly Maintenance (per account)                    |        | \$ 30.00                         | \$ -           |
| Originated Items (credit/debit)                      |        | \$ 0.15                          | \$ -           |
| Addenda Records Originated                           |        | \$ 0.06                          | \$ -           |
| Returns and Notifications of Change                  |        | \$ 4.00                          | \$ -           |
| Item Deletion or Reversal                            |        | \$ 15.00                         | \$ -           |

| <b>Positive Pay Services</b>               |    |        |             |
|--------------------------------------------|----|--------|-------------|
| Setup Fee - One Time                       | \$ | 25.00  | \$ -        |
| ACH Positive Pay, per account, per month   | \$ | 15.00  | \$ -        |
| Check Positive Pay, per account, per month | \$ | 25.00  | \$ -        |
| Check Positive Pay, per paid item          | \$ | 0.04   | \$ -        |
| ACH Exception Items (1-5 exceptions)       | \$ | -      | \$ -        |
| ACH Exception Items (+6, per exception)    | \$ | 1.50   | \$ -        |
| Check Exception Items (per exception)      | \$ | 1.50   | \$ -        |
| <b>Anytime Remote Deposit Services</b>     |    |        |             |
| Setup Fee - One Time                       | \$ | 50.00  | \$ -        |
| Monthly Maintenance (Premium Service)      | \$ | 125.00 | \$ -        |
| Credits                                    | \$ | 0.65   | \$ -        |
| Checks Deposited:                          |    |        | \$ -        |
| On-Us Items                                | \$ | 0.10   | \$ -        |
| Local Items                                | \$ | 0.10   | \$ -        |
| Transit Items                              | \$ | 0.10   | \$ -        |
| Deposit Correction Fee                     | \$ | 5.00   | \$ -        |
| <b>TOTAL ACTIVITY CHARGES</b>              |    |        | <b>\$ -</b> |

**EXHIBIT D PAYMENT  
SCHEDULE****A. Compensation**

1. The consideration of payment to Contractor, as provided herein shall be in full compensation for all of Contractor's work incurred in the performance hereof, including offices, travel, per diem or any other direct or indirect expenses incident to providing the services.
2. Attached hereto as Exhibit D-1 is the Contractor's hours and fee estimate for the Project. Contractor's fee shall not exceed the amounts:

| Description | Amount |
|-------------|--------|
| NONE        |        |

**B. Method of Payment**

Invoices shall be on a form and in the format provided by Town and are to be submitted in triplicate to Town via Town's authorized representative.

**C. Reimbursable Costs**

**Contractor will be reimbursed for expenses up to a maximum amount of \$0.00. The items allowable for reimbursement are as follows:**

1. Cost of transportation. (Mileage associated with Project, but not to/from Project site at 0.00 cents per mile. Any out of state travel must receive prior approval of Town.)
2. Costs of printing, as required by the contract.
3. Cost of long distance telephone, postage, UPS, Federal Express, etc.
4. Costs of faxes at \$0.00 per page.
5. Cost of other items as required, with prior approval from Town.

All reimbursable costs must be submitted with monthly bill.

**EXHIBIT E  
CHANGE ORDER**

CHANGE ORDER NO. \_\_\_\_\_

Distribution: TOWN ☐  
CONTRACTOR ☐  
OTHER ☐

PROJECT: \_\_\_\_\_  
OWNER: Town of Chino Valley  
CONTRACTOR:  
AGREEMENT DATED:

DATE:

CHANGES: The Agreement is changed as follows:

Not valid until signed by both Town and Contractor.  
Signature of Contractor indicates acceptance.

The original compensation was \_\_\_\_\_

Net change by previously authorized Change Orders \_\_\_\_\_

The compensation prior to this Change Order was \_\_\_\_\_

The compensation will be increased by this Change Order in the amount of \_\_\_\_\_

The new compensation under the Agreement including this Change Order will be \_\_\_\_\_

The Contract Time will increase by \_\_\_\_\_

ACCEPTANCE STATUS:

\_\_\_\_\_  
Contractor  
By \_\_\_\_\_

\_\_\_\_\_  
Town of Chino Valley  
By \_\_\_\_\_

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## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

Item No. **7. b.**

**Meeting Date:** 07/22/2014  
**Contact Person:** Joe Duffy, Finance Director  
 Phone: 928-636-2646 x-1211  
**Department:** Finance  
**Item Type:** Action  
**Estimated length of staff presentation:** None  
**Physical location of item:** Bright Star Subdivision

### AGENDA ITEM TITLE:

PUBLIC HEARING and consideration and possible action to adopt Resolution No. 14-1040, approving the proposed statements and estimates of expenses of the Town of Chino Valley Street Lighting Improvement Districts for fiscal year 2014/2015, pursuant to Section 48-616, Arizona Revised Statutes, as amended provided for by the levy and collection of ad valorem taxes on the assessed value of all the real and personal property in the districts.

### RECOMMENDED ACTION:

(1) Hold a public hearing; and (2) Approve Resolution No. 14-1040, approving the proposed statements and estimates of expenses of the Town of Chino Valley Street Lighting Improvement Districts for fiscal year 2014/2015.

### SITUATION AND ANALYSIS:

See attached:

### Fiscal Impact

**Fiscal Impact?:** Yes

**If Yes, Budget Code:**

**Available:**

**Funding Source:**

Approval will create a levy to pay for street lighting within the CVSLID street lighting districts. The districts are accounted for in a separate fund by the Town.

### Attachments

Staff Report

Resolution 14-1040 CVSLIDs Tentative Budget

Exhibit A

---

Situation and Analysis: Resolution 14-1040, Street Lighting Improvement District budget

Taxes are levied on properties within street lighting improvement districts to pay for the annual expenses of those districts. Authorization of this resolution accepts the statements and estimated expenses, which will be incurred by those districts. This is the first step in processing a levy to pay for the expenses associated with street lighting in those districts. A budget approval, public noticing, and adoption of levy will follow to complete the levy and create the funds to pay for street lighting expenses within the districts.

**RESOLUTION NO. 14-1040****TOWN OF CHINO VALLEY, ARIZONA**

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF CHINO VALLEY, ARIZONA APPROVING THE PROPOSED STATEMENTS AND ESTIMATES OF REVENUES AND EXPENSES OF THE TOWN OF CHINO VALLEY STREET LIGHTING IMPROVEMENT DISTRICTS FOR FISCAL YEAR 2014/2015, PURSUANT TO SECTION 48-616, ARIZONA REVISED STATUTES, AS AMENDED; SETTING A DATE FOR PUBLIC HEARING ON THE PROPOSED STATEMENTS AND ESTIMATES AS APPROVED; AND PROVIDING FOR NOTICE OF THE HEARING AND PUBLICATION OF THE PROPOSED STATEMENTS AND ESTIMATES OF THE DISTRICTS WHICH SHALL BE PROVIDED FOR BY THE LEVY AND COLLECTION OF AD VALOREM TAXES ON THE ASSESSED VALUE OF ALL THE REAL AND PERSONAL PROPERTY IN THE DISTRICTS.**

WHEREAS, the provisions of A.R.S. § 48-616 require the governing body to levy taxes upon all property in a municipal street lighting improvement district to pay the annual expenses of said districts; and

WHEREAS, the governing body of the municipality shall make annual statements and estimates of the expenses of the district, which shall be provided for by the levy and collection of ad valorem taxes upon the assessed value of all the real and personal property in the district, shall publish notice thereof, shall have hearings thereon and adopt said statements and estimates as provided in title 42, chapter 17, article 3, Arizona Revised Statutes; and

WHEREAS, the Mayor and Council desire to approve said statements and estimates for Fiscal Year 2014/2015;

**NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, ARIZONA, AS FOLLOWS:**

1. The proposed statement and estimates of expenses of the Town of Chino Valley Street Lighting Improvement Districts for Fiscal Year 2014/2015, attached hereto and incorporated herein as Exhibit "A", is hereby approved.

2. A public hearing and special meeting to approve the statement and estimates and final budgets of the Districts shall be set for the 22nd day of July 2014

and notice of such hearing shall be published in accordance with the requirements of A.R.S. § 48-616.

**PASSED AND ADOPTED** by the Mayor and Common Council of the Town of Chino Valley, Arizona this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Chris Marley, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Jami C. Lewis, Town Clerk

\_\_\_\_\_  
Curtis, Goodwin, Sullivan, Udall &  
Schwab, PLC, Town Attorney

The following exhibits are attached hereto and incorporated herein:

1. Exhibit A: Proposed Statement and Estimates of Revenues and Expenses of the Town of Chino Valley Street Lighting Improvement Districts for Fiscal Year 2014/2015

**Exhibit A**

TOWN OF CHINO VALLEY, ARIZONA

STREET LIGHTING IMPROVEMENT DISTRICTS

**Schedule of Estimated Assessments - Fiscal Year 2014/2015**

## EXHIBIT "A"

TOWN OF CHINO VALLEY, ARIZONA  
Street Lighting Improvement Districts**Schedule of Estimated Assessments**

Fiscal Year - 2014-2015

| Co. No. | Dist. No. | Town ID No. | Town ID Name                                                          | A<br>2013/2014<br>Estimated<br>Actual<br>Expenses | B<br>2013/2014<br>Levy<br>Request | C<br>2013/2014<br>Difference<br>on<br>Expenses<br>vs. Levy | D<br>2014/2015<br>Projected<br>Expenses | E<br>2014/2015<br>Levy<br>Request |
|---------|-----------|-------------|-----------------------------------------------------------------------|---------------------------------------------------|-----------------------------------|------------------------------------------------------------|-----------------------------------------|-----------------------------------|
| 13004   |           | CVSLID 1    | Chino Valley, Arizona,<br>CVSLID #1 Lighting<br>Improvement District  | \$ 1,923                                          | \$ 1,804                          | \$ (119)                                                   | \$ 2,017                                | \$ 2,017                          |
| 13005   |           | CVSLID 2    | Chino Valley, Arizona,<br>CVSLID #2 Lighting<br>Improvement District  | \$ 986                                            | \$ 931                            | \$ (55)                                                    | \$ 1,041                                | \$ 1,041                          |
| 13006   |           | CVSLID 3A   | Chino Valley, Arizona,<br>CVSLID #3A Lighting<br>Improvement District | \$ 897                                            | \$ 843                            | \$ (54)                                                    | \$ 942                                  | \$ 942                            |

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## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

Item No. 7. c.

**Meeting Date:** 07/22/2014  
**Contact Person:** Joe Duffy, Finance Director  
 Phone: 928-636-2646 x-1211  
**Department:** Finance  
**Item Type:** Action-Presentation  
**Estimated length of staff presentation:** 5 minutes  
**Physical location of item:** N/A

### AGENDA ITEM TITLE:

Consideration and possible action to approve the Leasing Services Proposal from NB: AZ Public Financial Services, a Division of Zions First National Bank and Affiliate of National Bank of Arizona, authorizing the Town Manager to execute the Lease Purchase Agreement and approve Resolution No. 14-1042.

### RECOMMENDED ACTION:

Approve the Leasing Services Proposal from NB: AZ Public Financial Services, authorizing the Town Manager to execute the Lease Purchase Agreement and approve Resolution No. 14-1042.

### SITUATION AND ANALYSIS:

The Town of Chino Valley issued a Request for Proposal for Leasing Services. Three responses to the RFP were received.

After reviewing the responses with the Finance Committee on July 15, 2014, it is staff recommendation to award the contract to NB AZ Public Financial Services, a Division of Zions First National Bank and Affiliate of National Bank of Arizona.

The funding will be used to acquire the equipment detailing in the adopted budget for fiscal year 2014/2015.

Council will approve the acquisition of each individual piece of equipment, and the Town will finance the acquisition for 5 years at 1.93% interest.

*NOTE: As of the publishing of this agenda packet, this item is still under review by the Town Attorney and may be modified prior to July 22.*

**Fiscal Impact**

**Fiscal Impact?:** Yes

**If Yes, Budget Code:** Various

**Available:** \$765,000

**Funding Source:**

The Town Budgeted for the acquisition of various pieces of equipment through lease purchase.

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**Attachments**

Lease Purchase Summary

Lease Agreement

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| Town of Chino Valley                         |                            |              |               |            |             |
|----------------------------------------------|----------------------------|--------------|---------------|------------|-------------|
| Request for Proposals                        |                            |              |               |            |             |
| Lease Purchase Summary                       |                            |              |               |            |             |
| Company                                      | Proposal Complete          | Total Amount | Interest Rate | Term Years | Payments    |
| <b>Municipal Leasing Consultants</b>         | Yes                        | \$ 765,000   | 2.967%        | 5          | Annual      |
| 7 Old Town Lane                              |                            |              |               |            |             |
| Grand Isle, Vt 05458-2325                    |                            |              |               |            |             |
| Renee M. Piche                               |                            |              |               |            |             |
| 802-372-8435                                 |                            |              |               |            |             |
| <b>Wells Fargo</b>                           | No - Only submitted 1 copy |              |               |            |             |
| 100 W Washington Street                      | RFP requested 5 year terms |              |               |            |             |
| Phoenix, Az 85003                            | Lease 1                    | \$ 435,000   | 2.370%        | 5          | Semi Annual |
| Ron Thurman                                  | Lease 2                    | \$ 330,000   | 1.900%        | 3          | Semi Annual |
| 858-242-7791                                 |                            |              |               |            |             |
| <b>NB   AZ Public Financial Services</b>     | Yes                        | \$ 765,000   | 1.930%        | 5          | Quarterly   |
| <b>a Division of Zions First Nation Bank</b> |                            |              |               |            |             |
| 201 N. Montezuma Street, Suite 100           |                            |              |               |            |             |
| Prescott, Arizona 86301                      |                            |              |               |            |             |
| Doug Lindbert                                |                            |              |               |            |             |
| 928-708-6926                                 |                            |              |               |            |             |
|                                              |                            |              |               |            |             |
|                                              |                            |              |               |            |             |



June 30, 2014

Mr. Joe Duffy  
Finance Director  
Town of Chino Valley  
202 North State Route 89  
Chino Valley, AZ 86323

Re: Lease Purchase Financing- Approx. \$765,000.00

Dear Mr. Duffy:

On behalf of NB I AZ Public Financial Services, a Division of Zions First National Bank and Affiliate of National Bank of Arizona, we are pleased to respond to the Town of Chino Valley's request for financing. We have the capacity and experience to meet your financing needs.

Lender Information:

Arizona Contact:

Lee Davis, Managing Director  
NB I AZ Public Financial Services  
A Division of Zions First National Bank  
1119 West Southern Avenue  
Mesa, Arizona 85210  
[Lee.davis@nbarizona.com](mailto:Lee.davis@nbarizona.com)  
480.756.7122 (office)  
602.402.8202 (cellular)

Lessor:

Zions First National Bank  
One South Main Street, Ste. 1700  
Salt Lake City, Utah 84133

Proposal Structure:

|                  |                                                         |
|------------------|---------------------------------------------------------|
| Purpose:         | Purchase of Various Pieces of Equipment (see EXHIBIT A) |
| Structure:       | Lease Purchase                                          |
| Amount:          | Approx. \$765,000.00                                    |
| Bank Qualified:  | Yes                                                     |
| Termination Fee: | No pre-payment penalty for partial or full early payoff |
| Payments:        | Level quarterly                                         |
| Security:        | Lienholder on Title                                     |

Pricing:

|                |                |
|----------------|----------------|
| Interest Rate: |                |
| Term:          | 5-years: 1.93% |

Legal Requirements:

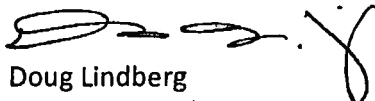
Borrower shall execute or have executed the following documents provided by  
Zions Bank:

Lease Agreement  
Resolution of Governing Body  
Issuer's Opinion  
IRS Form 8038-G  
Wire Transfer Instructions

Expiration of Proposal: Rates quoted above good through September 30, 2014

If you should have any questions or would like to discuss in further details, please call.

Sincerely,



Doug Lindberg  
Vice President/Commercial Banker  
National Bank of Arizona

## Exhibit A

Equipment list for the Town of Chino Valley to purchase during the 2014/2015 fiscal year.

| <b>Town of Chino Valley</b>                            |                                 |
|--------------------------------------------------------|---------------------------------|
| <b>Capital Equipment Fund - Lease Purchase Summary</b> |                                 |
| <b>Fiscal year ending June 30, 2015</b>                |                                 |
|                                                        |                                 |
| <b>Equipment</b>                                       | <b>Proposed Budget FY 14/15</b> |
|                                                        |                                 |
| 2014 John Deere 410 Backhoe                            | \$180,000                       |
|                                                        |                                 |
| 2014 John Deere 544K Loader                            | \$200,000                       |
|                                                        |                                 |
| 2014/15 Ford 550 with 11' Dump                         | \$55,000                        |
|                                                        |                                 |
| 2014/15 Ford Police Interceptor (4)                    | \$140,000                       |
|                                                        |                                 |
| Outfitting Police Cars                                 | \$40,000                        |
|                                                        |                                 |
| 10 Wheel Dump Truck                                    | \$150,000                       |
|                                                        |                                 |
| <b>Total</b>                                           | <b>\$765,000</b>                |

## LEASE PURCHASE AGREEMENT

This equipment lease (the "Lease") dated as of (date), 2014, by and between Zions First National Bank, One South Main Street, Salt Lake City, Utah 84111 ("Lessor"), and the Town of Chino Valley ("Lessee") a body corporate and politic existing under the laws of the State of Arizona. This Lease includes all Exhibits hereto, which are hereby specifically incorporated herein by reference and made a part hereof.

Now therefore, for and in consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto agree as follows:

### ARTICLE I

#### Lease of Equipment

Section 1.1 *Agreement to Lease*. Lessor hereby demises, leases, and lets to Lessee and Lessee rents, leases and hires from Lessor, the "Equipment" (as hereinafter defined), to have and to hold for the term of this Lease; provided, however, that the obligation of Lessor to lease any item of the Equipment and to make payment to the Vendor therefor is subject to the condition precedent that Lessee shall provide the following at its cost, in form and substance satisfactory to Lessor:

- (i) Evidence satisfactory to Lessor as to due compliance with the insurance provisions of Section 10.2 hereof;
- (ii) Invoice of the Vendor of such item of Equipment; and
- (iii) Delivery and Acceptance Certificate in the form attached hereto as Exhibit "E" executed by Lessee acknowledging delivery to and acceptance by Lessee of such item of Equipment.

Section 1.2 *Title*. During the term of this Lease, title to the Equipment will be transferred to, and held in the name of, Lessee, subject to retransfer to Lessor as provided in Section 3.4. Upon termination of this Lease as provided in Sections 3.3 (a) or 3.3 (c), title to the Equipment will transfer automatically to Lessor without the need for any further action on the part of Lessor, Lessee, or any other person, provided that if any action is so required, Lessee by this Lease appoints Lessor its irrevocable attorney in fact to take any action to so transfer title to the Equipment to Lessor. Lessor at all times will have access to the Equipment for the purpose of inspection, alteration, and repair.

Section 1.3 *Security*. To secure the payment of all of Lessee's obligations to Lessor under this Lease, Lessee grants to Lessor a security interest in the Equipment and in all additions, attachments, accessions, and substitutions to or for the Equipment. The security interest granted herein includes proceeds. Lessee agrees to execute such additional documents, including financing statements, affidavits, notices, and similar instruments, in form satisfactory to Lessor, which Lessor deems necessary or advisable to establish and maintain its security interest in the Equipment. Lessor understands and agrees that the security interest granted in this Section shall be subject and subordinate to presently existing security interests and/or purchase money security interests in miscellaneous equipment which may be installed in accordance with the provisions of Section 9.3.

## ARTICLE II

### Definitions

The terms defined in this Article II shall, for purposes of this Lease, have the meaning herein specified unless the context clearly otherwise requires:

"Business Day" shall mean any day except Saturday, Sunday and legal holidays on which banks in the State of Arizona are closed.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commencement Date" shall mean the date when the term of this Lease begins and Lessee's obligation to pay rent accrues, as set forth in Section 3.1.

"Equipment" shall mean the property which Lessor is leasing to Lessee referred to in Section 1.1 and more fully described in Exhibit "A."

"Lessee" shall mean the Town of Chino Valley.

"Lessor" shall mean Zions First National Bank, Salt Lake City, Utah, its successors and assigns.

"Option Purchase Price" shall mean the amount which Lessee must pay Lessor to purchase the Equipment, as determined by Article V.

"Original Term" shall mean the period from the Commencement Date until the end of the fiscal year of Lessee in effect at the Commencement Date, as set forth in Section 3.2.

"Principal Outstanding" means the remaining unpaid principal outstanding under this Lease as specified on Exhibit "C" attached hereto.

"Renewal Terms" shall mean all of the additional periods of one year (coextensive with Lessee's fiscal year) for which this Lease shall be effective in the absence of a termination of the Lease as provided in Article III.

"Rental Payment Date" means the dates upon which Rental Payments are to be made by the Lessee to the Lessor hereunder as specified on Exhibit "C" attached hereto.

"Rental Payments" means the rental payments payable by Lessee pursuant to the provisions of this Lease during the Term hereof.

"Term" or "Term of this Lease" shall mean the Original Term and all Renewal Terms provided for in this Lease under Section 3.2.

"Vendor" shall mean the manufacturer of the Equipment and the manufacturer's agent or dealer from whom Lessor purchased or is purchasing the Equipment.

### ARTICLE III

#### Lease Term

Section 3.1 *Commencement*. The Term of this Lease shall commence as of:

\_\_\_\_\_ the date this Lease is executed.

\_\_\_\_\_ days after the receipt, installation, and operation of the Equipment, and its acceptance by Lessee, as indicated by an acceptance certificate signed by Lessee.

\_\_\_\_\_ the date the Vendor receives full payment for the Equipment from Lessor.

  X   (date), 2014.

Such date will be referred to as the Commencement Date.

Section 3.2 *Duration of Lease: Nonappropriation*. This Lease will continue until the end of the fiscal year of Lessee in effect at the Commencement Date (the "Original Term"). Thereafter, this Lease will be automatically extended 5 (five) successive additional periods of one year coextensive with Lessee's fiscal year (each, a "Renewal Term"), unless this Lease is terminated as hereinafter provided.

The parties understand that as long as Lessee has sufficient appropriated funds to make the Rental Payments hereunder, Lessee will keep this Lease in effect through all Renewal Terms and make all payments required herein or Lessee will exercise its option under Article V to purchase the Equipment. Lessee hereby declares that, as of the date of the execution of this Lease, Lessee currently has an essential need for the Leased Equipment which is the subject of this Lease to carry out and give effect to the public purposes of Lessee. Lessee reasonably believes that it will have a need for the Equipment for the duration of the Original Term and all Renewal Terms. If Lessee does not appropriate funds to continue the leasing of the Equipment for any ensuing Renewal Term, this Lease will terminate upon the expiration of the Original or Renewal Term then in effect and Lessee shall notify Lessor of such termination at least ten (10) days prior to the expiration of the Original or Renewal Term then in effect; provided, however, that a failure to give such written notice shall not constitute an event of default, result in any liability on the part of the Lessee or otherwise affect the termination of this Lease as set forth hereinabove.

Section 3.3 *Termination*. This Lease will terminate upon the earliest of any of the following events:

- (a) the expiration of the Original Term or any Renewal Term of this Lease and the failure of Lessee to appropriate funds to continue the leasing of the Equipment for the ensuing Renewal Term;
- (b) the exercise by Lessee of any option to purchase granted in this Lease by which Lessee purchases all of the Equipment;
- (c) a default by Lessee and Lessor's election to terminate this Lease under Article VII herein;

- (d) the expiration of the Term of this Lease; or
- (e) this contract is subject to and cancellable pursuant to ARS Section 38-511, but only if and to the extent that section is by its terms applicable to this Purchase Agreement.

**Section 3.4 *Return of Equipment upon Termination.*** Upon termination of this Lease pursuant to Sections 3.3 (a) or 3.3 (c), Lessee shall return the Equipment to Lessor in the condition, repair, appearance and working order required in Section 9.2 hereof in the following manner as may be specified by Lessor:

- (a) By delivering the Equipment to Lessor at Lessee's principal place of business; or
- (b) By loading the Equipment at Lessee's cost and expense, on Town such carrier as Lessor shall specify and shipping the same, freight prepaid, to the destination designated by Lessor.

Lessee shall obtain all governmental authorizations to permit return of the Equipment to Lessor and Lessee shall pay to Lessor such sum as may be necessary to cover replacement of all broken or missing parts.

#### **ARTICLE IV**

##### **Rental Payments**

**Section 4.1 *Amount.*** Lessee will pay Lessor as rent for the use of the Equipment during the Original Term and any Renewal Terms on the dates and in the amounts set forth in Exhibit "C" attached hereto. All Rental Payments shall be paid, exclusively from legally available funds, in lawful money of the United States of America to Lessor at or to such other person or entity or at such other place as Lessor may from time to time designate by written notice to Lessee.

**Section 4.2 *Portion of Rental Payments Attributable to Interest.*** The portion of each Rental Payment which is paid as and is representative of interest is set forth in Exhibit "C" attached hereto.

**Section 4.3 *No Right to Withhold.*** Notwithstanding any dispute between Lessee, Lessor, Vendor or any other party, Lessee will make all Rental Payments when due, without withholding any portion of such rent, pending final resolution of such dispute by mutual agreement between the parties thereto or by a court of competent jurisdiction.

**Section 4.4 *Rental Payments to Constitute a Current Obligation of the Lessee.*** The Lessee and the Lessor acknowledge and agree that the obligation of the Lessee to pay Rental Payments hereunder constitutes a current obligation of the Lessee payable exclusively from current and legally available funds and shall not in any way be construed to be an indebtedness of the Lessee under the laws of the Constitution of the State of Arizona. The Lessee has not hereby pledged the credit of the Lessee to the payment of the Rental Payments, or the interest thereon, nor shall this Lease obligate the Lessee to apply money of the Lessee to the payment of Rental Payments beyond the then current Original Term or Renewal Term, as the case may be, or any interest thereon.

## ARTICLE V

### Purchase of Equipment

Section 5.1 *Option Purchase Price*. On any Business Day on or after (date), 2014, Lessee may purchase the Equipment from Lessor at a price equal to the principal amount outstanding on the Rental Payment Date immediately preceding the date of calculation (unless such date is a Rental Payment Date, in which case, the principal amount outstanding as of such date), plus accrued interest from such Rental Payment Date to such date of calculation at the rate of interest per annum in effect for the period during which the calculation is made, as set forth in Exhibit "C."

Section 5.2 *Manner of Exercise of Option*. To exercise the option, Lessee must deliver to Lessor written notice specifying the date on which the Equipment is to be purchased (the "Closing Date"), which notice must be delivered to Lessor at least thirty (30) days prior to the Closing Date specified therein. At the closing, Lessor will deliver to Lessee a bill of sale transferring the Equipment to Lessee free and clear of any lien or encumbrance created by or arising through Lessor, but without warranties, and will deliver all warranties and guarantees of Vendors of the Equipment.

Section 5.3 *Conditions of Exercise of Option*. Lessee may purchase the Equipment pursuant to the option granted by this Lease only if Lessee has made all Rent Payments when due (or has remedied any defaults in the payment of rent, in accordance with the provisions of this Lease) and if all other representations, covenants, warranties, and obligations of Lessee under this Lease have been satisfied (or all breaches of the same have been waived by Lessor in writing).

Section 5.4 *Termination Purchase*. Upon the expiration of the Term of the Lease and provided that the conditions of Section 5.3 have been satisfied, Lessee shall be deemed to have purchased the Equipment (without the payment of additional sums) and shall be vested with all rights and title to the Equipment. Lessor agrees that upon the occurrence of the events as provided in this Section, it shall deliver to Lessee the documents specified in Section 5.2, and shall comply with the provisions of Section 5.2 relating to termination upon exercise of the option to purchase.

## ARTICLE VI

### Representations, Covenants, and Warranties of Lessee and Lessor

Section 6.1 *Representations, Covenants and Warranties of Lessee*. Lessee represents, covenants, and warrants as follows:

- (a) Lessee is a body corporate and politic, duly organized and existing under the Constitution and laws of the State of Arizona.
- (b) Lessee is authorized by the Constitution and laws of the State of Arizona to enter into this Lease and to effect all of Lessee's obligations hereunder. The governing body of Lessee has executed the resolution attached as Exhibit "B" to this Lease which specifically authorizes Lessee to execute and deliver this Lease.

- (c) All procedures and requirements, including any legal bidding requirements, have been met by Lessee prior to the execution of this Lease in order to insure the enforceability of this Lease and all rent and other payment obligations will be paid out of funds legally available for such purpose.
- (d) The governing body of Lessee has complied with all applicable open public meeting and notice laws and requirements with respect to the meeting at which Lessee's execution of this Lease was authorized, as evidenced by the certificate of open meeting law attached to the Resolution of Governing Body which is attached hereto as Exhibit "B."
- (e) The letter attached to this Lease as Exhibit "D" is a true opinion of Lessee's counsel.
- (f) Lessee will use and service the Equipment in accordance with Vendor's instructions and in such a manner as to preserve all warranties and guarantees with the respect to the Equipment.
- (g) During the term of this Lease, the Equipment will be used by Lessee only for the purpose of performing one or more governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority.
- (h) The representations, covenants, warranties, and obligations set forth in this Article are in addition to and are not intended to limit any other representations, covenants, warranties, and obligations set forth in this Lease.
- (i) The Equipment shall be used solely by Lessee and shall not be subject to any direct or indirect private business use.
- (j) Lessee covenants and certifies to and for the benefit of Lessor throughout the term of this Lease that:
  - (1) No use will be made of the proceeds of this Lease, or any funds or accounts of Lessee which may be deemed to be proceeds of this Lease, which use, if it had been reasonably expected on the date of execution of this Lease, would have caused this Lease to be classified as an "arbitrage bond" within the meaning of Section 148 of the Code;
  - (2) Lessee will at all times comply with the rebate requirements of Section 148(f), to the extent applicable;
  - (3) in order to preserve the status of this Lease as other than a "private activity bond" as described in Sections 103(b)(1) and 141 of the Code, as long as this Lease is outstanding: (I) none of the proceeds of this Lease or the Equipment financed therewith shall be used for any "private business use" as that term is used in Section 141(b) of the Code and defined in Section 141(b)(6) of the Code; and (II) no part of this Lease shall be secured in whole or in part, directly or indirectly, by any interest in any equipment used in any such "private business use" or by payments in respect of such equipment, and shall not be derived from payments in respect of such equipment;

- (4) it will not take any action or omit to take any action such that would cause interest on this Lease to become ineligible for the exclusion from gross income of Lessor as provided in Section 103 of the Code.
- (k) The obligations of Lessee under this lease are not federally guaranteed within the meaning of Section 149(b) of the Code.
- (l) This Lease is being executed for the purpose of acquiring the Equipment and is not being issued to refund or refinance any outstanding obligation of Lessee, nor to reimburse Lessee for any expenditures made prior to the date hereof.
- (m) In compliance with Section 149 (e) of the Code relating to information reporting, Lessee has caused or will cause to be filed with the Internal Revenue Service, IRS form 8038-G or 8038-GC, as appropriate.
- (n) Lessee has selected the Equipment and desires to lease the Equipment for use in the performance of its governmental or proprietary functions. Lessor, at Lessee's request, has ordered or shall order the Equipment and shall lease the same to Lessee as herein provided, Lessor's only role being the facilitation of the financing of the Equipment for the Lessee. Lessor will not be liable for specific performance or for damages if the supplier or manufacturer of the Equipment for any reason fails to fill, or delays in filling, the order for the Equipment. Lessee acknowledges that Lessor is not a manufacturer of or a dealer in the Equipment (or similar equipment) and does not inspect the Equipment prior to delivery to Lessee. Lessee agrees to accept the Equipment and authorizes Lessor to add the serial number of the Equipment to Exhibit "A." Lessor shall have no obligation to install, erect, test, inspect, or service the Equipment. *For purpose of this Lease and of any purchase of the Equipment effected under this Lease, Lessor expressly disclaims any warranty with respect to the condition, quality, durability, suitability, merchantability or fitness for a particular purpose of the Equipment in any respect, and any other representation, warranty, or covenant, express or implied. Lessor will not be liable to Lessee for any liability, loss, or damage caused or alleged to be caused, directly or indirectly, by any inadequacy, deficiency, or defect in the equipment, or by any use of the equipment, whatsoever.* Lessor assigns to Lessee, without recourse, for the Term of this Lease all manufacturer warranties and guarantees, express or implied, pertinent to the Equipment, and Lessor directs Lessee to obtain the customary services furnished in connection with such guarantees and warranties at Lessee's expense, subject to Lessee's obligation to reassign to Lessor all such warranties and guarantees upon Lessor's repossession of the Equipment.
- (o) During the term of this Lease, Lessee covenants and agrees (1) to include in its annual tentative budget prepared by the appropriate officials acting on behalf of Lessee in accordance with applicable law an item for expenditure of an amount necessary to pay the Rental Payments for the Equipment during the next succeeding Renewal Term, and (2) to take such further action (or cause the same to be taken) as may be necessary or desirable to assure that the final budget submitted to the governing body of Lessee for its consideration seeks an appropriation of moneys sufficient to pay such Rental Payments.
- (p) There are no legal or governmental proceedings or litigation pending or, to the best knowledge of Lessee, threatened or contemplated (or any basis therefore) wherein an

unfavorable decision, ruling or finding might adversely affect the transactions contemplated in or the validity of this Lease

- (q) Lessee has never non-appropriated or defaulted under any of its payment or performance covenants, either under any municipal lease of the same general nature as this Lease or under any of its bonds, notes or other debt obligations for which its general credit or revenues are pledged.

Section 6.2 *Representations, Covenants and Warranties of Lessor*. Lessor represents, covenants, and warrants as follows:

- (a) During the term of this Lease, Lessor will provide Lessee with quiet use and enjoyment of the Equipment, without suit, trouble, or hindrance from Lessor, except upon default by Lessee as set forth in this Lease.
- (b) Lessor has not caused to be created any lien or encumbrance on the Equipment except the security interest provided in Section 1.3 of this Lease.

## ARTICLE VII

### Events of Default and Remedies

Section 7.1 *Events of Default Defined*. The following shall be "events of default" under this Lease and the terms, "event of default" and "default" shall mean, whenever they are used in this Lease, any one or more of the following events:

- (a) Failure by Lessee to pay any Rental Payment or other payment required to be paid hereunder at the time specified herein; and
- (b) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in Section 7.1 (a), for a period of 30 days after written notice, specifying such failure and requesting that it be remedied as given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected.

The foregoing provisions of this Section 7.1 are subject to (i) the provisions of Section 3.2 hereof with respect to nonappropriation; and (ii) if by reason of *force majeure* Lessee is unable in whole or in part to carry out its agreement on its part herein contained, other than the obligations on the part of Lessee contained in Article IV hereof, Lessee shall not be deemed in default during the continuance of such inability. The term "*force majeure*" as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the state wherein Lessee is located or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms, droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of Lessee.

**Section 7.2 Remedies on Default.** Whenever any event of default referred to in Section 7.1 hereof shall have happened and be continuing, Lessor shall have the right, at its sole option without any further demand or notice to take one or any combination of the following remedial steps:

- (a) With or without terminating this Lease, retake possession of the Equipment and sell, lease or sublease the Equipment for the account of Lessee, holding Lessee liable for the difference between (i) the rents and other amounts payable by Lessee hereunder to the end of the then current Original Term or Renewal Term, as appropriate, and (ii) the purchase price, rent or other amounts paid by a purchaser, lessee or sublessee of the Equipment pursuant to such sale, lease or sublease; and
- (b) Take whatever action at law or in equity may appear necessary or desirable to enforce its rights as the owner of the Equipment.

**Section 7.3 No Remedy Exclusive.** No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor to exercise any remedy reserved to it in this Article VII it shall not be necessary to give any notice, other than such notice as may be required in this Article VII.

**Section 7.4 Waiver of Certain Damages.** With respect to all of the remedies of Section 7.2 above, Lessee expressly waives any damages occasioned by Lessor's repossession of the Equipment.

## **ARTICLE VIII**

### **Payment of Taxes, Fees, Permits, and Utility Services**

**Section 8.1 Interpretation.** This Lease for all purposes will be treated as a net lease.

**Section 8.2 Taxes and Fees.** Lessee agrees to pay and to indemnify and hold Lessor harmless from, all license, sales, use, personal property, and other taxes and fees, together with any penalties, fines, and interest on such taxes and fees imposed or levied with respect to the Equipment and the ownership, delivery, lease, possession, use, operation, sale, and other disposition of the Equipment, and upon the rental or earnings arising from any such disposition, except any federal or state income taxes payable by Lessor on such rental or earnings. Lessee may in good faith and by appropriate proceedings contest any such taxes and fees so long as such proceedings do not involve any danger of sale, forfeiture, or loss of the Equipment or of any interest in the Equipment.

**Section 8.3 Permits.** Lessee will provide all permits and licenses necessary for the installation, operation, and use of the Equipment. Lessee will comply with all laws, rules, regulations, and ordinances applicable to the installation, use, possession, and operation of the Equipment. If compliance with any law, rule, regulation, ordinance, permit, or license requires changes or additions to be made to the Equipment, such changes or additions will be made by Lessee at its own expense.

Section 8.4 *Utilities*. Lessee will pay all charges for gas, water, steam, electricity, light, heat or power, telephone, or other utilities furnished to or used in connection with the Equipment (including charges for installation of such services) during the term of this Lease. There will be no abatement of rent on account of the interruption of any such services.

## ARTICLE IX

### Use, Repairs, Alterations, and Liens

Section 9.1 *Use*. Lessee will not install, use, operate, or maintain the Equipment improperly, carelessly, in violation of any applicable law, or in a manner contrary to that contemplated by this Lease. Lessee agrees that the Equipment is and at all times will remain personal property notwithstanding that the Equipment or any part of the Equipment may now or hereafter become affixed in any manner to real property or to any building or permanent structure.

Section 9.2 *Repairs*. Lessee at its own cost will service, repair, and maintain the Equipment so as to keep the Equipment in as good condition, repair, appearance, and working order as when delivered to and accepted by Lessee under this Lease, ordinary wear and tear excepted. At its own cost, Lessee will replace any and all parts and devices which may from time to time become worn out, lost, stolen, destroyed damaged beyond repair, or rendered unfit for use for any reason whatsoever. All such replacement parts, mechanisms, and devices will be free and clear of all liens, encumbrances, and rights of others, and immediately will become a part of the Equipment and will be covered by this Lease (for all purposes including the obligation of Lessee to retransfer title to Lessor under Section 1.2 herein) to the same extent as the Equipment originally covered by this Lease.

Section 9.3 *Alterations*. Lessee may install such miscellaneous equipment as may be necessary for use of the Equipment for its intended purposes so long as either (a) the installation of such equipment does not alter the function or manner of operation of the Equipment, or (b) Lessee, upon termination of this Lease (other than termination pursuant to Section 3.3(b) or (d), restores the Equipment to its function and manner of operation prior to the installation of such equipment. Subject to the obligations described above, Lessee may remove such equipment upon termination of this Lease, if the removal of such equipment will not substantially damage the Equipment. Without the prior written consent of Lessor, Lessee will not make any other alterations, changes, modifications, additions, or improvements to the Equipment except those needed to comply with Lessee's obligations to change, add to, or repair the Equipment as set forth in Sections 9.2 and 10.3 herein. Any alterations, changes, modifications, additions, and improvements made to the Equipment, other than miscellaneous equipment installed as set forth above, immediately will become a part of the Equipment and will be covered by this Lease (for all purposes, including the obligation of Lessee to retransfer title to Lessor under Section 1.2 herein) to the same extent as the Equipment originally covered by this Lease.

Section 9.4 *Liens*. Except with respect to the security interest provided in Section 1.3 hereof, Lessee will not directly or indirectly create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or claim on or with respect to the Equipment or any interest in the Equipment. Lessee promptly and at its own expense will take such action as may be necessary to duly discharge any mortgage, pledge, lien, charge, encumbrance, or claim, not excepted above, if the same arises at any time.

## ARTICLE X

### Indemnification, Insurance, and Damage to or Destruction of the Equipment

Section 10.1 *Indemnification*. Lessee assumes liability for and agrees to indemnify Lessor from and against any and all liability (including attorney's fees) of any nature imposed upon, incurred by, or asserted against Lessor which in any way relates to or arises out of ownership, delivery, lease, possession, use, operation, condition, sale, or other disposition of the Equipment. Notwithstanding anything contained in this Section to the contrary, Lessor shall not be indemnified for, or relieved of, any liability which may be incurred from Lessor's breach of this Lease.

Section 10.2 *Insurance*. Lessee at Lessor's option will either self-insure, or at its cost, will cause casualty insurance, public liability insurance, and property damage insurance to be carried and maintained on the Equipment, with all such coverages to be in such amounts sufficient to cover the value of the Equipment at the commencement of this Lease (as determined by the purchase price paid by Lessor for the Equipment), and to be in such forms, to cover such risks, and with such insurers, as are acceptable to Lessor. A combination of self-insurance and policies of insurance may be utilized. If policies of insurance are obtained, Lessee will cause Lessor to be the named insured on such policies as its interest under this Lease may appear. Insurance proceeds from insurance policies or budgeted amounts from self-insurance as relating to casualty and property damage losses will, to the extent permitted by law, be payable to Lessor to the extent of the sum of the Option Purchase Price of the Equipment at the time of its damage or destruction and all amounts due and owing hereunder. Lessee will deliver to Lessor the policies or evidences of insurance satisfactory to Lessor, if any, together with receipts for the initial premiums before the Equipment is delivered to Lessee. Renewal policies, if any, together with receipts showing payment of the applicable premiums will be delivered to Lessor at least thirty (30) days before termination of the policies being renewed. By endorsement upon the policy or by independent instrument furnished to Lessor, such insurer will agree that it will give Lessor at least thirty (30) days' written notice prior to cancellation or alteration of the policy. Lessee will carry workmen's compensation insurance covering all employees working on, in, or about the Equipment, and will require any other person or entity working on, in, or about the Equipment to carry such coverage, and will furnish to Lessor certificates evidencing such coverages throughout the Term of this Lease.

Section 10.3 *Damage to or Destruction of the Equipment*. If all or any part of the Equipment is lost, stolen, destroyed, or damaged, Lessee will give Lessor prompt notice of such event and will, to the extent permitted by law, repair or replace the same at Lessee's cost within thirty (30) days after such event, and any replaced Equipment will be substituted in this Lease by appropriate endorsement. All insurance proceeds received by Lessor under the policies required under Section 10.2 with respect to the Equipment lost, stolen, destroyed, or damaged, will be paid to Lessee if the Equipment is repaired or replaced by Lessee as required by this Section. If Lessee fails or refuses to make the required repairs or replacement, such proceeds will be paid to Lessor to the extent of the then remaining portion of the Rental Payments to become due during the Term of this Lease less that portion of such Rental Payments attributable to interest which will not then have accrued. No loss, theft, destruction, or damage to the Equipment will impose any obligation on Lessor under this Lease, and this Lease will continue in full force and effect regardless of such loss, theft, destruction, or damage. Lessee assumes all risks and liabilities, whether or not covered by insurance, for loss, theft, destruction, or damage to the Equipment and for injuries or deaths of persons and damage to property however arising, whether such injury or

death be with respect to agents or employees of Lessee or of third parties, and whether such damage to property be to Lessee's property or to the property of others.

## ARTICLE XI

### Miscellaneous

**Section 11.1 *Assignment and Sublease by Lessee.*** Lessee may not assign, transfer, pledge, or encumber this Lease or any portion of the Equipment (or any interest in this Lease or the Equipment), or sublet the Equipment, without the prior written consent of Lessor. Consent to any of the foregoing acts shall not constitute a consent to any subsequent like act by Lessee or any other person. Lessee agrees that Lessor may impose on the Equipment such plates or other means of identification as necessary to indicate that the Equipment is subject to this Lease and the restrictions set forth in this Section.

**Section 11.2 *Assignment by Lessor.*** The parties hereto agree that all rights of Lessor hereunder may be assigned, transferred or otherwise disposed of, either in whole or in part; provided that (1) notice of any such assignment, transfer or other disposition is given to Lessee at least five (5) days prior thereto; (2) prior to any such assignment, transfer or other disposition, the name and address of the assignee or transferee must be registered on registration books maintained by Lessee for this Lease; and (3) prior to any such assignment, transfer or other disposition, this Lease must be surrendered to Lessee and the interest of any such assignee or transferee indicated on the face hereof and after such notation hereon, Lessee will redeliver this Lease to the new owner or owners hereof. Lessee shall maintain registration books for this Lease and shall be obligated to make the payments required hereby, including principal and interest payments, solely to the registered owner or owners hereof.

**Section 11.3 *Lessor's Right to Perform for Lessee.*** If Lessee fails to make any payment or fails to satisfy any representation, covenant, warranty, or obligation contained herein or imposed hereby, Lessor may (but need not) make such payment or satisfy such representation, covenant, warranty, or obligation, and the amount of such payment and any expenses incurred by Lessor, as the case may be, together with interest thereon as herein provided, will be deemed to be additional rent payable by Lessee on Lessor's demand.

**Section 11.4 *Addresses.*** All notices to be given under this Lease will be made in writing and mailed or delivered by registered or certified mail, return receipt requested to the following addresses until either Lessee or Lessor gives written notice to the other specifying a different address:

- (a) if to Lessee, at the Town of Chino Valley, 202 North State Route 89, Chino Valley, Arizona 86323, Attention: Mr. Joe Duffy, Finance Director.
- (b) if to Lessor, at Zions First National Bank, One South Main Street, 17<sup>th</sup> Floor, Salt Lake City, Utah, 84133. Attention: Public Financial Services.

**Section 11.5 *Manner of Payment.*** All payments by Lessee will be made in cash, by certified or cashier's check, or by other manner acceptable to Lessor.

**Section 11.6 *Nonwaiver.*** No breach by Lessee in the satisfaction of any representation, covenant, warranty, or obligation contained herein or imposed hereby may be waived except by the written

consent of Lessor, and any such waiver will not operate as a waiver of any subsequent breach. Forbearance or indulgence by Lessor in any regard whatsoever shall not constitute a waiver of the covenant or obligation and until complete performance by Lessee of said covenant or obligation Lessor shall be entitled to invoke any remedy available to it under this Lease despite said forbearance or indulgence. No collection of rent shall operate as a waiver of any default.

Section 11.7 *Severance Clause*. Any provision in this Lease which is prohibited by Law will be treated as if it never were a part of this Lease, and the validity of the remaining terms of this Lease will be unaffected.

Section 11.8 *Entire Agreement; Addendum*. This Lease and the attached Exhibits constitute the entire agreement between Lessor and Lessee and supersedes any prior agreement between Lessor and Lessee with respect to the Equipment, except as is set forth in an Addendum, if any, which is made a part of this Lease and which is signed by Lessor and Lessee.

Section 11.9 *Amendments*. This Lease may be amended only by a written document signed by Lessor and Lessee, or their respective successors and assigns.

Section 11.10 *Inurement*. Subject to the restrictions in Section 11.1 above, this Lease is binding upon and inures to the benefit of Lessor and Lessee and their respective successors and assigns.

Section 11.11 *Governing Law*. This Lease is governed by the laws of the State of Arizona.

Section 11.12 *Headings*. Headings used in this Lease are for convenience of reference only and the interpretation of this Lease will be governed by the text only.

Section 11.13 *Offset*. Rental Payments or other sums payable by Lessee pursuant to this Lease shall not be subject to set-off, deduction, counterclaim or abatement and Lessee shall not be entitled to any credit against such Rental Payments or other sums for any reason whatsoever, including, but not limited to any damage or destruction of the Equipment or any restriction or interference with Lessee's use of the Equipment.

Section 11.14 *Interest*. If Lessee fails to pay any Rental Payment or other amount due hereunder within ten (10) days after the due date thereof, Lessee shall pay to Lessor interest on such delinquent payment from the due date until paid at the rate of one percent (1%) per month.

Section 11.15 *Nature of this Agreement*. Lessor and Lessee agree that it is their intention that, for federal income tax purposes, the interest of Lessor in the Equipment is as a secured party and the interest of Lessee is as a debtor with the aggregate principal amount of the Rental Payments constituting the purchase price of the Equipment, and that Lessor neither has nor will have any equity in the Equipment.

Section 11.16 *Designation of Issue for Tax Purposes*. In accordance with Section 265 of the Code, Lessee hereby designates this Lease as an issue qualifying for the exception for certain qualified tax-exempt obligations to the rule denying banks and other financial institutions 100% of the deduction for interest expenses which is allocable to tax-exempt interest. Lessee reasonably anticipates that the total amount of tax-exempt obligations [other than (i) private activity bonds, as defined in Section 141 of the Code (a qualified 501 (c)(3) bond, as defined in Section 145 of the Code, and any bond issued to refund

certain obligations issued before August 8, 1986 as described in Section 265 (b)(3)(B)(ii)(II) of the Code not being treated as a private activity bond for this purpose), (ii) any obligation to which Section 141 (a) of the Code does not apply by reason of Sections 1312, 1313, 1316 (g) or 1317 of the Tax Reform Act of 1986 and which is described in Section 265 (b)(3)(C)(ii)(II) of the Code, and (iii) any obligation issued to refund (other than to advance refund within the meaning of Section 149 (d)(5) of the Code) any obligation to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation] which will be issued by the Lessee and by any aggregated issuer during the current calendar year will not exceed \$10,000,000.

Section 11.17 *Exhibits*. This Lease shall not be effective as against Lessor until such time as all Exhibits attached hereto, consisting of Exhibits "A" through "F," inclusive, are completed to the satisfaction of Lessor and delivered to Lessor.

**EXHIBITS**

Exhibit A .....Description Of Equipment  
Exhibit B..... Resolution of Governing Body  
Exhibit C.....Payment Schedule  
Exhibit D .....Opinion of Lessee's Counsel  
Exhibit E..... Delivery and Acceptance Certificate  
Exhibit F..... Security Documents

Executed this \_\_\_\_ day of \_\_\_\_\_, 2014.

Lessor:

**Zions First National Bank**

By \_\_\_\_\_

Title\_\_\_\_\_

Lessee:

**The Town of Chino Valley**

By \_\_\_\_\_

Title\_\_\_\_\_

**EXHIBIT A**  
**Description of Equipment**

| Quantity | Description/Serial Numbers                  |
|----------|---------------------------------------------|
| 1        | 2014 John Deere 410 Backhoe Vin # _____     |
| 1        | 2014 John Deere 544K Loader Vin # _____     |
| 1        | 2014/15 Ford 550 with 11' Dump Vin # _____  |
| 4        | 2014/15 Ford Police Interceptor Vin # _____ |
| 1        | 10 Wheel Dump Truck Vin # _____             |

\_\_\_\_\_  
Initials of Lessee Signatory

**EXHIBIT B**  
**Resolution of Governing Body**  
**Extract of Minutes**

The (the "Governing Body") of the Town of Chino Valley met in regular session at its regular meeting place in Chino Valley, Arizona on (date), 2014, with the following members of the Governing Body present:

Chris Marley .....Mayor  
 Darrel L. Croft.....Vice Mayor  
 Mike R. Best .....Councilmember  
 Linda Hatch .....Councilmember  
 Pat McKee .....Councilmember  
 Lori Turner.....Councilmember  
 Don Wojcik.....Councilmember

Also present:

.....

Absent:

After the meeting had been duly called to order and the minutes of the preceding meeting read and approved, the following resolution was introduced in written form, read in full, and pursuant to motion duly made by \_\_\_\_\_ and seconded by \_\_\_\_\_ was adopted by the following vote:

YEA:

NAY:

The resolution was then signed by the \_\_\_\_\_ in open meeting and recorded by the \_\_\_\_\_. The resolution is as follows:

**A resolution approving the form of the Equipment Lease Agreement with Zions First National Bank, Salt Lake City, Utah. Finding that it is in the best interests of to enter into said Agreement, and authorizing the execution and delivery thereof.**

*Whereas*, the Town Council of the Town of Chino Valley (the "Governing Body") has determined that a true and very real need exists for the leasing of the equipment described in the Equipment Lease Agreement presented to this meeting; and

*Whereas*, the Governing Body has reviewed the form of the Equipment Lease Agreement and has found the terms and conditions thereof acceptable to the Governing Body; and

*Whereas*, the Governing Body has taken the necessary steps including any legal bidding requirements, under applicable law to arrange for the leasing of such equipment under the Equipment Lease Agreement.

*Be it resolved* by the Governing Body of the Town of Chino Valley as follows:

Section 1. The terms of said Equipment Lease Agreement are in the best interests of for the leasing of the equipment described therein.

Section 2. The Chairman and Clerk are hereby authorized to execute and deliver the Equipment Lease Agreement and any related documents necessary to the consummation of the transactions contemplated by the Equipment Lease Agreement for and on behalf of.

Section 3. The officers of the Governing Body and are hereby authorized and directed to fulfill all obligations under the terms of the Equipment Lease Agreement.

Adopted and approved this \_\_\_\_ day of \_\_\_\_\_, 2014.

By \_\_\_\_\_  
Title \_\_\_\_\_

I Jami Lewis, hereby certify that I am the duly qualified and acting Town Clerk of the Town of Chino Valley. I further certify that the above and foregoing instrument constitutes a true and correct copy of the minutes of a regular meeting of the Town of Chino Valley including a Resolution adopted at said meeting held on (date), 2014, as said minutes and Resolution are officially of record in my possession, and that a copy of said Resolution was deposited in my office on \_\_\_\_\_, 2014.

*In witness whereof*, I have hereunto set my hand and this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

By \_\_\_\_\_

Title: Town Clerk

STATE OF ARIZONA                    )  
                                                  :SS.  
COUNTY OF YAVAPAI                )

I, Jami Lewis, the duly qualified Town Clerk of the Town of Chino Valley do hereby certify:

The Governing Body has complied in all respects with the open meeting laws as set forth in and required by the Statues of the State of Arizona.

*In witness whereof*, I have hereunto set my hand this \_\_\_\_ day of \_\_\_\_\_, 2014.

By \_\_\_\_\_  
Title: Town Clerk

**EXHIBIT C**  
**Payment Schedule**

**Lessee:** The Town of Chino Valley

**Date of Lease:** (date), 2014

**Amount Due:** \$765,000

1. Interest has been computed at the rate of 2.53% per annum. Interest shall accrue from the Commencement Date.
2. Rental payments shall be due \_\_\_\_\_ commencing \_\_\_\_\_. The payments set forth on the attached debt service schedule shall be due on the \_\_\_\_ day of each \_\_\_\_\_ up to and including \_\_\_\_\_.
3. The Option Purchase Price, on any given date of calculation, is equal to the Principal Outstanding on the Rental Payment Date immediately preceding the date of calculation (unless such calculation date is a Rental Payment Date, in which case, the Principal Outstanding as of such date) plus accrued interest from such Rental Payment Date at the rate set forth in paragraph number 1 above.

**[Please see the attached Debt Service Schedule]**

\_\_\_\_\_  
Initials of Lessee Signatory

**EXHIBIT D****Opinion of Lessee's Counsel****(Use Attorney's Letterhead)**

To: Zions First National Bank  
One South Main Street, 17<sup>th</sup> Floor  
Salt Lake City, Utah 84111

Gentlemen:

As counsel for the Town of Chino Valley ("Lessee"), I have examined duly executed originals of Equipment Lease Agreement (the "Lease") dated (date), 2014, between the Lessee and Zions First National Bank, Salt Lake City, Utah ("Lessor"), and the proceedings taken by Lessee to authorize and execute the Lease. Based upon such examination as I have deemed necessary or appropriate, I am of the opinion that:

1. Lessee is a body corporate and politic, legally existing under the laws of the State of Arizona.
2. The Lease has been duly authorized, executed, and delivered by Lessee.
3. The governing body of Lessee has complied with all applicable open public meeting and notice laws and requirements with respect to the meeting at which Lessee's execution of the Lease was authorized.
4. The Lease is a legal, valid, and binding obligation of Lessee, enforceable in accordance with its terms except as limited by the state and federal laws affecting remedies and by bankruptcy, reorganization, or other laws of general application affecting the enforcement of creditors' rights generally.
5. The Lease is in accordance with and does not violate the usury statutes of the State of Arizona, if any.
6. There are no legal or governmental proceedings or litigation pending or, to the best of my knowledge, threatened or contemplated (or any basis therefor) wherein an unfavorable decision, ruling or finding might adversely affect the transactions contemplated in or the validity of the Lease.
7. The Equipment (as defined in the Lease) constitutes personal property and when subjected to use by Lessee will not become fixtures under applicable law.

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Attorney for Lessee

**EXHIBIT E**  
**Delivery and Acceptance Certificate**

To: Zions First National Bank

Reference is made to the Equipment Lease Agreement between the undersigned the Town of Chino Valley ("Lessee"), and Zions First National Bank ("Lessor"), dated (date), 2014, ("the Lease") and to the Equipment as such term is defined therein. In connection therewith we are pleased to confirm to you the following:

1. All of the Equipment has been delivered to and received by the undersigned; all installation or other work necessary prior to the use thereof has been completed; said Equipment has been examined and/or tested and is in good operating order and condition and is in all respects satisfactory to the undersigned and as represented, and that said Equipment has been accepted by the undersigned and complies with all terms of the Lease. Consequently, you are hereby authorized to pay for the Equipment in accordance with the terms of any purchase orders for the same.
2. In the future, in the event the Equipment fails to perform as expected or represented we will continue to honor the Lease in all respects and continue to make our rental and other payments thereunder in the normal course of business and we will look solely to the vendor, distributor or manufacturer for recourse.
3. We acknowledge that Lessor is neither the vendor nor manufacturer or distributor of the Equipment and has no control, knowledge or familiarity with the condition, capaTown, functioning or other characteristics of the Equipment.
4. The serial number for each item of Equipment which is set forth on Exhibit "A" to the Lease is correct.

This certificate shall not be considered to alter, construe, or amend the terms of the Lease.

Lessee:

\_\_\_\_\_  
 Witness

By: \_\_\_\_\_  
 (Authorized Signature)

\_\_\_\_\_  
 (Print name and title)

Date: \_\_\_\_\_

**EXHIBIT F**  
**Security Documents**

[Attach Security Documents here]



## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

Item No. **7. d.**

**Meeting Date:** 07/22/2014  
**Contact Person:** Ron Grittman, Town Engineer  
 Phone: 928-636-2646 x-1223  
**Department:** Public Works  
**Item Type:** Action-Presentation  
**Estimated length of staff presentation:** 5 minutes  
**Physical location of item:** N/A

### AGENDA ITEM TITLE:

Consideration and possible action to approve the purchase of four Ford Police Interceptors from Berge Ford in an amount not to exceed \$28,868.40 each, one Ford 550 from Berge Ford in an amount not to exceed \$55,756.25, one John Deere 544K front end loader from RDO Equipment Company in an amount not to exceed \$166,503.38, and one 410K backhoe from RDO Equipment in an amount not to exceed \$107,898.66 for a combined total of \$445,631.89.

### RECOMMENDED ACTION:

Approve the purchase of four Ford Police Interceptors from Berge Ford in an amount not to exceed \$28,868.40 each, one Ford 550 from Berge Ford in an amount not to exceed \$55,756.25, one John Deere 544K front end loader from RDO Equipment Company in an amount not to exceed \$166,503.38, and one 410K backhoe from RDO Equipment in an amount not to exceed \$107,898.66 for a combined total of \$445,631.89.

### SITUATION AND ANALYSIS:

See Attached

*NOTE: As of the publishing of this agenda packet, this item is still under review by the Town Attorney and may be modified prior to July 22.*

### Fiscal Impact

**Fiscal Impact?:** Yes  
**If Yes, Budget Code:**  
**Available:** 445,631.89  
**Funding Source:**  
 Funds to come from capital replacement line items

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**Attachments**

Situation and Analysis

Lease Purchase Summary

Equipment Quotes

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## **Agenda Item Staff Report SITUATION & ANALYSIS**

### **Issue Statement**

*Brief narrative description of the issue at hand, including information about the problem or reason why Council involvement is required, why the item is now suitable for Council consideration and requires Council action for the item to move forward.*

As has been explained throughout the entire budget process, the Town is not adequately replacing equipment and vehicles. The Public Works Department's 1994 frontend loader has reached a state where metal shavings have been found in the transmission and engine. In addition, the failing hydraulic systems require that they be completely rebuilt. Cost estimates to repair this equipment are in excess of \$100,000.00. Several police vehicles are in excess of 140,000 miles and are in need of being replaced. The Town's sole back hoe is shared by both Public Works and Utilities. The workload between these two departments has reached a point where scheduling repairs on the water and sewer system are put off until such a time that an opening in the Public Works schedule appears. The Parks Department lawn mower is currently towed to the various facilities by Public Works equipment because their previous heavy duty vehicle became unusable because of significant engine and transmission failures as well as the vehicle was in excess of 200,000 miles and more than 25 years old.

The finance department has developed a financing package for the acquisition of some vehicles and equipment that are sorely needed. This package is funded in the upcoming FY 14/15 budget. As vehicle and equipment suppliers near the end of the current fiscal year stocks begin to dwindle for 2014 models while they prepare to receive 2015 models. In addition, the current state and county bids will expire at the end of this fiscal year and will need to be rebid.

The Town can place orders from current supplies of existing vehicles and equipment and put off receiving, and being invoiced for, the vehicles and equipment until the new fiscal year. Recently the Finance Department has secured financing for the acquisition of equipment identified in this year's budget. Through the efforts of the Town by "tagging" specific equipment, will allowed for the supplier to hold vehicles and equipment from existing stockpiles, and 2014 prices. The list of four (4) police vehicles (one to be used as an administrative vehicle,) 550 dump, frontend loader, and back hoe are the most important vehicles and equipment that is needed immediately.

### **Applicable "Policy"**

*Bulleted list, by section number and title, of the statute, code, plan, policy, goal, initiative, etc. relevant to the issue that must be satisfied in order to resolve the issue. A brief summary of the "policy" section(s) may be included if there are multiple issues or details that need to be covered.*

- Administration's goal is to replace capital equipment and assets efficiently when replacement is warranted. Further, the Administration strives to develop a schedule for and budget to such expenditures to eliminate 'surprise' expenditures which can, because of the nature of the equipment and assets, be expensive and burdensome to the organization. The Administration, through the development of a capital improvement program that spans multiple years, endeavors

to provide as much lead and planning time possible for the organization to maintain and replace such assets.

### **Satisfaction of “Policy”**

*Bulleted list, by section number and title, of the above relevant “policies,” with a narrative explaining how each of them were/will be met or satisfied.*

- The introduction of the lease purchase program, and the capital improvement schedule in the coming year’s budget is the Administration’s first step to assure that it’s policy towards capital equipment and asset replacement/maintenance is executed.

### **Summary of Issues and Staff Rationale**

*Narrative explaining the issue at hand and how/why the staff proposed solution(s) are best for the Town. This may include more than one resolution or solution/alternative for Council to consider.*

Currently, the Town has significant vehicle and equipment needs. Important equipment to perform the required job tasks are far beyond the recommended service life or are completely inoperable. Many existing police units exceed the maximum mileage that is recommended. The current frontend loader has been found to have metal in both its transmission and engine, and a complete rebuild of the hydraulic system is warranted. Workloads for the Public Works Department and Utilities Departments have reached the point where it is no longer possible maintain routine schedules for the Town’s sole back hoe without significant delays in performing the required repairs. The Parks Department does not possess a vehicle that they can use to tow the Town’s lawn mower around to the various fields. This task is performed by Public Works crews.

The Finance Department has included in the 2014/15 budget the necessary financing for vehicle’s and equipment and has been approved in an earlier item on the July 22<sup>nd</sup> agenda. Dealers are currently holding tagged or vehicles and equipment for the Town awaiting the approval of this item for purchase. The vehicles and equipment are 2015 models at 2014 prices.

The following is a summary of the requested equipment to be purchased:

| Equipment                           | Price                                |
|-------------------------------------|--------------------------------------|
| 2014 John Deere 410 Backhoe         | \$107,898.66                         |
| 2014 John Deere 544K Loader         | \$166,503.38                         |
| 2014/15 Ford 550 with 11’ Dump      | \$55,756.25                          |
| 2014/14 Ford Police Interceptor (4) | \$28,868.40 ea. (\$115,473.60 Total) |
| Total                               | \$445,631.89                         |

### **Findings of Fact**

*Bulleted list of staff findings that support the determination that the proposed resolution is the best solution for the Town.*

- N/A

**Town of Chino Valley**  
**Capital Equipment Fund - Lease Purchase Summary**  
**Fiscal Year Ending June 30, 2015**

| <b>Equipment</b>                    | <b>Proposed Budget FY 14/15</b> | <b>Actual Purchase Price</b> | <b>Budget Less Actual</b> |
|-------------------------------------|---------------------------------|------------------------------|---------------------------|
| 2014 John Deere 410 Backhoe         | \$ 180,000                      | \$ 107,899                   | \$ 72,101                 |
| 2014 John Deere 544K Loader         | \$ 200,000                      | \$ 166,503                   | \$ 33,497                 |
| 2014/15 Ford 550 with 11' Dump      | \$ 55,000                       | \$ 55,756                    | \$ (756)                  |
| 2014/15 Ford Police Interceptor (4) | \$ 140,000                      | \$ 115,474                   | \$ 24,526                 |
| <b>Subtotal</b>                     | <b>\$ 575,000</b>               | <b>\$ 445,632</b>            | <b>\$ 129,368</b>         |
| Outfitting Police Cars              | \$ 40,000                       |                              |                           |
| 10 Wheel Dump Truck                 | \$ 150,000                      |                              |                           |
| <b>Total</b>                        | <b>\$ 765,000</b>               | <b>\$ 445,632</b>            |                           |

Investment Proposal for:  
TOWN OF CHINO VALLEY  
1982 N VOSS DR  
# 201  
CHINO VALLEY, AZ 863237630  
Phone: (928) 636-7140  
Fax: (928) 636-0894



Rick Levine  
1091 Commerce St  
Prescott, AZ 86305  
Phone: (928) 776-8300  
Mobile: (928) 379-0707  
Fax: (928) 776-1255

Thank you for allowing me the opportunity to quote you this equipment. We appreciate your business. Rick

#### Equipment: NEW 2014 JOHN DEERE 410K

#### Key Features

|       |                              |      |                              |
|-------|------------------------------|------|------------------------------|
| 02U0T | 410K BACKHOE LOADER          | 1095 | 4.5L ENGINE-EPA IT4          |
| 1700  | JD LINK NA                   | 2085 | ULTIMATE CAB                 |
| 2401  | DECALS ENGLISH               | 3085 | MFWD (4WD) LIMITED SLIP      |
| 4891  | FIRESTONE21LX24 12.5/80-18   | 5075 | EXTENDABLE 5 FNC             |
| 5225  | 2 LEVER CONTROLS             | 5400 | LESS COUPLER                 |
| 5658  | 24" SEVERE DTY BKT(7.5 CUFT) | 7025 | 2 FNC LOADER                 |
| 7655  | 1.5 CY LG LIP BKT            | 8485 | 1250LB FRONT COUNTERWEIGHT   |
| 8675  | DUAL BATTERY, 300 MIN RESERV | 9080 | ENGINE COOLANT HEATER (100W) |
| 9110  | RIDE CONTROL                 | 9505 | FULL MFWD GUARD              |

#### Serial Number

TBD (0 Approximated Hours)

Equipment Price \$99,583.44

#### Warranty Information

John Deere / Full Extended / 600 Months / 60 Hours / \$200.00 Deductible

\$0.00

#### PROPOSAL SUMMARY

|                                                          |             |
|----------------------------------------------------------|-------------|
| Equipment Total                                          | \$99,583.44 |
| Sub Total                                                | \$99,583.44 |
| Estimated sales tax to apply<br>(AZYV AZ PRESCOTT 8.35%) | \$8,315.22  |

Total Investment

**\$107,898.66**

Rick Levine

RDO EQUIPMENT CO.  
rlevine@rdoequipment.com



#### Are you interested in getting the most production out of your machines?

Then it's time to ask about Topcon Machine Control Products and how RDO Equipment Co. can provide the solutions that will help make your operation more profitable.

**There are solutions available to purchase or rent for: Dozers • Motor Graders • Excavators • Pavers**



Investment Proposal for:  
TOWN OF CHINO VALLEY  
1982 N VOSS DR  
# 201  
CHINO VALLEY, AZ 863237630  
Phone: (928) 636-7140  
Fax: (928) 636-0894



Rick Levine  
1091 Commerce St  
Prescott, AZ 86305  
Phone: (928) 776-8300  
Mobile: (928) 379-0707  
Fax: (928) 776-1255

Thank you for allowing me the opportunity to quote you this equipment. We appreciate your business. Rick

#### Equipment: NEW 2014 JOHN DEERE 544K

##### Key Features

|       |                              |      |                              |
|-------|------------------------------|------|------------------------------|
| 7640T | 544K 4WD LOADER              | 0810 | STANDARD GATHERING GROUP     |
| 0914  | IT4 ENGINE                   | 1010 | STD 544K LOADER              |
| 1110  | TRANSMISSION WO AX DISC      | 1215 | 130AMP ALTERNATOR            |
| 1310  | MUFFLER WITH BLACK EXHAUST   | 1430 | AIR INTAKE W PRECLEANER      |
| 1520  | REVERSE FAN DRIVE            | 1610 | FUEL TANK W STD FILTER       |
| 1700  | JD LINK ULTIMATE NA 3YR      | 1915 | STEERING CYLINDERS NG        |
| 2010  | STD ZB BOOM W STD LINKAGE    | 2120 | CONVENTIONAL STEERING        |
| 2220  | SEAT, CLOTH W AIR SUSPENSION | 2424 | 2 FN VLVE/JYSTK/STRG CLM FNR |
| 2510  | RIDE CONTROL SYSTEM          | 2605 | ENGLISH DECALS               |
| 3046  | AXLE,STD REAR & HYD FRONT    | 3120 | AXLE MANUAL DIFF LOCK        |
| 4421  | 20.5R25 1 STAR L3 MI-3PC RIM | 5530 | STD FRT FNDRS/R PLATFORM     |
| 7120  | HD LED MARKER/TURN LIGHTS    | 8220 | CAST HITCH                   |
| 8310  | OUTSIDE MIRRORS              | 8422 | CAB WITH AIR                 |
| 8450  | AC CHARGE                    | 8740 | 3YD-105.9IN.(2690MM)BKT      |
| 9015  | ENGINE BLOCK HEATER          | 9050 | WHEEL SPIN CONTROL SYSTEM    |
| 9065  | AXLE COOLER                  | 9105 | RADIO, AM/FM/WB              |
| 9125  | SINGLE BEACON BRACKET        | 9140 | FIRE EXTINGUISHER            |
| 9225  | 08 AMP CONVERTER-1 PLUG      | 9420 | TRANSMISSION GUARDS          |
| 9430  | BOTTOM GUARDS                | 9450 | LEVEL 1 SOUND PACKAGE        |

##### Serial Number

TBD (0 Approximated Hours)

Equipment Price \$153,671.78

##### Warranty Information

John Deere / Full Extended / 84 Months / 7500 Hours / \$200.00 Deductible

\$0.00



**Are you interested in getting the most production out of your machines?**

Then it's time to ask about Topcon Machine Control Products and how RDO Equipment Co. can provide the solutions that will help make your operation more profitable.

**There are solutions available to purchase or rent for: Dozers • Motor Graders • Excavators • Pavers**



**PROPOSAL SUMMARY**

---

|                                                          |              |
|----------------------------------------------------------|--------------|
| Equipment Total                                          | \$153,671.78 |
| Sub Total                                                | \$153,671.78 |
| Estimated sales tax to apply<br>(AZYV AZ PRESCOTT 8.35%) | \$12,831.59  |

**\$166,503.38****Total Investment****Rick Levine**

RDO EQUIPMENT CO.  
rlevine@rdoequipment.com



460 East Auto Center Drive  
Mesa, Arizona 85204  
480-497-1111

Richard Lewis  
Government Fleet Sales Manager  
Phone: 480-497-7548  
Fax: 480-497-7594  
[rlewis@bergeford.com](mailto:rlewis@bergeford.com)

Theresa Worthen  
Assistant Government Fleet Sales  
Phone: 480-497-7544  
[tworthen@bergeford.com](mailto:tworthen@bergeford.com)

**Date:** 3-6-2014  
**Customer:** Town of Chino Valley  
**Vehicle Description:** ~~2014~~ F-550 4x2 Reg. Cab 165" WB 84" CA with 11' Dump  
2015 -

Pima County Contract No.B508299-BC Line Item 47 Phase 2

|                                       |                                |             |
|---------------------------------------|--------------------------------|-------------|
| <b>BASE BID PRICE:</b>                |                                | 41,476.00   |
|                                       |                                | -           |
| <b>UPGRADE OPTIONS</b>                |                                |             |
| 1                                     | 11' Dump from A.S.H. Quote No. | 10,119.79   |
| 2                                     |                                |             |
| 3                                     |                                |             |
| 4                                     |                                |             |
| 5                                     |                                |             |
| 6                                     |                                |             |
| 7                                     |                                |             |
| 8                                     |                                |             |
| 9                                     |                                |             |
| 10                                    |                                |             |
| <b>Base Bid Price w/Options:</b>      |                                | \$51,595.79 |
| <b>Tire Tax:</b>                      |                                | \$7.00      |
| <b>Sales Tax (8.05%)</b>              |                                | \$4,153.46  |
| <b>Ford Extended Service Plan</b>     |                                |             |
| <b>Transportation Fee F.O.B. MESA</b> |                                |             |
| <b>TOTAL DELIVERED PRICE</b>          |                                | \$55,756.25 |
|                                       |                                | -           |

Notes:

**PHOENIX**

2630 W. BUCKEYE RD.  
PHOENIX, AZ 85009  
(800) 352-5355  
FAX: (602) 278-3916  
PHONE: (602) 269-9721

**TUCSON**

1402 E. BENSON HWY.  
TUCSON, AZ 85714  
(800) 717-1601  
FAX: (520) 294-3223  
PHONE: (520) 889-9551

**HOLBROOK**

840 S. HIGHWAY 77  
HOLBROOK, AZ 86025  
(800) 816-3619  
FAX: (928) 524-2594  
PHONE: (928) 524-3582

EIN 86-0960885

|              |        |
|--------------|--------|
| INVOICE DATE |        |
| 06-Mar-14    |        |
| INVOICE NO.  | PAGE   |
| *QUOTE*      | 1      |
| CUSTOMER NO. | BRANCH |
| 12725        | 1      |

REMIT  
TO:

Auto Safety House  
2630 W Buckeye Rd  
Phoenix, AZ 85009

SOLD TO:

BERGE FORD  
ATTN:PAYABLES  
460 E AUTO CENTER DR  
MESA AZ 85204

SHIP TO:

BERGE FORD  
460 E AUTO CENTER DR  
MESA AZ 85204

TERMS: NET - NO DISCOUNT, PAYABLE 10th of MONTH FOLLOWING PURCHASE

Min 15% Restocking Fee on ALL Returns, No Returns on Special Orders, No returns after 30 days, No Returns without Invoice

CUSTOMER P.O.

R/S ORDER NO.

(480) 497-1111

37 256/937

218710

PRICE / PER

EXTENSION

R/O STATUS: Q QUOTE

PRINT JOB TOTALS: Y

TERMS: (00) NET DUE 30 DAYS

Contact Name: CRAIG

Contact Phone:

Estimate #:

Promise Date/Time: QUOTE

EXPIRES: 03/21/2014

\*\*\*\*\*

\*\*\*\*\*MAIL DUPLICATE\*\*\*\*\*

JOB#01 05 010 04 DUMP BODIES AND BEDS

ALTERNATE ACCOUNTING: 65 (Y) - TRUCK EQUIPMENT

FURNISH AND INSTALL A 11' DRW CRYSSTEEL DUMP BED WITH  
A CAB GUARD, DOUBLE ACTING TAILGATE, SOLID SIDES,  
TAPERED HEADBOARD, ALL LEGAL LIGHTS, FUEL SPOUTS,  
MUD FLAPS, AND PAINTED WHITE.

|               |             |                       |               |            |         |
|---------------|-------------|-----------------------|---------------|------------|---------|
| 1 CY          | 1622894     | LB510E/SA E           | \$3112.66     | 2000.00EA* | 2000.00 |
| 1 EE          | FUEL        | FUEL SPOUTS ETC.      | \$60.00       | 30.00EA    | 30.00   |
| 1 EE          | MISC        | MISC MATERIALS        | \$120.00      | 95.00EA    | 95.00   |
| 1 EE          | MUD FLAPS   | MISC-MUD FLAPS        | \$100.00      | 50.00EA    | 50.00   |
| 1 PA          | RH-B9791GAL | OXFORD FORD WHITE     | \$140.59      | 99.36EA    | 99.36   |
|               |             | TRK EQUIP PAINT SALES |               |            | 182.60  |
| 1 CY          | 1626640     | 11' RIGID             | \$5300.01 BIL | 4416.75EA* | 4416.75 |
|               |             | MISC SUBTOTAL         |               |            | 182.60  |
|               |             | PARTS SUBTOTAL        |               |            | 6691.11 |
| * 15.00 HOURS |             | LABOR SUBTOTAL        |               |            | 1230.00 |
|               |             | SHOP SUPPLIES         |               |            | 86.10   |
|               |             | ** JOB SUBTOTAL       |               |            | 8189.81 |

JOB#02 05 011 04 MISC MATERIAL

ALTERNATE ACCOUNTING: 65 (Y) - TRUCK EQUIPMENT

FURNISH AND INSTALL A BUTT PLATE RECIEVER HITCH AND  
7 WAY RV SOCKET.

WE WILL ALSO ADD A PINTLE COMBO

|              |            |                        |          |         |        |
|--------------|------------|------------------------|----------|---------|--------|
| 1 BY         | RT25812    | 12" RECEIVER TUBE      | \$32.95  | 21.15EA | 21.15  |
| 2 BY         | B40I       | DRING/BACKET 5/8X4.25  | \$9.99   | 5.94EA  | 11.88  |
|              |            | EQUIP STEEL SALES      |          |         | 207.50 |
| 1 PO         | 12-703     | 7 WAY SOCKET           | \$11.99  | 7.99EA  | 7.99   |
| 1 HH         | BH-200RN51 | PINTLE HOOK, DUPLEX H  | \$104.99 | 91.49EA | 91.49  |
| 1 BY         | PM87       | PINTLE MOUNT, 4 HOLE   | \$70.57  | 45.29EA | 45.29  |
| 1 BY         | HP6253WC   | PIN 5/8IN HITCH WITH   | \$2.78   | 1.78EA  | 1.78   |
| 1 BY         | 8520       | HDW BAG-KIT G8(4)EA HH | \$7.18   | 4.61EA  | 4.61   |
|              |            | MISC SUBTOTAL          |          |         | 207.50 |
|              |            | PARTS SUBTOTAL         |          |         | 184.19 |
| * 3.50 HOURS |            | LABOR SUBTOTAL         |          |         | 287.00 |

|      |           |                  |           |             |
|------|-----------|------------------|-----------|-------------|
| MISC | SUB TOTAL | TAX STATUS/STATE | SALES TAX | PLEASE PAY  |
|      |           |                  | *         | *CONTINUED* |

CUSTOMER SIGNATURE

THE ONLY WARRANTIES APPLYING TO THE PART(S) ARE THOSE WHICH MAY BE OFFERED BY THE MANUFACTURER. THE SELLING DEALER HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND NEITHER ASSUMES NOR AUTHORIZES ANY OTHER PERSON TO ASSUME FOR IT ANY LIABILITY IN CONNECTION WITH THE SALE OF THIS PART(S) AND/OR SERVICE. BUYER SHALL NOT BE ENTITLED TO RECOVER FROM THE SELLING DEALER ANY CONSEQUENTIAL DAMAGES TO PROPERTY, DAMAGES FOR LOSS OF USE, LOSS OF TIME, LOSS OF PROFIT, OR INCOME, OR ANY OTHER INCIDENTAL DAMAGES.



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 840 S. HIGHWAY 77  
 HOLBROOK, AZ 86025  
 (800) 816-3619  
 FAX: (928) 524-2594  
 PHONE: (928) 524-3582

EIN 86-0960895

|              |        |
|--------------|--------|
| INVOICE DATE |        |
| 06-Mar-14    |        |
| INVOICE NO.  | PAGE   |
| *QUOTE*      | 2      |
| CUSTOMER NO. | BRANCH |
| 12725        | 1      |

REMIT TO:

Auto Safety House  
 2630 W Buckeye Rd  
 Phoenix, AZ 85009

SOLD TO:

BERGE FORD  
 ATTN:PAYABLES  
 460 E AUTO CENTER DR  
 MESA AZ 85204

SHIP TO:

BERGE FORD  
 460 E AUTO CENTER DR  
 MESA AZ 85204

TERMS: NET - NO DISCOUNT, PAYABLE 10th of MONTH FOLLOWING PURCHASE

Min 15% Restocking Fee on ALL Returns, No Returns on Special Orders, No returns after 30 days, No Returns without Invoice

|               |               |                |            |
|---------------|---------------|----------------|------------|
| CUSTOMER P.O. | R/S ORDER NO. | (480) 497-1111 | 37 256/937 |
|               | 218710        |                |            |

|                                                          |                          | PRICE / PER        | EXTENSION |
|----------------------------------------------------------|--------------------------|--------------------|-----------|
| SHOP SUPPLIES                                            |                          | 20.09              |           |
| ** JOB SUBTOTAL                                          |                          | 698.78             |           |
| JOB#03                                                   | 05 011 04 MISC MATERIAL  |                    |           |
| ALTERNATE ACCOUNTING: 65 (Y) - TRUCK EQUIPMENT           |                          |                    |           |
| FURNISH AND INSTALL A PULL TARP MANUAL SYSTEM WITH TARP. |                          |                    |           |
| 1 PU                                                     | S8-93 SYSTEM             | \$1727.50 863.99EA | 863.99    |
| 1 PU                                                     | BM-14-88 BLACK MESH TARP | \$207.50 103.99EA  | 103.99    |
| PARTS SUBTOTAL                                           |                          |                    | 967.98    |
| LABOR SUBTOTAL                                           |                          |                    | 246.00    |
| SHOP SUPPLIES                                            |                          |                    | 17.22     |
| ** JOB SUBTOTAL                                          |                          |                    | 1231.20   |
| *TOTAL PARTS:                                            |                          |                    | 7843.28   |
| *TOTAL LABOR:                                            |                          |                    | 1763.00   |
| *TOTAL OTHER:                                            |                          |                    | 390.10    |
| *TOTAL SHOP SUPPLIES:                                    |                          |                    | 123.41    |

\*\*\*\*\*  
 PLEASE NOTE: AUTO SAFETY HOUSE WILL NOT BE RESPONSIBLE FOR ANY EQUIPMENT  
 OR MATERIAL LEFT OVER 15 DAYS, THANK YOU!  
 \*\*\*\*\*

|      |           |                  |           |            |
|------|-----------|------------------|-----------|------------|
| MISC | SUB TOTAL | TAX STATUS/STATE | SALES TAX | PLEASE PAY |
|      | 10119.79  | RESALE AZ        | 0.00      | 10119.79   |

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CNGP530

## VEHICLE ORDER CONFIRMATION

03/06/14 14:50:33

==&gt;

Dealer: F71175

Page: 1 of 2

Order No: 8585 Priority: B4 Ord FIN: KA595 Order Type: 5B Price Level: 420  
 Ord PEP: 660A Cust/Flt Name: CHINO VALLEY PO Number:

|                      | RETAIL  | DLR INV    |                               | RETAIL | DLR INV  |
|----------------------|---------|------------|-------------------------------|--------|----------|
| F5G F550 4X2 CHAS/C  | \$35645 | \$32882.00 | TELE TT MIR-PWR               |        |          |
| 165" WHEELBASE       |         |            | 17F XL DECOR PKG              | NC     | NC       |
| Z1 OXFORD WHITE      |         |            | LESS TPMS                     |        |          |
| 1 CLTH 40/20/40      | 100     | 85.00      | 425 50 STATE EMISS            | NC     | NC       |
| S STEEL              |         |            | SPARE TIRE/WHLQ               | 350    | 299.00   |
| 660A PREF EQUIP PKG  |         |            | 52B BRAKE CONTROLLR           | 230    | 196.00   |
| .XL TRIM             |         |            | 61J JACK                      | NC     | NC       |
| 572 .AIR CONDITIONER | NC      | NC         | 62R TRANS PTO PROV            | 280    | 239.00   |
| 99T 6.7L V8 DIESEL   | 7965    | 6791.00    |                               |        |          |
| 44W 6-SPEED AUTO     | 190     | 162.00     | TOTAL BASE AND OPTIONS        | 48960  | 43855.10 |
| TFB .225 BSW AS 19.5 |         |            | TOTAL                         | 48960  | 43855.10 |
| X8L 4.88 LTD SLIP    | 360     | 308.00     | *THIS IS NOT AN INVOICE*      |        |          |
| 68M PAYLD PLUS UPGR  | 1155    | 985.00     |                               |        |          |
| 19500# GVWR PKG      |         |            | * MORE ORDER INFO NEXT PAGE * |        |          |
| 90L PWR EQUIP GROUP  | 895     | 763.00     |                               |        |          |

F1=Help F2=Return to Order F8=Next  
 F4=Submit F5=Add to Library F3/FI2=Veh Ord Menu

S006 - MORE DATA IS AVAILABLE.

QC203051

CNGP530

## VEHICLE ORDER CONFIRMATION

03/06/14 14:50:43

==&gt;

Dealer: F71175

Page: 2 of 2

Order No: 8585 Priority: B4 Ord FIN: KA595 Order Type: 5B Price Level: 420  
Ord PEP: 660A Cust/Flt Name: CHINO VALLEY PO Number:

|                     | RETAIL | DLR | INV      |
|---------------------|--------|-----|----------|
| 63B CLN IDLE DECAL  | NC     |     | NC       |
| 65Z AFT AXLE TANK   | NC     |     | NC       |
| 67D XTR HVY DTY ALT | NC     |     | NC       |
| AUX AUDIO INPUT     |        |     |          |
| 96V XL VALUE PKG    | 595    |     | 507.00   |
| .CRUISE CONTROL     |        |     |          |
| .AMFM/CD/CLK        |        |     |          |
| SP FLT ACCT CR      |        |     | (596.00) |
| FUEL CHARGE         |        |     | 39.10    |
| DEST AND DELIV      | 1195   |     | 1195.00  |

TOTAL BASE AND OPTIONS 48960 43855.10

TOTAL 48960 43855.10

\*THIS IS NOT AN INVOICE\*

F7=Prev

F3/F12=Veh Ord Menu

F1=Help

F2=Return to Order

F4=Submit

F5=Add to Library

S099 - PRESS F4 TO SUBMIT

QC203051



460 East Auto Center Drive  
Mesa, Arizona 85204  
480-497-1111

Richard Lewis  
Government Fleet Sales Manager  
Phone: 480-497-7548  
Fax: 480-497-7594  
[rlewis@bergeford.com](mailto:rlewis@bergeford.com)

Theresa Worthen  
Assistant Government Fleet Sales  
Phone: 480-497-7544  
[tworthen@bergeford.com](mailto:tworthen@bergeford.com)

**Date:** 4-30-2014  
**Customer:** Town of Chino Valley  
**Vehicle Description:** 2015 Utility Police Interceptor

**Pima County Contract No. B508299-BC Lime Item 13**

|                                       |                                     |             |
|---------------------------------------|-------------------------------------|-------------|
| <b>BASE BID PRICE:</b>                |                                     | \$25,834.00 |
|                                       |                                     | -           |
| <b>UPGRADE OPTIONS</b>                |                                     |             |
| 1                                     | 6 KEYS INCLUDED                     | N/C         |
| 2                                     |                                     |             |
| 3                                     | 43D DARK CAR FEATURE                | 17.00       |
| 4                                     | 17T RED/WHITE DOME LAMPS CARGE AREA | 45.00       |
| 5                                     | 51R DRIVER SPOT LIGHT               | 345.00      |
| 6                                     | 76D DEFLECTOR PLATE                 | 292.00      |
| 7                                     | 59B KEY CODE                        | 45.00       |
| 8                                     | NOISE SUPPRESSION                   | 87.00       |
| 9                                     | 68G INOPERABLE REAR                 | 30.00       |
| 10                                    | 18W INOPERABLE REAR WINDOWS         | 18.00       |
| <b>Base Bid Price w/Options:</b>      |                                     | \$26,713.00 |
| <b>Tire Tax:</b>                      |                                     | \$5.00      |
| <b>Sales Tax (8.05%)</b>              |                                     | \$2,150.40  |
| <b>Ford Extended Service Plan</b>     |                                     |             |
| <b>Transportation Fee F.O.B. MESA</b> |                                     |             |
| <b>TOTAL DELIVERED PRICE</b>          |                                     | \$28,868.40 |
|                                       |                                     | -           |

Notes: Pricing includes 6 keys

CNGP530

## VEHICLE ORDER CONFIRMATION

04/30/14 15:32:50

==&gt;

Dealer: F71175

2015 EXPLORER 4-DOOR

Page: 1 of 1

Order No: 8585 Priority: G2 Ord FIN: QA595 Order Type: 5B Price Level: 515

Ord Code: 500A Cust/Flt Name: CHINO VALLEY PO Number:

|                      | RETAIL  | DLR INV    |                          | RETAIL | DLR INV   |
|----------------------|---------|------------|--------------------------|--------|-----------|
| K8A 4DR AWD POLICE   | \$30185 | \$28450.00 | 76D DEFLECTOR PLATE      | \$335  | \$292.00  |
| .112.6" WB           |         |            | FLEX FUEL                |        |           |
| YZ OXFORD WHITE      |         |            | SP DLR ACCT ADJ          |        | (1250.00) |
| 9 CLTH BKTS/VNL R    |         |            | SP FLT ACCT CR           |        | (389.00)  |
| W BLACK INTERIOR     |         |            | FUEL CHARGE              |        | 10.80     |
| 500A EQUIP GRP       |         |            | B4A NET INV FLT OPT      | NC     | 7.00      |
| 99R .3.7L V6 TIVCT   | NC      | NC         | DEST AND DELIV           | 895    | 895.00    |
| 44C .6-SPD AUTO TRAN | NC      | NC         | TOTAL BASE AND OPTIONS   | 32100  | 28614.80  |
| 17T CARGO DOME LAMP  | 50      | 45.00      | TOTAL                    | 32100  | 28614.80  |
| 18W RR WINDOW DEL    | 35      | 30.00      | *THIS IS NOT AN INVOICE* |        |           |
| 43D COURTESY DISABL  | 20      | 17.00      |                          |        |           |
| 51R DRV LED SPT LMP  | 395     | 345.00     |                          |        |           |
| 59B KEY CODE 1284X   | 50      | 45.00      |                          |        |           |
| 60R NOISE SUPPRESS   | 100     | 87.00      |                          |        |           |
| 68G RR DR/LK INOP    | 35      | 30.00      |                          |        |           |

F1=Help

F2=Return to Order

F3/F12=Veh Ord Menu

F4=Submit

F5=Add to Library

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## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

Item No. 7. e.

**Meeting Date:** 07/22/2014  
**Contact Person:** Ruth Mayday, Planner  
 Phone: 928-636-4427 x-1217  
**Department:** Development Services  
**Item Type:** Action  
**Estimated length of staff presentation:** 5 minutes  
**Physical location of item:** NA

### AGENDA ITEM TITLE:

Consideration and possible action to adopt Ordinance No. 14-786, amending Section 1.9 Review and Approval Processes, and Subsection s1.9.2 Amendments and 1.9.4 Planned Area Development Overlay District: PAD of the Unified Development Ordinance (UDO).

### RECOMMENDED ACTION:

Adopt Ordinance No. 14-786, amending Section 1.9, and Subsections 1.9.2 and 1.9.4, of the UDO.

### SITUATION AND ANALYSIS:

In order for the Town to benefit from potential development activities, the revision of this portion of the UDO is essential to provide flexibility in the manner and placement of uses within a Planned Area Development Overlay zoning district, while codifying congruence with the General Plan. The notice and citizen review and public hearing processes are required by state law. The public hearing process gives an opportunity for interested citizens and those affected by the proposed PAD plan to comment at the Neighborhood Meeting, Planning and Zoning Commission, and Town Council levels. In addition, Town Council the amendments require submission by the applicant of a development plan which must be approved by the Town Council, giving Council the ability to ensure conformity with the General Plan (which is also required by state law) and the needs of the community. Therefore, Staff recommends approval of the amendments set forth in Ordinance No. 14-786.

### Fiscal Impact

**Fiscal Impact?:** No  
**If Yes, Budget Code:**  
**Available:**  
**Funding Source:**

## **Attachments**

Situation and Analysis

Ordinance 14-786

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## # 827 Situation and Analysis

The purpose of the Planned Area Development (PAD) overlay district is to allow for modification of the requirements of the UDO when planning developments throughout town. When used as intended, a PAD overlay can provide latitude in design of residential, commercial, and industrial projects, resulting in a development that is harmonious with surrounding uses and fine tune the Development Plan to meet the current and future needs of the community.

The initial direction of this item was to make minor adjustments to the PAD regulations as currently set forth in the UDO. Upon further review, it became apparent that the entire section was in need of revision. In its current form, the language in this portion of the ordinance contradicts the intent of a PAD, sets forth an unnecessarily long review and approval period, and repeats other sections of existing code that, if amended, would require additional amendments to the PAD regulations. Rather than amend the PAD regulations piecemeal, Staff has rewritten the entirety of this section of the UDO.

As written, this section sets forth specific requirements that should apply only to residential developments (Section 1.9.4.3 (B) (2) ) that clearly are not related to industrial or commercial uses (e.g., Gazebos, slides, play apparatus) and mandates designation of open space as "active open space" which is not a valid zoning district or land use designation, nor is it defined in the UDO. While Section 1.9.4.3 (B) (4) speaks to relief from the regulations in (B) (2) for some uses, it does not address all commercial/industrial uses, and refers to zoning districts (light industrial) the town does not utilize. Further on in the same section, the language requires review and approval of Covenants, Conditions, and Restrictions by the Town Attorney, which is clearly not the purview of the Town.

Section 1.9.4.3 Modification of Standards and Procedures specifically prohibits modification of underlying uses, rendering the zoning districts an "all or nothing" proposition. As a result, certain uses cannot be restricted or prohibited in a given zoning district. This is crucial when considering mixed-use developments; the same Commercial Light (CL) zoning that allows restaurants, cafes, and coffee shops also allows gas stations, lumber yards, and agricultural uses. As currently written, there is no mechanism by which uses that may be incompatible with a residential development (gas station, lumber yard) can be prohibited, but uses such as cafes, coffee shops, and small retail shops can be allowed.

There are errors in grammar, punctuation, and capitalization that also need to be addressed.

Staff has relied on previous experience administering the PAD process in other municipalities as well as the Town Attorney's experience in addressing the deficiencies in the current PAD language, and have provided an alternative that ties the PAD requirements to the General Plan, safeguards the Town's interest in development and coordination of infrastructure extensions, and provides the flexibility necessary to encourage innovative design that will meet current and future needs of the community.

## ORDINANCE NO. 14-786

AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, ARIZONA, AMENDING THE UNIFIED DEVELOPMENT ORDINANCE OF THE TOWN OF CHINO VALLEY, ARIZONA CHAPTER 1 ADMINISTRATION AND PROCEDURES, SECTION 1.9 REVIEW AND APPROVAL PROCESSES, BY AMENDING SUBSECTION 1.9.2 AMENDMENT TO INCLUDE PADS IN THE AMENDMENT PROCESSES; BY AMENDING SUBSECTION 1.9.4 PLANNED AREA DEVELOPMENT OVERLAY DISTRICT: PAD RELATED TO REVISING THE PROCEDURE AND REQUIREMENTS FOR ESTABLISHING A PLANNED AREA DEVELOPMENT OVERLAY ZONING DISTRICT; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; AND PROVIDING PENALTIES

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Common Council of the Town of Chino Valley, Arizona, as follows:

### Section 1. In General

The Unified Development Ordinance of Chino Valley, Arizona, Chapter 1 Administration and Procedures, Section 1.9 Review and Approval Process, Subsection 1.9.4 Amendments is hereby amended to read as follows (additions shown in ALL CAPS; deletions in ~~strikeout~~):

#### 1.9.2 Amendment

B. Review. Upon receipt of an application for an amendment, including requests for PLANNED AREA DEVELOPMENT OVERLAY ZONING DISTRICTS, Use Permits and Conditional use permits, the Development Services Director, or his/her designee, shall review the application for completeness and applicability to this Ordinance and the General Plan, comment on the proposal, and shall adhere to the posting and publication requirements required by Arizona law, including compliance with the Citizen Review Process provided in Section 1.9.5, prior to the public hearing before the Planning and Zoning Commission. Requests for amendments or change of zoning shall be considered by the Planning and Zoning Commission for the purpose of making a written recommendation, which shall, after holding a public hearing at which parties of interest and citizens have been heard, include the reasons for such recommendations, to the Mayor and Council. Council may adopt the recommendation of the Commission without holding a second public hearing if there is no objection, request for public hearing, or other protest.

\* \* \*

The Unified Development Ordinance of Chino Valley, Arizona, Chapter 1 Administration and Procedures, Section 1.9 Review and Approval Process, Section 1.9.4 Planned Area Development Overlay District: PAD, Subsection 1.9.4.1 Purpose and

Subsection 1.9.4.2 Permitted Uses are hereby amended to read as follows (additions shown in ALL CAPS; deletions in ~~strikeout~~):

#### 1.9.4.1. Purpose

The purposeS of the pPlanned aArea dDevelopment overlay district (~~pad~~PAD OVERLAY DISTRICT") isARE:

- A. ~~to~~ Provide for the orderly development of land consistent with the Unified Development Ordinance of the Town of Chino Valley while TO permitting maximum flexibility in the design and development of residential, commercial and/or industrial environments DEVELOPMENTS IN CONFORMITY WITH THE INTENT AND PURPOSE OF THE GENERAL PLAN AND UNIFIED DEVELOPMENT ORDINANCE. ~~of a quality which could not be achieved by traditional lot by lot development under conventional zoning concepts. It is recognized that while the conventional zoning districts and the requirements of those districts set forth in the Unified Development Ordinance of the town are reasonable, there may be circumstances in which it is in the best interests of the town to permit modifications in some of the requirements of the zoning districts where a property owner develops land in the town utilizing unique and/or creative designs and techniques in such a manner as to promote its most appropriate use, economical provision of streets and utilities, to preserve and utilize open space, to offer recreational opportunities close to residential use, to enhance the appearance of neighborhoods, to counteract adverse effects of urbanization and to provide for the unified control of development of land.~~
- B. MODIFY UNDERLYING ZONING DISTRICT REGULATIONS TO PERMIT FLEXIBILITY AND INNOVATION IN DEVELOPMENTAL DESIGN AND PROVIDE OPPORTUINITIES FOR UNIQUE OR MIXED-USE DEVELOPMENT.
- C. PROMOTE ECONOMICAL CONSTRUCTION AND MAINTENANCE OF STREETS AND UTILITIES WITHOUT COMPROMISING PUBLIC SAFETY AND WELFARE.
- D. PRESERVE AND UTILITZE OPEN SPACE AND OFFER RECREATIONAL OPPORTUNITIES CLOSE TO RESIDENTIAL USE.
- E. ENCOURAGE THE PRESERVATION OF COMMUNITY CHARACTER AND STABILIZATION OF SURROUNDING NEIGHBORHOODS.

#### 1.9.4.2 Permitted Uses

- A. A SINGLE PAD OVERLAY district may OVERLAY consist of one or more underlying zoning districts. ~~as permitted by the Unified Development Ordinance of the town. The uses permitted in the PAD district shall be governed by the permitted uses in the underlying district or combination of underlying districts, as approved by the Council. An "underlying zoning district" shall mean those zoning districts set forth in 3.1 through 3.27 of the Unified Development Ordinance of the town.~~

B. ~~USE AND DEVELOPMENT OF LAND WITHIN A~~ ~~THE PAD OVERLAY~~ district shall CONFORM TO AND comply with the ~~requirements of the underlying~~ zoning district(s) REGULATIONS AND OTHER REQUIREMENTS SET FORTH ~~except as otherwise set forth in this article and in the specific Unified Development Ordinance, EXCEPT AS MODIFIED BY THE PAD ZONING ORDINANCE. establishing the specific pad district. A pad district may be approved with modifications of the requirements of the underlying zoning district so long as the intent of this Unified Development Ordinance is met and the resulting land use will be of a quality comparable to or exceeding the quality which would otherwise result from use solely of the underlying zoning district(s).~~

C. A PAD OVERLAY district may allow for onsite density transfer within a residential development, permitting the density regulations of the underlying zoning districts to be applied to the total area of the ~~pad~~ PAD OVERLAY district rather than separately to individual lots or underlying zoning districts.

~~C. Notwithstanding the above, no modifications of the requirements of the underlying zones with respect to use shall be approved by virtue of approval of the pad application.~~

D. Applications for changes in the underlying zoning district(s) ~~uses to include, for example, a change from sr-1 to sr-0.16, which would end up designated sr-0.16 pad.~~ May be submitted and processed concurrently with an application requesting approval of a planned area development overlay district.

E. THE MINIMUM AREA FOR A PAD OVERLAY DISTRICT SHALL BE TWO (2) ACRES. ~~There is no minimum size for a planned area development. However, the size of the area included in the pad must be such that it accommodates the requirements of this pad ordinance.~~

F. PAD OVERLAY DISTRICT MODIFICATIONS TO USES PERMITTED IN THE UNDERLYING ZONING DISTRICT[S] SHALL BE REASONABLY COMPATIBLE WITH AND NOT AVERSE TO THE USES PERMITTED IN THE UNDERLYING ZONING DISTRICT[S].

The Unified Development Ordinance of Chino Valley, Arizona, Chapter 1 Administration and Procedures, Section 1.9 Review and Approval Process, Section 1.9.4 Planned Area Development Overlay District: PAD, Subsection 1.9.4.3 Modifications of Standards and PAD Procedures and Subsection 1.9.4.4 PAD Procedures are hereby deleted in their entirety.

The Unified Development Ordinance of Chino Valley, Arizona, Chapter 1 Administration and Procedures, Section 1.9 Review and Approval Process, Section 1.9.4 Planned Area Development Overlay District: PAD, new Subsection 1.9.4.3 PAD Procedures is hereby added to read as follows (additions shown in ALL CAPS; deletions in ~~strikeout~~):

#### 1.9.4.3 PAD PROCEDURES

A. CREATION OF A PAD OVERLAY DISTRICT SHALL BE CONSIDERED AND TREATED AS A CHANGE IN ZONING AND SHALL BE SUBJECT TO THE

PROCEDURES REQUIRED FOR CHANGES IN ZONING, INCLUDING CITIZEN REVIEW, PUBLIC HEARING BY THE PLANNING COMMISSION AND APPROVAL BY THE TOWN COUNCIL.

B. DEVELOPMENT PLAN REQUIREMENTS.

1. *DEVELOPMENT PLAN.* A PAD APPLICATION AND APPROVAL SHALL INCLUDE A DEVELOPMENT PLAN CONSISTING, AT A MINIMUM, OF A SITE PLAN SHOWING THE LOCATIONS OF BUILDINGS AND STREET LAYOUT PLANS. WHERE A MODIFICATION OF THE UNDERLYING ZONING REGULATIONS RELATED TO BUILDING SETBACKS, HEIGHT, DESIGN, OPEN SPACE OR OTHER SITE REGULATION IS REQUESTED, THE APPLICANT SHALL PROVIDE BUILDING ELEVATIONS, BUILDING HEIGHTS, DESIGN GUIDELINES, RESIDENTIAL LOT LAYOUT, AND ANY ADDITIONAL INFORMATION RELEVANT TO THE REQUEST AND AS DETERMINED BY THE PLANNING DEPARTMENT.
2. USE AND DEVELOPMENT OF THE PROPERTY LOCATED WITHIN THE PAD OVERLAY DISTRICT SHALL SUBSTANTIALLY CONFORM TO THE DEVELOPMENT PLAN WHICH SHALL BE APPROVED BY THE TOWN COUNCIL AS AN EXHIBIT TO THE PAD OVERLAY DISTRICT ZONING ORDINANCE.

C. ZONING CONDITIONS. THE PLANNING COMMISSION MAY RECOMMEND AND THE TOWN COUNCIL MAY IMPOSE CONDITIONS OF APPROVAL INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING:

1. TIMING OR PHASING OF DEVELOPMENT;
2. OFF-SITE IMPROVEMENTS TO MITIGATE THE IMPACTS OF THE PROPOSED DEVELOPMENT;
3. DEVELOPMENT STANDARDS;
4. DESIGN GUIDELINES;
5. CONDITIONS OF USE;
6. DEDICATION OF LAND FOR PUBLIC PURPOSES;
7. DEDICATION TO THE TOWN OF RIGHTS-OF-WAY AS STREETS, ALLEYS, PUBLIC WAYS, DRAINAGE AND PUBLIC UTILITIES AS ARE REASONABLY REQUIRED BY OR RELATED TO THE EFFECT OF THE REZONING;
8. DEDICATION OF EASEMENTS FOR PUBLIC USE OF TRAILS AND OPEN SPACE AREAS;
9. ESTABLISHMENT BY THE DEVELOPER OF A HOMEOWNERS OR PROPERTY OWNERS ASSOCIATION TO ASSURE CONTINUED MAINTENANCE AND OWNERSHIP OF OPEN SPACE AND LANDSCAPED AREAS WITHIN THE PAD OVERLAY DISTRICT;
10. RESERVATION OF LAND FOR FUTURE PUBLIC ACQUISITION.

D. THE PLANNING COMMISSION SHALL HOLD A PUBLIC HEARING ON THE PAD OVERLAY DISTRICT AND REZONING REQUEST PURSUANT TO THE REQUIREMENTS OF THE UNIFIED DEVELOPMENT ORDINANCE AND ARIZONA STATE LAW.

E. AFTER THE PUBLIC HEARING, THE PLANNING COMMISSION SHALL MAKE A WRITTEN RECOMMENDATION TO THE TOWN COUNCIL THAT THE COUNCIL APPROVE, APPROVE WITH MODIFICATIONS AND/OR CONDITIONS, OR DENY THE PROPOSED CHANGE IN ZONING AND CREATION OF A PAD OVERLAY DISTRICT. THE RECOMMENDATION SHALL INCLUDE THE REASONS FOR THE RECOMMENDATION AND SHALL BE TRANSMITTED TO THE TOWN COUNCIL IN SUCH FORM AND MANNER AS MAY BE SPECIFIED BY THE COUNCIL.

F. THE PLANNING COMMISSION SHALL RECOMMEND APPROVAL ONLY AFTER MAKING THE FOLLOWING FINDINGS:

1. THAT THE REZONING AS PROPOSED OR MODIFIED IS CONSISTENT WITH AND CONFORMS TO THE GENERAL PLAN; AND
2. THAT ALL PROPERTIES WITHIN THE PROPOSED PAD OVERLAY DISTRICT WILL HAVE ADEQUATE ACCESS TO PUBLIC OR PRIVATE STREETS APPROPRIATE TO THEIR USE.

G. THE COUNCIL MAY APPROVE THE REZONING AND CREATION OF A PAD OVERLAY DISTRICT WITHOUT A PUBLIC HEARING IF THERE IS NO OBJECTION, REQUEST FOR A PUBLIC HEARING, OR OTHER PROTEST. IF AN OBJECTION, REQUEST FOR A PUBLIC HEARING OR OTHER PROTEST IS RECEIVED, THE COUNCIL SHALL HOLD A PUBLIC HEARING. THE COUNCIL MAY ADOPT THE RECOMMENDATIONS OF THE PLANNING COMMISSION OR IT MAY APPROVE WITH MODIFICATIONS OR DENY THE REQUESTED CHANGE IN ZONING AND PAD OVERLAY DISTRICT.

H. AMENDMENTS TO THE PAD OVERLAY ZONING DISTRICT. AMENDMENTS TO A PAD OVERLAY ZONING DISTRICT ARE CHANGES IN ZONING AND SHALL BE TREATED AS SUCH FOR ALL PURPOSES INCLUDING BUT NOT LIMITED TO SUBMISSION OF APPLICATIONS, FEES, PUBLIC NOTICE REQUIREMENTS, CITIZEN REVIEW, PUBLIC HEARINGS, PLANNING COMMISSION RECOMMENDATION AND APPROVAL BY THE TOWN COUNCIL.

I. MODIFICATIONS TO THE APPROVED DEVELOPMENT PLAN.

1. NOTWITHSTANDING SUBSECTION H, ABOVE, THE FOLLOWING MODIFICATIONS TO THE APPROVED DEVELOPMENT PLAN ARE NOT CONSIDERED TO BE AMENDMENTS TO THE PAD AND MAY BE ADMINISTRATIVELY APPROVED BY THE DEVELOPMENT SERVICES DIRECTOR UPON SUBMISSION OF A COMPLETE

APPLICATION AND IF, IN THE DISCRETION OF THE DEVELOPMENT SERVICES DIRECTOR, THE MODIFICATIONS ARE CONSISTENT WITH THE APPROVED DEVELOPMENT PLAN, THE PURPOSES OF THE PAD, AND ARE THE MINIMUM REQUIRED TO IMPLEMENT THE PURPOSES OF THE UDO AND IMPROVE THE QUALITY OF DEVELOPMENT:

- a. LESS THAN 10% CHANGE IN THE NUMBER OF SQUARE FEET OF A BUILDING OR NUMBER OF UNITS PERMITTED TO BE DEVELOPED; OR
- b. LESS THAN 10% CHANGE IN BUILDING HEIGHT OR PERMITTED NUMBER OF STORIES; OR
- c. REARRANGEMENT OF THE PROPOSED STRUCTURES AS LONG AS THERE IS NO CHANGE IN HEIGHT, SQUARE FEET, OR NUMBER OF UNITS TO BE DEVELOPED; OR
- d. LESS THAN 10% INCREASE OR DECREASE IN SETBACK OR OPEN SPACE REQUIREMENTS WITHIN THE PAD.

- 2. APPEALS FROM DECISIONS OF THE DEVELOPMENT SERVICES DIRECTOR PURSUANT TO THIS SECTION SHALL BE HEARD BY THE PLANNING COMMISSION AT A PUBLIC HEARING AFTER NOTICE, AS SET FORTH ABOVE FOR CHANGES IN ZONING.

Section 2. Providing for Repeal of Conflicting Ordinances.

All ordinances and parts of ordinances in conflict with the provisions of this Ordinance or any part of the Code adopted herein by reference, are hereby repealed.

Section 3. Providing for Severability.

If any section, subsection, sentence, clause, phrase or portion of this Ordinance or any part of the Code adopted herein by reference, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

Section 4. Providing for Penalties

Any person found responsible for violating any provision of this Ordinance shall be subject to the civil sanctions and habitual offender provisions set forth in Sections 1.10 and 1.11 of the Unified Development Ordinance of the Town of Chino Valley, Arizona.

**PASSED AND ADOPTED** by the Mayor and Common Council of the Town of Chino Valley, Arizona, this \_\_\_\_ day of \_\_\_\_\_, 2014 by the following vote:

|       |       |            |       |
|-------|-------|------------|-------|
| AYES: | _____ | ABSENT:    | _____ |
| NAYS: | _____ | ABSTAINED: | _____ |

APPROVED this \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Chris Marley, Mayor

ATTEST:

\_\_\_\_\_  
Jami C. Lewis, Town Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Curtis, Goodwin, Sullivan, Udall & Schwab, PLC  
Town Attorneys  
By: Phyllis L.N. Smiley

I, JAMI LEWIS, TOWN CLERK, DO HEREBY CERTIFY THAT A TRUE AND CORRECT COPY OF THE ORDINANCE NO. 14-786 ADOPTED BY THE COMMON COUNCIL OF THE TOWN OF CHINO VALLEY ON THE \_\_\_\_ DAY OF \_\_\_\_\_, 2014, WAS POSTED IN THREE PLACES ON THE \_\_\_\_ DAY OF \_\_\_\_\_, 2014.

\_\_\_\_\_  
Jami Lewis, Town Clerk



## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

Item No. 7. f.

**Meeting Date:** 07/22/2014  
**Contact Person:** Robert Smith, Town Manager  
 Phone: 928-636-2646 x-1201  
**Department:** Town Manager  
**Item Type:** Action  
**Estimated length of staff presentation:** None  
**Physical location of item:** N/A

### AGENDA ITEM TITLE:

Consideration and possible action to accept the language in the publicity pamphlet related to the General Obligation Bond for authorization by voters at the November 2014 election.

### RECOMMENDED ACTION:

Modify or accept the language in the publicity pamphlet related to the General Obligation Bond.

### SITUATION AND ANALYSIS:

N/A

### Fiscal Impact

**Fiscal Impact?:** No

**If Yes, Budget Code:**

**Available:**

**Funding Source:**

### Attachments

Draft Voter Information Pamphlet

DRAFT  
06/25/14  
7.9.14

TOWN OF CHINO VALLEY, ARIZONA

INFORMATIONAL PAMPHLET  
AND SAMPLE BALLOT

NOVEMBER 4, 2014  
SPECIAL ELECTION

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### LETTER TO THE VOTERS OF THE TOWN:

The Mayor and Common Council of the Town of Chino Valley, Arizona (the "Council"), pursuant to Resolution No. \_\_\_\_\_, adopted on July 8, 2014, have ordered that a special election be held in and for the Town of Chino Valley, Arizona (the "Town" or "Chino Valley"), on November 4, 2014 (the "Election").

The purpose of this Informational Pamphlet is to provide you with information on the question which will appear on the ballot for the Election.

The Council is requesting authorization to issue general obligation bonds in the principal amount of not to exceed \$13,500,000 payable from secondary (ad valorem) property taxes (the "Bonds"). (General obligation bonds are secured by an unlimited tax levy of the issuer; that is, the issuer pledges to levy the necessary taxes on all assessable property within its jurisdiction to provide timely repayment of the debt.)

If approved at the Election, the Bonds would provide funds (1) to pay the costs to acquire the City of Prescott's domestic water system that currently operates in the Town or "Chino Valley", per the acquisition agreement with Prescott (\$4,245,000); (2) to settle the construction manager at risk agreement related to the construction of the wastewater treatment plant of the Town, per the settlement agreement with Fann Contracting (\$3,030,000), and (3) to extend water and wastewater services along the east and west sides of Highway 89 between Road 2 North and Road 3 North (\$6,225,000), and to pay all costs incidental to any of the foregoing and to the sale and issuance of the Bonds. The Bonds will be sold to the Water Infrastructure Finance Authority of Arizona to take advantage of lower borrowing costs, including low interest rates and possible forgivable principal (grants) available through it.

A person is entitled to vote in the Election who has resided in a precinct in the boundaries of the Town for 29 days preceding the Election, who is qualified to register to vote as provided in Section 16-101, Arizona Revised Statutes, as amended, and whose registration has been received by the Elections Department of Yavapai County, Arizona prior to midnight of the 29th day preceding the date of the Election. The last day to register for the Election was \_\_\_\_\_, 2014.

A sample ballot and a list of the polling places for the election are included in this Informational Pamphlet.

Preparation of this Informational Pamphlet is required by State law and in compliance with the Federal Voting Rights Act, has been printed in English and Spanish. In order to be prepared to fully exercise your right to vote at the Election, you are urged to thoroughly read all the material. This Informational Pamphlet may be taken into the voting booth on the day of the Election.

Polling places for the Election will be open from 6 a.m. to 7 p.m. on November 4, 2014. Each voter must vote at the polling place in which the voter is registered. Please check the address label on this Informational Pamphlet for your polling place location.

Jami Lewis  
Town Clerk, Town of Chino Valley,  
Arizona

## QUESTIONS AND ANSWERS ABOUT THE PROPOSED BONDS AND PROJECTS TO BE FUNDED

### *Why is this election being held?*

Bonds that are payable from Town *ad valorem* secondary property taxes require voter approval. These bonds are commonly called general obligation bonds (GO Bonds).

One bond authorization question is being submitted for your consideration at the Election. The Bonds, which are the subject of such question, will provide financing for three (3) projects that are a part of the Town's long-range planning program.

- (1) The Town has an opportunity to acquire domestic water service infrastructure from the City of Prescott and the Wilhoit Water Company that currently services account holders within the Town. Acquiring this infrastructure, and constructing the necessary water pipes to tie the Town's water system to these systems with funding from the Bonds will cost about \$4,250,000. In doing so, the Town can service those Chino accounts and eliminate the higher Prescott utility rates as well as the 30% out-of-City surcharge currently charged by Prescott to those Chino Valley citizens.
- (2) The Town has entered into a settlement Agreement to retire the construction manager at risk contract with Fann Contracting for the construction of the Town's Wastewater Treatment Plant ("WWTP"). Funds from the Bonds used to settle this agreement (\$3,030,000) and end the Operations & Maintenance agreement at the WWTP will enable the Town to control and operate the plant, while also eliminating payments to a private party that include profit margins.
- (3) The Town is also seeking funds from the Bonds in the amount of \$6,225,000 to fund water and wastewater utility infrastructure improvements along both sides of Highway 89, from Road 3 North to Road 2 North. The Town believes the investment in public infrastructure will help with recruiting and retaining economic development projects, job creation and retail choices for the community.

Successful settlement of the agreement on the WWTP (#2 above) and acquisition of the Prescott & Wilhoit water infrastructure (#1 above) will enable the Town to add additional customers, increase local fire protection, collect additional net revenues, stabilize and in some cases lower utility rates, and create efficiencies within the water and wastewater utility enterprise systems. The estimated budget to acquire these utilities is \$7,725,000 [\$4,250,000 for the Water System

Acquisition Agreement and \$3,030,000 for the WWTP Settlement Agreement].

The acquisition of such utilities will also create additional regional benefits to the Town. See paragraph below titled "Regional Benefits to the Community".

***How do general obligation bonds work?***

If the Bonds are approved by the voters at the Election, they will be issued as soon as possible. The amount of the Bonds may not exceed the amount approved by the voters at the Election. The Bond funds may only be used for the purposes specified in the ballot question approved by the voters.

If approved, the Bonds will be paid from property taxes levied on all property within the Town. More specifically, the Town will impose secondary property taxes to repay the principal and interest on the Bonds over time. Some of the costs may be paid from other Town sources that will reduce the amount of property taxes required.

Payments of taxes by present and future landowners will be used to repay the Bonds over a period of not more than 30 years in the same manner that homeowners pay off a home mortgage over time. Once the Bonds are paid in full, the levy of taxes for such purpose will stop.

The amount of general obligation bonds the Town may issue is limited by the State Constitution, and the amount being requested with the Election falls within that limitation. The limit is based on a percentage of the total taxable property within the Town.

***What are primary and secondary property taxes?***

Some communities use primary property taxes to fund the maintenance and operation budgets for local governments. **Chino Valley currently does not have a primary property tax.** Most communities use secondary property taxes pay for bond issues like the one proposed here. Your tax bill (from the County) has a separate primary and secondary property tax rate for the Town as well as most other local governments.

**What exactly will the proceeds of the sale of the Bonds be used for?**

- Acquire a portion of the domestic water system owned by the City of Prescott, Arizona, and Wilhoit Water Company which currently serves users in the Town per the acquisition agreement with the City of Prescott (\$3,000,000) and extend the Town's water system to tie into the City of Prescott's water distribution system (\$1,250,000) for a total of (\$4,250,000).
- Settle the construction manager at risk agreement related to the construction of the WWTP per the settlement agreement with Fann Contracting (\$3,030,000).
- Extend water and wastewater services along the east and west sides of Highway 89 between Road 2 North and Road 3 North (\$6,225,000).

***Why are the projects needed?***

- To increase sewer collection and intercept of waste streams to (1) maximize treatment and recharge of those waste water flows into the aquifer, and (2) to preserve the Town's aquifer and water resources for future generations;
- To improve fire protection capabilities of the Town;
- To provide the lowest possible, stable and consistent utility rates for the Town's waste water and potable water systems;
- To develop the Town's local economy and provide more jobs, sales tax proceeds and retail/ commercial choices for the citizens of the Town;
- To follow and implement the policies and concepts enumerated in the General Plan of the Town, in order to create infrastructure, jobs and choices for the Town in the most efficient and effective manner as described in such plan and
- To ensure that the General and Strategic Plans of the Town will be implemented on a consistent basis to effect the changes in the development of the Town, as expressed by its citizens through such plans.

**When will work begin and end on the utility infrastructure improvements along Highway 89?**

It is the Town's intent to deliver the capital portions of this bond issue under the design/build method of constructing public works projects. This will allow the fastest construction of the required improvements. Provided that the bond issue is passed by the voters, the Town will begin the process of securing the design/build team

immediately. Complete engineering and construction is estimated to require 18 months from the time that the design/build team is under contract.

***What will be the source of the money for projects?***

The Bonds will be sold to the Water Infrastructure Finance Authority of Arizona ("WIFA"). WIFA is an independent agency of the state of Arizona and is authorized by the State to finance the construction, rehabilitation and/or improvement of drinking water, wastewater, wastewater reclamation and other water quality facilities/projects. WIFA provides significant savings to AZ communities seeking bond funds due to lower interest rates and no closing costs.

**What are the anticipated regional benefits to the community that are secured with the bond measure?**

**(1) Road System Maintenance**

The Town is not able to maintain its roads properly because State funding has been reduced, and because Town general funds must currently be used to subsidize the water and sewer utilities which have been operating at a deficit for years. Currently, some 80 road miles of maintenance have been deferred (not done) for the last six years on a system of 135 miles of road surface. By the time there is a vote on this bond issue, over \$8,000,000 in road maintenance work will have been deferred (not done) because general funds do not exist to do the work.

Through acquiring the Prescott system, the Town's water system will gain about 650 water accounts -- more than doubling the size of the Town's water utility. The acquisition of the Wilhoit Water Company will add approximately 100 new water customers. Adding water customers (through the acquisition of the City of Prescott's water system and Wilhoit Water Company) increases the number of accounts and revenues in the Town's water utility so it can 'break-even' and the general fund dollars that would have been required for the utility subsidy can then be put towards road repairs.

**(2) Utility Rate Savings and Stabilization**

The acquisition of the City of Prescott's domestic water system in the Town will affect about 650 water user accounts in the Town that are serviced by the City of Prescott. Those water users will see at a minimum, a rate reduction of approximately 30% as the City of Prescott's 'out-of-City' surcharge will be eliminated.

Elimination of the deficit operation of the Town's water and sewer utilities will also empower the Town to stabilize utility rates, holding them at current charge levels for 4 to 5 years.

**(3) Redirecting Private Fees and Profits into Local Capital Improvement Programs**

Settling the construction agreement on the WWTP will pay off the construction costs for the facility and the Operations and Maintenance Agreement for the facility will also terminate. This will eliminate certain higher than necessary costs in the utility charges that go to a private party, and empower the Town to plan, save for and fund capital budgets - controlling and enhancing its utilities through those savings.

**(4) Increasing Waste Stream Intercepts and Recharge Volumes - Banking Water Rights**

The Town is located in an Active Management Area (AMA), in which the State regulates the uses of water. One of the few mechanisms available to the Town that allows the Town to grow additional water rights is through recharge of effluent from the WWTP. Currently the Town recharges more than 300,000 gallons per day, and as the Town intercepts additional waste streams, it can increase its recharge volumes, and in turn increase its available water rights for future development in the Town. Increasing the size of the sewer system and accounts using the Town's WWTP will provide additional water rights for the future, that the Town can bank and then use for residential, commercial and retail development. This should also bring additional jobs, retail and commercial choices, and sales tax revenues to the Town.

**(5) Economic Development - Creating Jobs, Retail/Commercial Choices and Sales Tax Revenues**

Expansion of water and sewer infrastructures to a part of Highway 89 should provide opportunities for franchised retail and commercial businesses to locate and serve our community with support from municipal water and sewer. Most nationally franchised businesses require municipal services (water and sewer) to locate and operate, and will not develop in areas served by wells and septic systems. If these businesses move to Chino Valley, sales tax receipts will increase to support the Town, as will jobs and retail choices for the community. Further, development of these businesses should increase the number of user accounts in the water and sewer utilities, further increasing the utility revenues and stability. These revenue increases (from retail sales, as well as from additional utility accounts) should help increase or free up additional general fund monies so they can be budgeted for road repairs and capital improvement projects in the Town.

With about 23,000 trips per day on highway 89 in Chino Valley, it is expected that properties on highway 89 that have access to municipal water and sewer should experience an increase in value as well as development interest. Given the Town's population of more than 10,817 people, along with other residents west of Reed Road, to the north in Paulden and Ash Fork, and to the south west in Williamson Valley, the regional market seems to contain enough demand to support significant retail and commercial development in Town as well as job creation.

**(6) Enhancing Fire Protection**

The Town will operate the water distribution system it acquires from Prescott at fire-flow pressures (the City of Prescott does not guarantee fire flows as part of its service). In doing so, the Town will greatly enhance fire protection, while also eliminating the costs that property owners currently must pay for private fire flow tanks and pumps to protect their properties and businesses. Additionally, City of Prescott impact fees will no longer apply to new development seeking connections to these water lines.

**(7) Investments in the local economy and growing the local tax base**

If economic development and investments are made in the Town, the local tax base should increase in value, and proportionate tax payer shares of costs to support this GO Bond should begin to reduce (see chart, page 15). Further, as the tax base increases, property tax based revenues to the fire district and school districts should increase, enabling these important public service agencies to overcome difficult financial conditions that still remain from the recent recession.

**(8) The GO Bond funding tool is limited in amount, duration and use, and the proposed Bond Project is designed to provide for a stable, sustainable future for the Town.**

If the Bonds are approved by the voters, such funds can only be used for the purposes stated in the question presented at the Election, and once the bonds are paid off by the taxpayers, the tax is eliminated - it cannot be continued past such repayment or re-purposed for some other use.

The components of this bond issue are intended to work together to attempt to create stability in the utility funds (and fees), while also creating growth in the local economy. This bond structure should also create a foundation for the utilities which will enable them to grow as needed in the future, while increasing recharge volumes and water rights to allow for future growth. Since the Town does not have a primary property tax, economic growth is important as funds for local government services must come from retail sales taxes. Further, economic development/investment in the Town's built environment should generate additional properties and growth in the local tax base -- benefitting other important, property tax funded organizations such as the school and fire districts, while also creating jobs and retail/commercial choices for the community.

**If the General Obligation Bond passes and water and sewer services are extended along Highway 89 from Road 3 North to Road 2 North, what will it cost the businesses and residences that are currently in that area to connect to the system?**

The Town Council can choose to waive required connection fees to water and sewer utilities for those property owners in the project area that connect to the system while the infrastructure is being installed in the project area. Under the Town's current code, connection to water and sewer services requires a \$10,000 connection fee that can be

amortized over ten (10) years at a 5% interest rate and paid in monthly installments.

Should Council decide to waive connection fees the only other expenses experienced by the property owner would be destruction of an existing septic tank (if there's one there) and installation of yard service lines connecting the private structure on the property to the water and sewer lines at the street.

**How are water and sewer rates expected to be affected should the Bonds be approved?**

Acquired Prescott Water Users

Approximate 30% Water Rate Reduction

2015 Rates Freeze for 4-5 Yrs

Avoids Average \$X/Mo. Increase (Residential) in 5 Yrs

New & Existing Chino Valley Water Users

2015 Rates Freeze for 4-5 Yrs

Avoids Average \$X/Mo. Increase (Residential) in 5 Yrs

New & Existing Chino Valley Sewer Users

2015 Rates Freeze for 4-5 Yrs

Avoids Average \$X/Mo. Increase (Residential) in 5 Yrs

### CERTAIN OTHER INFORMATION ABOUT THE BONDS

**Amount of Bonds To Be Authorized and Maximum Interest Rate of the Bonds:** The amount of the authorization for the Bonds requested by the Election is \$13,500,000. The maximum interest rate on the Bonds would not exceed 7% per annum. It is expected as of the date hereof that the rate on the Bonds will actually be \_\_\_\_\_% to \_\_\_\_\_% per annum. 2.90% has been used for purposes of estimates in this Pamphlet.

**Estimated Taxpayer Cost:** The Bonds would be repaid from a levy of secondary (ad valorem) property taxes on all taxable property within the Town which would initially impact the taxpayers in the 2015-16 fiscal year in the form of a **\$1.35 tax rate increase**. The cost of this increase for any given property will depend on the Yavapai County Assessor's full cash and secondary assessed values of that property. Such values are not necessarily equal to the market value of that property. Each property owner should refer to his/her annual property tax statement issued by the Yavapai County Assessor or his/her property tax bill to determine the Yavapai County Assessor's full cash and secondary assessed values. That information, utilized in connection with the following table, will enable a property owner to determine the estimated annual and monthly tax cost that would result from the authorization and issuance of the Bonds:

#### Owner Occupied Residential Property (Assessed at 10%)

|                                      |                       | <u>Estimated \$1.2151 Tax Rate Impact(b)</u> |                                       |
|--------------------------------------|-----------------------|----------------------------------------------|---------------------------------------|
| <u>Assessor's Full Cash Value(a)</u> | <u>Assessed Value</u> | <u>Estimated Average Annual Cost</u>         | <u>Estimated Average Monthly Cost</u> |
| \$ 91,940(c)                         | \$ 9,140              | \$111.72                                     | \$ 9.31                               |
| 100,000                              | 10,000                | 121.51                                       | 10.13                                 |
| 250,000                              | 25,000                | 303.78                                       | 25.32                                 |

The tax impact over the term of the Bonds on an owner-occupied residence valued by the county assessor at \$250,000 is estimated to be \$321 per year for 20 years, or \$6,422 total cost.

#### Agricultural Property (Assessed at 16%)(e)

|                                      |                       | <u>Estimated \$1.2151 Tax Rate Impact(b)</u> |                     |
|--------------------------------------|-----------------------|----------------------------------------------|---------------------|
| <u>Assessor's Full Cash Value(a)</u> | <u>Assessed Value</u> | <u>Annual Cost</u>                           | <u>Monthly Cost</u> |
| \$ 19,388(c)                         | \$ 3,102              | \$ 37.69                                     | \$ 3.14             |
| 100,000                              | 16,000                | 194.42                                       | 16.20               |
| 250,000                              | 40,000                | 486.05                                       | 40.50               |

**The tax impact over the term of the Bonds on agricultural or other vacant property valued by the county assessor at \$100,000 is estimated to be \$193 per year for 20 years, or \$3,867 total cost.(d)**

Commercial and Industrial Property  
(Assessed at 19%)(f)

| Assessor's<br>Full<br>Cash Value(a) | Assessed Value | Estimated \$1.2151 Tax Rate Impact(b) |              |
|-------------------------------------|----------------|---------------------------------------|--------------|
|                                     |                | Annual Cost                           | Monthly Cost |
| \$ 264,663(c)                       | \$ 50,286      | \$ 611.03                             | \$ 50.92     |
| 500,000                             | 95,000         | 1,154.36                              | 96.20        |
| 1,000,000                           | 190,000        | 2,308.73                              | 192.39       |

**The tax impact over the term of the Bonds on an commercial property valued by the county assessor at \$1,000,000 is estimated to be \$2,315 per year for 20 years, or \$46,307 total cost.(d)**

- (a) Assessor's full cash value is the value of your property as it appears on your tax bill and does not necessarily represent the market value.
- (b) Cost based on the projected average annual tax rate over the life of the bond issues and a number of other financing assumptions which are subject to change.
- (c) Represents the average value according to the Arizona Department of Revenue for 2014-15 secondary tax purposes.
- (d) Assumes the assessed value annually grows at the lesser of five percent or at 50% of the projected total increase in secondary assessed value as determined as described in footnote (c) to the Table that follows.
- (e) Adopted legislation requires that the assessment ratio be phased down by increments of 0.5% per year until the assessment ratio reaches 18% in fiscal year 2016-17.
- (f) Adopted legislation requires that the assessment ratio be reduced to 15% in fiscal year 2016-17.

### Estimated Assessment by Neighborhoods

(These numbers should be reviewed based on the most recent tax rate)

|                             |                                              | <u>Estimated \$1.2151 Tax Rate Impact(b)</u> |                                               |
|-----------------------------|----------------------------------------------|----------------------------------------------|-----------------------------------------------|
|                             | <u>Assessor's<br/>Full<br/>Cash Value(a)</u> | <u>Average Assessed<br/>Value</u>            | <u>Estimated<br/>Average<br/>Monthly Cost</u> |
| LUNA ESTATES AMENDED        | \$130,796                                    | \$13,080                                     | \$13.24                                       |
| MARIPOSA MANOR              | \$113,192                                    | \$11,319                                     | \$11.46                                       |
| MARIPOSA MANOR UNIT 2       | \$62,664                                     | \$6,266                                      | \$6.35                                        |
| MC KOWN ESTATES UNIT 2      | \$144,300                                    | \$14,430                                     | \$14.61                                       |
| HARMONY ACRES               | \$54,315                                     | \$5,431                                      | \$5.50                                        |
| HARMONY ACRES               | \$54,315                                     | \$5,431                                      | \$5.50                                        |
| HIDE AWAY ACRES             | \$56,578                                     | \$5,658                                      | \$5.73                                        |
| HIGHLANDS RANCH             | \$111,330                                    | \$11,133                                     | \$11.27                                       |
| I-U BAR RANCH LS 7/45       | \$156,405                                    | \$15,640                                     | \$15.84                                       |
| KAREN ACRES                 | \$72,159                                     | \$7,216                                      | \$7.31                                        |
| CHINO VALLEY ESTATES        | \$105,300                                    | \$10,530                                     | \$10.66                                       |
| FIRE SKY RANCH              | \$187,503                                    | \$18,750                                     | \$18.99                                       |
| GOLD RUSH RANCH             | \$144,785                                    | \$14,479                                     | \$14.66                                       |
| GRANADAS ESTATES            | \$115,359                                    | \$11,536                                     | \$11.68                                       |
| GRASSLAND SUBDIVISION       | \$130,902                                    | \$13,090                                     | \$13.25                                       |
| CHINO MEADOWS UNIT 1        | \$27,531                                     | \$2,753                                      | \$2.79                                        |
| CHINO MEADOWS UNIT 2        | \$32,281                                     | \$3,228                                      | \$3.27                                        |
| CHINO MEADOWS UNIT 3        | \$58,895                                     | \$5,890                                      | \$5.96                                        |
| CHINO MEADOWS UNIT 4        | \$42,113                                     | \$4,211                                      | \$4.26                                        |
| CHINO MEADOWS UNIT 5        | \$52,609                                     | \$5,261                                      | \$5.33                                        |
| BEE MOUNTAIN ESTATES        | \$154,927                                    | \$15,493                                     | \$15.69                                       |
| BRIGHT STAR                 | \$104,111                                    | \$10,411                                     | \$10.54                                       |
| CHINO DE MANANA             | \$127,331                                    | \$12,733                                     | \$12.89                                       |
| CHINO GARDENS               | \$81,105                                     | \$8,110                                      | \$8.21                                        |
| CHINO GROVE                 | \$139,095                                    | \$13,910                                     | \$14.08                                       |
| CHINO LAKES NO. 2           | \$75,496                                     | \$7,550                                      | \$7.64                                        |
| ANGUS ACRES - LS 2/100      | \$118,888                                    | \$11,889                                     | \$12.04                                       |
| APPALOOSA MEADOWS PHASE 1   | \$145,734                                    | \$14,573                                     | \$14.76                                       |
| APPALOOSA MEADOWS PHASE 2   | \$145,734                                    | \$14,573                                     | \$14.76                                       |
| MESA VIEW ESTATES           | \$143,685                                    | \$14,368                                     | \$14.55                                       |
| MESA VIEW SOUTH             | \$150,054                                    | \$15,005                                     | \$15.19                                       |
| MOUNTAIN VIEW ACRES         | \$73,129                                     | \$7,313                                      | \$7.40                                        |
| PARKSIDE VILLAGE AMENDED    | \$112,031                                    | \$11,203                                     | \$11.34                                       |
| PLEASANT MEADOWS            | \$59,271                                     | \$5,927                                      | \$6.00                                        |
| SHADOW MEADOW UNIT 1        | \$92,653                                     | \$9,265                                      | \$9.38                                        |
| SUNRISE                     | \$84,964                                     | \$8,496                                      | \$8.60                                        |
| SUNRISE                     | \$84,964                                     | \$8,496                                      | \$8.60                                        |
| VISTA BONITA                | \$73,811                                     | \$7,381                                      | \$7.47                                        |
| VISTA GRANDE ESTATES 2-3    | \$80,227                                     | \$8,023                                      | \$8.12                                        |
| VISTA GRANDE ESTATES UNIT 4 | \$118,258                                    | \$11,826                                     | \$11.97                                       |
| WAGON WHEEL RANCH           | \$128,606                                    | \$12,861                                     | \$13.02                                       |
| WALKER ESTATES              | \$75,108                                     | \$7,511                                      | \$7.61                                        |
| YAVAPAI MOBILE HOME ESTATES | \$28,608                                     | \$2,861                                      | \$2.90                                        |
| YO HE WAH                   | \$114,317                                    | \$11,432                                     | \$11.58                                       |

### **Estimated Effect of GO Bond Approval on Subdivisions with Chino Valley Utilities**

It is expected that Town of Chino Valley utility rates will freeze at 2015 charge rates, and subsequent, planned rate increases (adopted by Council in 2013) will not occur. The chart below provides estimated savings for those customers that would be serviced by Chino Valley utilities -- after the Prescott and Wilhoitt utilities are acquired and the WWTP settlement is reached using GO Bond funds.

**“Expected Net Decrease in Utility Bill Current/2018”** shows what the **average residential customer would SAVE** on their Chino Valley utility bill, should the GO Bond pass, and rate increases freeze as expected.

The **“Expected Net Monthly SAVINGS AFTER GO BOND...”** shows what the **average residential customer would SAVE each month AFTER PAYING THE GO BOND TAX**, should the GO Bond pass, and rate increases freeze as expected.

| <b>Subdivision</b>              | <b>Expected Net Decrease in Utility Bill Current/2018</b> | <b>Expected Net Monthly SAVINGS AFTER GO BOND Assessment</b> |
|---------------------------------|-----------------------------------------------------------|--------------------------------------------------------------|
| <b>HIGHLANDS RANCH</b>          | <b>\$24</b>                                               | <b>\$13</b>                                                  |
| <b>BRIGHT STAR</b>              | <b>\$24</b>                                               | <b>\$14</b>                                                  |
| <b>CHINO MEADOWS UNIT 1</b>     | <b>\$45</b>                                               | <b>\$43</b>                                                  |
| <b>CHINO MEADOWS UNIT 2</b>     | <b>\$21</b>                                               | <b>\$17</b>                                                  |
| <b>CHINO MEADOWS UNIT 3</b>     | <b>\$21</b>                                               | <b>\$15</b>                                                  |
| <b>CHINO MEADOWS UNIT 4</b>     | <b>\$21</b>                                               | <b>\$16</b>                                                  |
| <b>CHINO MEADOWS UNIT 5</b>     | <b>\$21</b>                                               | <b>\$15</b>                                                  |
| <b>GRANADAS ESTATES</b>         | <b>\$25</b>                                               | <b>\$13</b>                                                  |
| <b>CHINO GROVE</b>              | <b>\$25</b>                                               | <b>\$11</b>                                                  |
| <b>MESA VIEW ESTATES</b>        | <b>\$25</b>                                               | <b>\$10</b>                                                  |
| <b>MESA VIEW SOUTH</b>          | <b>\$25</b>                                               | <b>\$9</b>                                                   |
| <b>PARKSIDE VILLAGE AMENDED</b> | <b>\$25</b>                                               | <b>\$13</b>                                                  |
| <b>WAGON WHEEL RANCH</b>        | <b>\$25</b>                                               | <b>\$12</b>                                                  |

**Estimated Issuance Costs:** Should the Bonds be authorized and issued, the Town estimates that the cost of issuance of the Bonds will be approximately \$150,000 per sale.

**Current Outstanding General Obligation Debt and Constitutional Debt Limitation:** The Town does not currently have ad valorem tax debt outstanding. The constitutional debt limit of the Town is \$17,392,281, being twenty-six percent (26%) of the current secondary assessed valuation of the Town.

**Plan of Finance:**

If the Election is successful, the Town would issue the total amount of the Bonds by the means of two bond sales and sell the Bonds to WIFA. The interest rate to be borne by the Bonds would be determined by the market conditions that prevail at the time of sale, but in no event would the Bonds be sold at an interest rate greater than 7% per annum. Repayment of both principal of and interest on the Bonds would occur over a period of not to exceed 30 years.

The Bonds would be repaid from a levy of secondary property taxes on all taxable property within the Town. This levy would be in addition to that described above for the Tax which is a primary property tax.

**For purposes of estimating the debt service on the Bonds, the Town anticipates amortizing the Bonds over a period of twenty (20) years and has assumed an increase of 2.0% of secondary assessed valuation for fiscal years 2015-16 through 2019-20 and 0.85% growth thereafter.** The assessed value is also adjusted to reflect the following statutory assessment ratio phase downs: class 1 to 18% in 2016-17 and class 2 from 16% in 2015-16 to 15% in 2016-17. The 2014-15 estimated secondary assessed valuation has been provided by the Yavapai County Assessor's Office. The actual secondary assessed valuation will determine the Town's general obligation bond capacity described above and the tax rate needed to pay debt service on general obligation bonds issued and payable from the levy of the secondary property tax. The following is an estimated debt service schedule for current amount of bonds outstanding and the Bonds:

| Fiscal Year | Secondary<br>Assessed<br>Valuation(a) | Principal            | Estimated<br>Interest(b) | Projected<br>Total<br>General<br>Obligation<br>Debt<br>Service (c) | Estimated<br>Tax<br>Rate |
|-------------|---------------------------------------|----------------------|--------------------------|--------------------------------------------------------------------|--------------------------|
| 2014/15     | \$66,893,394                          |                      |                          |                                                                    |                          |
| 2015/16     | 67,643,123                            | \$ 325,000           | \$587,250                | \$ 912,250                                                         | \$0.00                   |
| 2016/17     | 67,923,415                            | 530,000              | 382,075                  | 912,075                                                            | 1.35                     |
| 2017/18     | 69,281,884                            | 545,000              | 366,705                  | 911,705                                                            | 1.34                     |
| 2018/19     | 70,667,521                            | 560,000              | 350,900                  | 910,900                                                            | 1.32                     |
| 2019/20     | 72,080,872                            | 580,000              | 334,660                  | 914,660                                                            | 1.29                     |
| 2020/21     | 72,693,559                            | 595,000              | 317,840                  | 912,840                                                            | 1.27                     |
| 2021/22     | 73,311,454                            | 610,000              | 300,585                  | 910,585                                                            | 1.26                     |
| 2022/23     | 73,934,602                            | 630,000              | 282,895                  | 912,895                                                            | 1.24                     |
| 2023/24     | 74,563,046                            | 645,000              | 264,625                  | 909,625                                                            | 1.23                     |
| 2024/25     | 75,196,832                            | 665,000              | 245,920                  | 910,920                                                            | 1.22                     |
| 2025/26     | 75,836,005                            | 685,000              | 226,635                  | 911,635                                                            | 1.21                     |
| 2026/27     | 76,480,611                            | 705,000              | 206,770                  | 911,770                                                            | 1.20                     |
| 2027/28     | 77,130,696                            | 725,000              | 186,325                  | 911,325                                                            | 1.19                     |
| 2028/29     | 77,786,307                            | 745,000              | 165,300                  | 910,300                                                            | 1.18                     |
| 2029/30     | 78,447,490                            | 770,000              | 143,695                  | 913,695                                                            | 1.17                     |
| 2030/31     | 79,114,294                            | 790,000              | 121,365                  | 911,365                                                            | 1.16                     |
| 2031/32     | 79,786,766                            | 815,000              | 98,455                   | 913,455                                                            | 1.15                     |
| 2032/33     | 80,464,953                            | 835,000              | 74,820                   | 909,820                                                            | 1.14                     |
| 2033/34     | 81,148,905                            | 860,000              | 50,605                   | 910,605                                                            | 1.13                     |
| 2034/35     | 81,838,671                            | 885,000              | 25,665                   | 910,665                                                            | 1.12                     |
|             |                                       | <u>\$ 13,500,000</u> |                          | <u>\$ 18,233,090</u>                                               | 1.11                     |

**Average Additional Tax Rate Per \$100 Assessed Value:**

**\$1.21**

- (a) Beginning in 2015/16, that assessed valuation will be based on the limited property value. Fiscal year 2014/15 is actual as reported by the Arizona Department of Revenue. Fiscal years 2015/16 through 2019/20 assume 2.00% growth and subsequent years assume 0.85% growth. Assessed values are also adjusted to reflect the following statutory phased downs: in class 1 phase down by one half percentage point per year to 18% in 2016/17 and class 2 from 16% in 2015/16 to 15% in 2016/17.
- (b) A 2.90% average interest rate has been estimated in calculating interest costs for the 2015 issue.
- (c) Estimated total debt service estimate does not include adjustments for interest earnings on the investment of Bond proceeds, tax collection delinquencies or applicable federal arbitrage rebate.

**ESTIMATED TOTAL COSTS OF THE PROPOSED BOND AUTHORIZATION INCLUDING PRINCIPAL AND INTEREST IS \$18,233,090.**

# **IMPORTANT VOTING INFORMATION**

**Hours during the day when the polls will be open:** The polling place shall be open at 6:00 a.m. and close at 7:00 p.m. on the date of the Election.

## **Polling Locations:**

|                  |                      |
|------------------|----------------------|
| <u>Precincts</u> | <u>Polling Place</u> |
|------------------|----------------------|

**Other Important Voter Information:** A person is entitled to vote in the Election who has resided in a precinct in the boundaries of the Town for 29 days preceding the Election, who is qualified to register to vote as provided in Section 16-101, Arizona Revised Statutes, as amended. The last day to register for the Election is ....., 2014.

1. Please check the address label on this voter information pamphlet for your polling place information.
2. Polling places will be open from 6:00 a.m. to 7:00 p.m.
3. Any qualified elector who is either physically or visually impaired or who is unable to read or understand the contents of the ballot, may be accompanied into the voting booth by a person of such elector's choice for the purpose of assisting such elector in casting a ballot.
4. Sample ballots may be brought to the voting place and may be taken into the voting booth on the day of the election.
5. Any qualified elector, who at 7:00 p.m., is in the line of waiting voters, will be allowed to prepare and cast a ballot.

**Early/Absentee Voting Information:** Any qualified elector may vote an early/absentee ballot for the Election. Absentee/early voting with respect to the Election shall be permitted in accordance with the provisions of Title 16, Chapter 4, Article 8, Arizona Revised Statutes. Absentee/early voting information with respect to the Election may be obtained by contacting the Town of Chino Valley Town Clerk's Office, 202 North State Route 89, Chino Valley, Arizona 86323, telephone number: (928) 636-2646.

**To Vote An Early/Absentee Ballot In Person:** Appear in person at the ....., ....., ....., Arizona ....., no later than the close of business on ....., 2014. Voting will be permitted Monday through Friday between the hours of 8:00 a.m. and 5:00 p.m.

**To Obtain An Early/Absentee Ballot By Mail:** Submit a written, signed request to Town of Chino Valley Town Clerk's Office, 202 North State Route 89, Chino Valley, Arizona 86323 or call (928) 636-2646.

- a. If confined because of physical disability or illness, indicate address of confinement and if assistance is needed.
- b. If you will be out of Town, indicate where to mail the early/absentee ballot.

Written or verbal requests for an early/absentee ballot must be received by the Town of Chino Valley Town Clerk's Office before 5:00 p.m. on ....., 2014, in order for the ballot to be mailed.

The returned early/absentee ballot must be received in the Yavapai County Recorder's Office not later than 7:00 p.m. on election day, November 4, 2014, in order for the ballot to be counted.

**To Obtain Further Information, Contact:**

***For Election Process, Voting Information and Voter Registration:***

Yavapai County Elections Department  
1015 Fair Street  
Prescott, Arizona 86305  
Telephone: (928) 771-3250

***Early/Absentee Ballot Information:***

Town of Chino Valley Town Clerk  
202 North State Route 89  
Chino Valley, Arizona 86323  
Telephone: (928) 636-2646

If you do not know if you are qualified to vote, you should contact the Yavapai County Recorder's Office at the telephone number shown above.

**FORM OF BALLOT**

***[Insert ballot form here]***

**ARGUMENTS FOR/AGAINST**

***[Insert arguments for/against here]***

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Bulk Rate  
U.S. Postage Paid  
Permit No. \_\_\_\_  
\_\_\_\_\_, Arizona

OFFICIAL VOTING MATERIAL

YOUR POLLING PLACE  
IS INDICATED ON LABEL

Only one voter Informational Pamphlet has been mailed to each household containing a registered voter. Please make it available to all registered voters in the household.



## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

Item No. 7. g.

**Meeting Date:** 07/22/2014  
**Contact Person:** Robert Smith, Town Manager  
 Phone: 928-636-2646 x-1201  
**Department:** Town Manager  
**Item Type:** Action  
**Estimated length of staff presentation:** None  
**Physical location of item:** N/A

### AGENDA ITEM TITLE:

Consideration and possible action to accept the language in the publicity pamphlet related to the General Plan for ratification by voters at the November 2014 election.

### RECOMMENDED ACTION:

Modify or accept the language in the publicity pamphlet related to the General Plan.

### Fiscal Impact

**Fiscal Impact?:** No  
**If Yes, Budget Code:**  
**Available:**  
**Funding Source:**

### Attachments

Draft General Plan Pamphlet Language

### What is the Town of Chino Valley General Plan 2014?

The Town of Chino Valley's General Plan is the expression of the community's vision; it is a guide for the Town's future growth and development. It is a tool for decision-making containing long-range policies covering a period of ten (10) years or more; it is not a regulatory code, and does not affect existing land uses or zoning. The General Plan 2014 is the product of community discussion on many aspects, including current conditions and future aspirations of Chino Valley residents.

### How was the new General Plan created and who was involved in the Process?

The Chino Valley General Plan 2014 process commenced approximately two years ago with the Town Council's adoption of a Public Participation Program and appointment of the General Plan Committee, made up of Chino Valley residents and business people. The General Plan Committee conducted a series of monthly meetings, augmented by briefings and workshops; all meetings were noticed and open to the public, with agendas and meeting minutes posted on the Town website. Information from regional authorities and technical support were offered at meetings; the public was invited to comment at all proceedings. A draft of the new General Plan was prepared in December 2013 and published on the Town's website in its entirety. The draft was distributed to state, regional and local agencies and made available to the general public in January 2014. A review period of more than 60 days resulted in comments that were discussed at Public Hearings of the Chino Valley Planning Commission. Revisions to the draft were made and recommended by the Planning Commission for Town Council's review. Further revisions were discussed and approved at Public Hearings of the Town Council. Public input was invited at all Public Hearings. The Town Council adopted the General Plan 2014 on May 13, 2014. The adopted Town of Chino Valley General Plan 2014 was published in its entirety in June 2014 on the Town website.

### Why update the existing General Plan?

At the time that the existing 2003 General Plan was created and ratified, Chino Valley was in a period of rapid population growth and area expansion with projections for more of the same. The 2003 Plan was based on previous plans and data from the 1990's when growth was at its highest levels. Chino Valley, however, experienced a great deal of change between 2003 and 2014. The 2010 US Census reflected a significant slowing of the population rate of increase between 2000 and 2010 in comparison with that of prior decade's rate. Similarly the new-housing boom of the early 2000s slowed drastically due to the national economic recession in the latter half of the decade. The 2010 Census also found that Chino Valley's population was rapidly aging and family sizes were shrinking. These statistics emphasized the need to create a new General Plan that accommodates the current residential makeup and economic climate in the Town. The new General Plan 2014 conforms to the State Statutes requirement for cities and towns to either renew their general plan or adopt a new general plan every 10 years. The General Plan needs to be current, meet the requirements of the Statutes and reflect the desired future direction of Chino Valley.

### Who uses the General Plan and how?

- Residents – to understand what types of development may happen near their homes and how Chino Valley anticipates commercial, educational, public parks and other facilities will develop.
- Property Owners – to understand Chino Valley's development goals and policies, what types of development Chino Valley expects for certain property and the overall quality and design direction for developing property in Chino Valley.
- Business Owners – to understand Chino Valley's vision, goals and development policy and to identify potential business locations.
- Out-of-Town Businesses and Potential Residents – to understand Chino Valley's goals and policies for possible future relocation to Chino Valley.
- Chino Valley Chamber of Commerce – to assist businesses in locating or relocating to Chino Valley.
- Elected and Appointed Officials – to ensure the goals and policies of Chino Valley are met when making decisions that will impact the future.
- Town Staff – to identify locations for public facilities and amenities, to provide development guidance, to attract and retain businesses and as a framework for decision-making.
- Schools – to estimate enrollment numbers and identify potential locations for new schools.
- Neighboring Communities – to ensure compatibility of development along shared borders and to coordinate future transportation and other infrastructure needs.

### How will the General Plan 2014 affect private property owners?

The General Plan has no effect on existing land uses, even those that may differ from the intent of the Plan. Property rights are respected; the General Plan does not require any change to existing uses or to existing zoning classifications.

### Will the General Plan 2014 allow changes to private property owners land uses in the future?

All citizens have a right to request changes in land use and zoning of their property. Arizona laws require requests for land use changes (zone changes) to conform to a General Plan. A zone change request should describe the method and intent to conform to the goals of the Plan. If the zone change requested does not conform, a property owner may apply for an amendment to the General Plan. All requests for General Plan amendments and for zone changes must comply with State statutes for public notice to the community and public hearings conducted by the Planning Commission and Town Council.

## What's in the General Plan?

The General Plan 2014 contains Goals and Strategies aiming for consistent achievement of the community vision. It begins with an overview of past and current conditions in Chino Valley, followed by a series of “Elements” on Land Use, Circulation/Transportation, Water Resources/Environment, Cost of Development and Economic Development. A Postscript “Creating a Sense of Place in Chino Valley” concludes the General Plan.

The following summary describes the content of the General Plan 2014.

The Introduction describes what a general plan is, how it was created through the Public Participation Program, the contents of, and terms used in the Plan, as well as the general plan process and amendment procedures. It explains that the General Plan is a Community-Inspired Vision of inter-related Elements. *The Chino Valley Vision: a community looking to its future that envisions diverse business and employment expansion, varieties in housing, and options in transportation; all while maintaining its valued farming heritage, recreation and environmental assets, and its small town image.*

Part 1: What is Chino Valley like Today describes current conditions and trends in Chino Valley including place/location/setting, character and lifestyle, population/demographics and housing.

Part 2: General Plan Elements includes descriptions, goals and strategies for the General Plan elements, as summarized below:

Land Use Element discusses the broad range of existing land uses, past and current building trends and land use patterns. It introduces and focuses on future Community Cores to create community-neighborhood centered focal points, healthy lifestyle alternatives and enhanced economy. *Goal: Focus on Development of Community Cores and on Lifestyle Choices in Land Use.*

Circulation/Transportation Element describes current circulation and transportation systems and traffic trends; discusses proposed road improvements and alternative transportation (transit, bicycles, walking) correlating with land uses; and long range transportation planning in the Town and region. *Goal: Encourage Circulation Improvements with Alternative Transportation Offered for Lifestyle Choices.*

Open Space/Recreation Element provides an inventory of existing parks, recreation and open space resources. It suggests additional recreation needs for the future such as trail networks, playgrounds and public/private open space and regional connections. *Goal: Enhance Quality of Life and Healthful Living through Dedicated Open Spaces, Parks, and Trails.*

Water Resources/Environment Element addresses available surface water, groundwater, effluent supplies, water providers and future resources, conservation and rain water harvesting. It discusses environmental effects on air and water qualities. *Goal: Encourage Sustainable Water Resources and Protect Water and Air Qualities as the Town Grows.*

Cost of Development Element identifies policies that require development to pay its fair share for additional public services generated by new development. It discusses past and current trends in impact fees on new development and describes many available mechanisms for financing and obtaining new infrastructure. *Goal: Ensure that Development Pays Its Fair Share for Additional Public Services.*

Economic Development Element discusses current employment, types of businesses, and strengths, weaknesses and trends for business opportunities. It suggests a sustainable local economy can be enhanced by future neighborhood-centered Community Cores. *Goal: Enhance Local Business and create a Sustainable Economy.*

Postscript – Creating a Sense of Place in Chino Valley summarizes the purpose of the General Plan to give voice to the community for direction in accomplishing its vision. The Postscript discusses the need for creating a Town identity, consistency with flexibility in architectural styles and quality in new development; the creation of people-gathering spaces, pedestrian connections and alternative transportation for lifestyle choices.

When does the Chino Valley General Plan 2014 take effect?

After numerous public meetings and hearings, the Chino Valley General Plan 2014 was recommended for approval by the Chino Valley Planning Commission on April 1, 2014, and adopted by the Town Council on May 13, 2014; it will be effective when ratified by the voters in November 2014.

What if the voters do not approve the Chino Valley General Plan 2014?

If the voters do not approve the plan, the current plan remains in effect until a new plan is ratified by the voters.

Where can I get more information on the Chino Valley General Plan 2014?

The General Plan 2014 is available for review at Chino Valley Town Hall, Development Services Department, 1982 N. Voss Drive and at Chino Valley Public Library, 1020 W. Palomino Road. The Plan is also available for review on-line at [www.chinoaz.net](http://www.chinoaz.net). For questions about the General Plan 2014, please call Development Services Department at (928) 636-4427.

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## TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

### Town Council Regular Meeting

Item No. **8. a.**

**Meeting Date:** 07/22/2014

**Department:** Town Clerk

**Item Type:** Executive

**Estimated length  
of staff presentation:** None

**Physical location of item:** N/A

### AGENDA ITEM TITLE:

Council may hold an executive session pursuant to A.R.S. 38-431.03(A)(1) for discussion or consideration of employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of the Town Magistrate.

### RECOMMENDED ACTION:

#### Other Pertinent Documents Available Upon Request:

*Councilmembers: Please bring your materials from the July 8 meeting.*

### Fiscal Impact

### Attachments

*No file(s) attached.*