

FINAL AGENDA

REGULAR COUNCIL MEETING
TUESDAY
JUNE 3, 2014

COUNCIL CHAMBERS
211 WEST ASPEN AVENUE
4:00 P.M. AND 6:00 P.M.

4:00 P.M. MEETING

Individual Items on the 4:00 p.m. meeting agenda may be postponed to the 6:00 p.m. meeting.

1. CALL TO ORDER

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that, at this regular meeting, the City Council may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the City's attorneys for legal advice on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A)(3).

2. ROLL CALL

NOTE: One or more Councilmembers may be in attendance telephonically or by other technological means.

MAYOR NABOURS
VICE MAYOR EVANS
COUNCILMEMBER BAROTZ
COUNCILMEMBER BREWSTER

COUNCILMEMBER ORAVITS
COUNCILMEMBER OVERTON
COUNCILMEMBER WOODSON

3. PLEDGE OF ALLEGIANCE AND MISSION STATEMENT

MISSION STATEMENT

The mission of the City of Flagstaff is to protect and enhance the quality of life of its citizens.

4. APPROVAL OF MINUTES FROM PREVIOUS MEETINGS

- A. **Consideration and Approval of Minutes:** City Council Special Meeting (Executive Session) of April 29, 2014; the Regular Meeting of May 20, 2014; and the Special Meeting (Executive Session) of May 27, 2014.

RECOMMENDED ACTION:

Amend/approve the minutes of the City Council Special Meeting (Executive Session) of April 29, 2014; the Regular Meeting of May 20, 2014; and the Special Meeting (Executive Session) of May 27, 2014.

5. PUBLIC PARTICIPATION

Public Participation enables the public to address the Council about an item that is not on the agenda (or is listed under Possible Future Agenda Items). Comments relating to items that are on the agenda will be taken at the time that the item is discussed. If you wish to address the Council at tonight's meeting, please complete a comment card and submit it to the recording clerk as soon as possible. Your name will be called when it is your turn to speak. You may address the Council up to three times throughout the meeting, including comments made during Public Participation. Please limit your remarks to three minutes per item to allow everyone an opportunity to speak. At the discretion of the Chair, ten or more persons present at the meeting and wishing to speak may appoint a representative who may have no more than fifteen minutes to speak.

6. PROCLAMATIONS AND RECOGNITIONS

None

7. APPOINTMENTS

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that the City Council may vote to go into executive session, which will not be open to the public, for the purpose of discussing or considering employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee, or employee of any public body...., pursuant to A.R.S. §38-431.03(A)(1).

None

8. LIQUOR LICENSE PUBLIC HEARINGS

None

9. CONSENT ITEMS

All matters under Consent Agenda are considered by the City Council to be routine and will be enacted by one motion approving the recommendations listed on the agenda. Unless otherwise indicated, expenditures approved by Council are budgeted items.

- A. Consideration and Approval of Contract:** Fiscal Year 2014-2015 Service Partner Contract for Community Health and Human Services to be provided by United Way of Northern Arizona ("UWNA") (***Approve Service Agreement with United Way of Northern Arizona in the amount of \$293,750 for Fiscal Year 2014-2015***).

RECOMMENDED ACTION:

Award the service contract and allocate funds to UWNA in the amount of \$293,750 for fiscal year 2014-2015 to provide Community Health and Human Services.

- B. Consideration and Approval of Contract:** Services Agreement; Desktop Office Supplies

RECOMMENDED ACTION:

- 1) Accept the Proposal and approve the agreement with OfficeMax North America, Inc. for annual purchases of desktop office supplies
- 2) Authorize the City Manager to execute the necessary documents

- C. **Consideration and Approval of Agreement:** Flagstaff Watershed Protection Project (FWPP) Participating Agreement Supplemental Project Agreement (SPA)14-PA-11030408-013: Boundary Line Survey with U.S. Forest Service Coconino National Forest ***(Approve agreement with USFS for reimbursement for survey work to be implemented by USFS in connection with the FWPP).***

RECOMMENDED ACTION:

Approve FWPP SPA 14-PA-11030408-013 Boundary Line Survey with U.S. Forest Service Coconino National Forest.

- D. **Consideration and Approval of Agreement:** Flagstaff Watershed Protection Project (FWPP) Intergovernmental Agreement No. 14-1: Equestrian Parcel Forest Treatment Agreement with AZ State Forestry Division ***(Approve Intergovernmental Agreement with AZ State Forestry Division for forest treatment work associated with the FWPP).***

RECOMMENDED ACTION:

Approve FWPP Intergovernmental Agreement 14-1 Equestrian Parcel Forest Treatment Agreement with AZ State Forestry Division

- E. **Consideration and Approval of Agreement:** Agreement for Professional Services for the Flagstaff Watershed Protection Project (FWPP): City of Flagstaff and Greater Flagstaff Forests Partnership ***(Approve Agreement for Professional Services with GFFP for services associated with the FWPP).***

RECOMMENDED ACTION:

Approve Agreement for Professional Services for the FWPP with Greater Flagstaff Forests Partnership (GFFP).

- F. **Consideration and Approval of Contract:** Switzer Canyon Transmission Main Project Phase II ***(Award of construction contract to Redpoint Contracting, L.L.C. for construction of the Switzer Canyon Transmission Main Project Phase II).***

RECOMMENDED ACTION:

- 1) Award the construction contract to Redpoint Contracting, L.L.C. of Phoenix, Arizona in the total award amount of \$1,217,213.00, which includes \$25,000.00 in contract allowance. The contract period is 120 calendar days; and
- 2) Authorize Change Order Authority to the City Manager in the amount of \$119,220 (10% of the bid contract amount, less contract allowance) for unanticipated additional costs; and
- 3) Authorize the City Manager to execute the necessary documents.

- G. **Consideration and Approval of Contract:** Walapai Alley / San Francisco Alley Water & Sewer Improvement Project ***(Approve contract with McDonald Bros. Construction, Inc. for Walapai Alley/San Francisco Alley Water and Sewer Improvement Project).***

RECOMMENDED ACTION:

- 1) Award the construction contract to McDonald Bros. Construction, Inc. of Camp Verde, Arizona in the total award amount of \$374,866.56, which includes the base and alternate bids. The base and alternate bid includes a total of \$19,878.16 in contract allowance. The contract period is 120 calendar days; and
- 2) Authorize Change Order Authority to the City Manager in the amount of \$35,500.00 (10% of the bid contract amount, less contract allowance) for unanticipated additional costs; and
- 3) Authorize the City Manager to execute the necessary documents.

10. ROUTINE ITEMS

- A. Consideration and Approval of Grant:** Arizona Department of Transportation Intergovernmental Agreement for the Frontage Road 40 Pavement Preservation Overlay Project, aka East Route 66 South of the Flagstaff Mall near Wildcat Waste Water Treatment Plant.

RECOMMENDED ACTION:

Consideration of approval of the Intergovernmental Agreement (IGA)/Joint Project Agreement (JPA) between the City and the Arizona Department of Transportation for State Surface Transportation Program (STP) grant funds in the amount of \$150,000 and City funds in the amount of \$8,550 for the design of the Frontage Road (FR) 40 Overlay Project.

- B. Consideration and Adoption of Resolution No. 2014-22:** A resolution of the Mayor and Council of the City of Flagstaff, Coconino County, Arizona, declaring official and adopting the results of the Special Election held on May 20, 2014

RECOMMENDED ACTION:

- 1) Read Resolution No. 2014-22 by title only
- 2) City Clerk reads Resolution No. 2014-22 by title only (if approved above)
- 2) Adopt Resolution No. 2014-22

- C. City position on proposed 2015 resolutions for submission to the League of Arizona Cities and Towns.**

RECESS

6:00 P.M. MEETING

RECONVENE**NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION**

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that, at this regular meeting, the City Council may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the City's attorneys for legal advice on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A)(3).

11. ROLL CALL

NOTE: One or more Councilmembers may be in attendance telephonically or by other technological means.

MAYOR NABOURS
VICE MAYOR EVANS
COUNCILMEMBER BAROTZ
COUNCILMEMBER BREWSTER

COUNCILMEMBER ORAVITS
COUNCILMEMBER OVERTON
COUNCILMEMBER WOODSON

12. PUBLIC PARTICIPATION**13. CARRY OVER ITEMS FROM THE 4:00 P.M. AGENDA**

14. PUBLIC HEARING ITEMS

None

15. REGULAR AGENDA

- A. Consideration and Adoption of Resolution No. 2014-19:** A resolution of the Council of the City of Flagstaff, Arizona adopting the tentative estimates of the amounts required for the public expense for the City of Flagstaff for Fiscal Year 2014-2015; adopting a Tentative Budget; setting forth the receipts and expenditures; the amount proposed to be raised by direct property taxation; giving notice of the time for hearing taxpayers, for adopting of Budget and for fixing the tax levies.

RECOMMENDED ACTION:

- 1) Read Resolution No. 2014-19 by title only
- 2) City Clerk reads Resolution No. 2014-19 by title only (if approved above)
- 3) Adopt Resolution No. 2014-19

- B. Consideration and Approval of Agreement:** With True Life Companies (TLC) D.B.A. Pine Canyon regarding a modification of an existing zoning condition and disposition of fees. ***(Approve the Agreement between TLC PC Infrastructure, LLC and the City of Flagstaff which requires final Council approval for General Condition 8 Amendment on or before September 1, 2014.)***

RECOMMENDED ACTION:

Approve the Agreement between TLC PC Infrastructure, LLC and the City of Flagstaff and authorize the Mayor to sign the Agreement and any other necessary and appropriate documents; authorize staff to take other actions as needed to further Council direction.

16. DISCUSSION ITEMS

- A. Review and discussion of roof replacement options for the Flagstaff Main Library.**

RECOMMENDED ACTION:

Discuss and provide direction to staff.

- B. Rio de Flag Flood Control Project - FEMA Flood Design Concept Report (DCR) Presentation and Discussion**

RECOMMENDED ACTION:

Present the recommended alignment and discuss project specifics for the FEMA Flood alternatives to the US Army Corps of Engineers Project.

- C. Road Repair and Street Safety Initiative**

RECOMMENDED ACTION:

Discussion only

17. POSSIBLE FUTURE AGENDA ITEMS

Verbal comments from the public on any item under this section must be given during Public Participation near the beginning of the meeting. Written comments may be submitted to the City Clerk. After discussion and upon agreement of three members of the Council, an item will be moved to a regularly-scheduled Council meeting.

18. **INFORMATIONAL ITEMS AND REPORTS FROM COUNCIL AND STAFF, REQUESTS FOR FUTURE AGENDA ITEMS**
19. **ADJOURNMENT**

CERTIFICATE OF POSTING OF NOTICE

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

Dated this _____ day of _____, 2014.

Elizabeth A. Burke, MMC, City Clerk

CITY OF FLAGSTAFF
STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Elizabeth A. Burke, City Clerk
Date: 05/30/2014
Meeting Date: 06/03/2014



TITLE

Consideration and Approval of Minutes: City Council Special Meeting (Executive Session) of April 29, 2014; the Regular Meeting of May 20, 2014; and the Special Meeting (Executive Session) of May 27, 2014.

RECOMMENDED ACTION:

Amend/approve the minutes of the City Council Special Meeting (Executive Session) of April 29, 2014; the Regular Meeting of May 20, 2014; and the Special Meeting (Executive Session) of May 27, 2014.

INFORMATION

Attached are copies of the minutes of the City Council Special Meeting (Executive Session) of April 29, 2014; the Regular Meeting of May 20, 2014; and the Special Meeting (Executive Session) of May 27, 2014.

Attachments: [04.29.2014.CCSMES.Minutes](#)
 [05.20.2014.CCRM.Minutes](#)
 [05.27.2014.CCSMES.Minutes](#)

MINUTES OF THE SPECIAL MEETING (EXECUTIVE SESSION) OF THE FLAGSTAFF CITY COUNCIL HELD ON TUESDAY, APRIL 29, 2014, IN THE STAFF CONFERENCE ROOM, SECOND FLOOR OF THE FLAGSTAFF CITY HALL, 211 WEST ASPEN, FLAGSTAFF, ARIZONA

1. Call to Order

Mayor Nabours called the meeting to order at 4:02 p.m.

2. Roll Call

NOTE: One or more Councilmembers may be in attendance telephonically or by other technological means.

Present:

Absent:

MAYOR NABOURS
VICE MAYOR EVANS
COUNCILMEMBER BAROTZ
COUNCILMEMBER BREWSTER
COUNCILMEMBER ORAVITS
COUNCILMEMBER OVERTON

COUNCILMEMBER WOODSON

Others present: City Manager Kevin Burke; City Attorney Michelle D'Andrea.

3. Recess into Executive Session.

Mayor Nabours moved to recess into Executive Session; seconded; passed unanimously.

4. Executive Session:

A. Discussion or consultation for legal advice with the attorney or attorneys of the public body; and discussion or consultation with the attorneys of the public body in order to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation, pursuant to ARS 38-431.03(A)(3) and (4), respectively.

i. Construction Contract with Capital Improvements LLC re West/Arrowhead Project.

B. *Discussion or consultation for legal advice with the attorney or attorneys of the public body, pursuant to ARS 38-431.03(A)(3).

i. *Displacement/Relocation Policy

5. **Adjournment**

The Special Meeting of the Flagstaff City Council held April 29, 2014, adjourned at 5:12 p.m.

MAYOR

ATTEST:

CITY CLERK

REGULAR COUNCIL MEETING
TUESDAY, MAY 20, 2014
COUNCIL CHAMBERS
211 WEST ASPEN AVENUE
4:00 P.M. AND 6:00 P.M.

4:00 P.M. MEETING

1. **CALL TO ORDER**

Mayor Nabours called the Regular Meeting of the Flagstaff City Council of May 20, 2014, to order at 4:00 p.m.

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that, at this regular meeting, the City Council may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the City's attorneys for legal advice on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A)(3).

2. **ROLL CALL**

NOTE: One or more Councilmembers may be in attendance telephonically or by other technological means.

Present:

Absent:

MAYOR NABOURS
VICE MAYOR EVANS
COUNCILMEMBER BAROTZ
COUNCILMEMBER BREWSTER
COUNCILMEMBER ORAVITS
COUNCILMEMBER OVERTON

COUNCILMEMBER WOODSON

Others present: Kevin Burke, City Manager; Sterling Solomon, Deputy City Attorney.

3. **PLEDGE OF ALLEGIANCE AND MISSION STATEMENT**

MISSION STATEMENT

The mission of the City of Flagstaff is to protect and enhance the quality of life of its citizens.

4. **APPROVAL OF MINUTES FROM PREVIOUS MEETINGS**

- A. **Consideration and Approval of Minutes:** City Council Work Session of April 29, 2014; the Special Meeting (Executive Session) of May 6, 2014; the Regular Meeting of May 6, 2014 and the Special Meeting (Executive Session) of May 13, 2014.

Councilmember Brewster moved to approve the minutes [of the City Council Work Session of April 29, 2014; the Special Meeting (Executive Session) of May 6, 2014; the Regular Meeting of May 6, 2014 and the Special Meeting (Executive Session) of May 13, 2014]; seconded; passed unanimously.

5. **PUBLIC PARTICIPATION**

Public Participation enables the public to address the Council about an item that is not on the agenda (or is listed under Possible Future Agenda Items). Comments relating to items that are on the agenda will be taken at the time that the item is discussed. If you wish to address the Council at tonight's meeting, please complete a comment card and submit it to the recording clerk as soon as possible. Your name will be called when it is your turn to speak. You may address the Council up to three times throughout the meeting, including comments made during Public Participation. Please limit your remarks to three minutes per item to allow everyone an opportunity to speak. At the discretion of the Chair, ten or more persons present at the meeting and wishing to speak may appoint a representative who may have no more than fifteen minutes to speak.

None

6. **PROCLAMATIONS AND RECOGNITIONS**

None

7. **APPOINTMENTS**

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that the City Council may vote to go into executive session, which will not be open to the public, for the purpose of discussing or considering employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee, or employee of any public body...., pursuant to A.R.S. §38-431.03(A)(1).

- A. **Consideration of Appointments:** Beautification and Public Arts Commission (BPAC).

Mayor Nabours stated that the commission is one of those identified by Council to reduce the members from nine to seven; he suggested that only two appointments be made in order to keep the commission at seven members.

Councilmember Brewster moved to appoint George Averbeck to the Arts Community seat and Anne Doyle to the At-Large seat to terms expiring June 2017; seconded; passed unanimously.

8. **LIQUOR LICENSE PUBLIC HEARINGS**

- A. **Consideration and Action on Liquor License Application:** Danny Thomas, "Country Host Restaurant", 2700 S. Woodlands Village Blvd., #600, Series 12 (restaurant), New License.
- B. **Consideration and Action on Liquor License Application:** Danny Thomas, "The Patio", 409 S. San Francisco, Series 12 (restaurant), New License.

Mayor Nabours opened the Public Hearing; there being no public input Mayor Nabours closed the Public Hearing.

Vice Mayor Evans moved to forward both applications to the State with a recommendation for approval; seconded; passed unanimously.

9. **CONSENT ITEMS**

All matters under Consent Agenda are considered by the City Council to be routine and will be enacted by one motion approving the recommendations listed on the agenda. Unless otherwise indicated, expenditures approved by Council are budgeted items.

- A. **Consideration to Purchase:** Two (2) Utility Service Vehicles (***Approve the purchase of two utility service trucks from Babbitt Ford***).

MOTION:

Reject all bids as submitted for Invitation for Bids (IFB) 2014-64, Diesel Service Trucks for Utilities Division.

Accept and approve the purchase of the lowest responsive and responsible bid # 2014-74 from Babbitt Ford of Flagstaff, for the purchase of two (2) 2015 Ford F-250 gas powered pickups in the amount of \$53,703.44 plus applicable sales tax.

- B. **Consideration and Approval of Contract:** Rio De Flag Wastewater Plant Air Scrubber Carbon Changeout Maintenance Project (***Approve contract with Carbon Activated Corporation for replacement of carbon media in the air scrubber equipment at the Rio de Flag Wastewater Treatment Plant***).

MOTION:

Accept and approve the contract of the lowest responsive and responsible bid from Carbon Activated Corporation of Phoenix, for the replacement of carbon media in the Air Scrubber (Adsorption) equipment located at the Rio De Flag Wastewater Plant in the amount of \$64,218.23 plus applicable sales tax.

- C. **Consideration and Approval of Contract:** Approve the renewal of our Workers' Compensation contract with Copperpoint Mutual Insurance, (Formerly SCF), at

an estimated annual cost of \$845,000. (Workers Compensation Insurance Contract).

MOTION:

Council approve the renewal of Workers' Compensation contract with Copperpoint Mutual Insurance, (Formerly SCF), at an estimated annual cost of \$845,000.

- D. Consideration and Approval of Contract:** Approve the renewal of our Casualty insurance with Travelers Insurance and our Property coverage with AIG insurance at a total estimated annual cost of \$905,000. (Renewal of Property and Casualty Insurance Contracts).

MOTION:

Approve the renewal of Casualty insurance with Travelers Insurance and Property coverage with AIG insurance at a total estimated annual cost of \$905,000.

- E. Consideration and Acceptance of Bid 2014-63 for Streetlight Maintenance and Service** (*Approve contract with N.J. Shaum & Son, Inc. for streetlight maintenance.*)

MOTION:

Accept bid from N.J. Shaum & Son, Inc. in the amount of \$158,340 annually for the Streetlight Maintenance and other requested services outlined in the bid response and authorize the City Manager to execute the necessary documents.

Councilmember Brewster moved to approve Consent Items 9-A through 9-E; seconded; passed unanimously.

10. **ROUTINE ITEMS**

- A. Consideration and Adoption of Ordinance No. 2014-08:** An Ordinance of the City Council of the City of Flagstaff, Arizona, amending Flagstaff City Code, Title 4, Building Regulations, by amending the Uniform Housing Code, 1997 Edition and Amendments. (*To bring the minimum standards up to current code and to streamline the process and simplify debt collection by the City when the cost of repairs or demolition is taken on by the City*)

Councilmember Overton moved to read Ordinance No. 2014-08 by title only for the final time; seconded; passed 6-1 with Councilmember Oravits casting the dissenting vote.

AN ORDINANCE OF THE FLAGSTAFF CITY COUNCIL AMENDING TITLE 4, BUILDING REGULATIONS, BY ADDING A NEW CHAPTER 4-10, UNIFORM HOUSING CODE, EDITION 1997

Councilmember Brewster moved to adopt Ordinance No. 2014-08; seconded; passed 6-1 with Councilmember Oravits casting the dissenting vote.

- B. Consideration and Approval of an Intergovernmental Agreement:** Between the City of Flagstaff and State of Arizona, acting by and through its Department of Transportation (ADOT), for maintenance of a multi-use path and median landscaping to be constructed by ADOT on the east side of Country Club Drive over Interstate 40.

Councilmember Overton moved to approve the Intergovernmental Agreement (IGA) with the State of Arizona to accept the improvements and assume responsibility for the annual maintenance of the planned path and median landscaping upon completion of the project. Annual estimated cost for maintenance is \$2,000; seconded; passed unanimously.

- C. Consideration and Approval of First Amendment of Purchase and Sale Agreement:** Consideration and approval of the First Amendment of the Purchase and Sale Agreement between the City of Flagstaff and Evergreen - TRAX, LLC ("Evergreen"), for the sale of approximately 33.6 acres of property consisting of three parcels located at the southeast and southwest corners of the intersection of Fourth Street and Route 66, and the northwest corner of Fourth Street and Huntington drive adjacent to the Fourth Street Overpass (the "Property").

Councilmember Oravits moved to approve the First Amendment to the Purchase and Sale Agreement between the City of Flagstaff and Evergreen for the development of the Property, and authorize the Mayor to sign the agreement; seconded; passed unanimously.

- D. Consideration and Approval of Intergovernmental Agreement:** An Intergovernmental Agreement (IGA) between the City of Flagstaff, Northern Arizona University (NAU), and Northern Arizona Intergovernmental Public Transit Authority (NAIPTA) to provide for the ongoing operation of Route 10.

Councilmember Brewster moved to adopt the Intergovernmental Agreement that allows for the ongoing operation of Route 10 connecting downtown to Woodland Village through the NAU campus; seconded; passed unanimously.

- E. Consideration and Possible Adoption of Resolution No. 2014-16:** A Resolution of the City Council of the City of Flagstaff, Arizona, Repealing Resolution No. 2014-07 and Approving an Intergovernmental Agreement for Services with the "Flagstaff Downtown Business Improvement and Revitalization District" to accommodate more flexibility in the development of this first-of-its-kind District.

Mayor Nabours noted that the changes in question have to do with dates and time periods and no substantive changes were made to the agreement.

Councilmember Oravits moved to read Resolution No. 2014-16 by title only; seconded; passed unanimously.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA, REPEALING RESOLUTION NO. 2014-07 AND APPROVING AN INTERGOVERNMENTAL AGREEMENT FOR SERVICES WITH THE "FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT AND REVITALIZATION DISTRICT"

Councilmember Brewster moved to adopt Resolution No. 2014-16; seconded; passed unanimously.

RECESS

The Regular Meeting of the Flagstaff City Council held May 20, 2014, recessed at 4:14 p.m.

6:00 P.M. MEETING

RECONVENE

The Regular Meeting of the Flagstaff City Council held May 20, 2014, reconvened at 6:00 p.m.

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that, at this regular meeting, the City Council may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the City's attorneys for legal advice on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A)(3).

11. ROLL CALL

NOTE: One or more Councilmembers may be in attendance telephonically or by other technological means.

Present:

MAYOR NABOURS
VICE MAYOR EVANS
COUNCILMEMBER BAROTZ
COUNCILMEMBER BREWSTER
COUNCILMEMBER ORAVITS
COUNCILMEMBER OVERTON

Absent:

COUNCILMEMBER WOODSON

Others present: Kevin Burke, City Manager; Sterling Solomon, Deputy City Attorney.

12. **PUBLIC PARTICIPATION**

Nat White addressed Council in regards to replacement of the Main Library roof.

13. **CARRY OVER ITEMS FROM THE 4:00 P.M. AGENDA**

None

14. **PUBLIC HEARING ITEMS**

- A. Public Hearing, Consideration and Adoption of Ordinance No. 2014-11:** An ordinance amending Ordinance No. 2000-11 by modifying the Zoning Map Designation of that property generally known as Pine Canyon, through the amendment of a general condition related to the public's overnight access to Pine Canyon.

Mayor Nabours opened the Public Hearing; there being no public input Mayor Nabours closed the Public Hearing.

Councilmember Overton asked for clarification on the ownership and maintenance responsibility of the streets within Pine Canyon. Planning Development Manager Tiffany Antol stated that the streets are private and they are privately maintained and at this time the streets are open to the public.

Mayor Nabours moved to postpone any action on Ordinance No. 2014-11 until June 17, 2014; seconded; passed unanimously.

15. **REGULAR AGENDA**

- A. Consideration and Adoption of Notice of Intention:** Notice of Intention to adjust the City's water service utility deposits and establish July 1, 2014 as the date for a public hearing on the proposed adjustment.

Mayor Nabours stated that this is not a notice to discuss but rather a notice to set and notice a public hearing for July 1, 2014. Revenue Director Andy Wagemaker offered that the reason the City has to adopt the Notice of Intention is because State law requires it. There will be much more discussion at the hearing on July 1, 2014.

Mayor Nabours moved to adopt the Notice of Intention to adjust the utility deposits (increase the deposit required to establish a new residential account from \$25 to \$150; and change the deposit to establish a new non-residential water service account from a two-month estimated monthly cost to a uniform \$300 deposit) and establish July 1, 2014 as the date for a public hearing on the proposed adjustment; seconded; passed unanimously.

- B. Consideration of Proposals:** Purchase of Property For The Core Services Maintenance Facility **(Consider proposals submitted in response to RFP 2013-44).**

Public Works Section Head Pat Bourque introduced the topic and stated that a CCR was provided to the City Council answering the various questions that came up at the last meeting.

Ken Berkhoff addressed Council with reasons why the Baylu property is a better location for the Core Services Maintenance Facility. Specifically the area is not in a 100 or 500 year flood plain which makes it more desirable than the McAllister property which has portions within a 500 year flood plain.

Councilmember Barotz noted that there is information from staff that indicates that the Baylu property has areas that would need to be rezoned. Assistant to the City Manager for Real Estate David McIntire stated that the Highway Commercial zoning of the Baylu property does not allow for a major public service facility; a minor public service facility would be allowed but not a major. The area would have to be rezoned and it would make sense to rezone the entire area at the same time for consistency. Mayor Nabours asked if the McAllister property would have to be rezoned. Mr. McIntire offered that the current zoning is general and a rezoning and Conditional Use Permit would be required.

Mayor Nabours asked for more information on the City requirements and the County requirements and how that affected the additional \$1 million to construct at the Baylu property. Mr. Berkhoff stated that a brick wall around the facility would be required as well as the planting of 220 additional trees. Additionally, the permitting fees for the City are higher than the County.

Councilmember Oravits asked how the Baylu property and McAllister property are currently zoned. Mr. McIntire stated that there are three different zonings on the Baylu parcel; Highway Commercial, Light Industrial, and Research and Development. The McAllister property that is in the City is zoned Rural Residential and the portion within the County is zoned general. Councilmember Oravits asked if the County portion would be annexed. Mr. Burke offered that annexation would be a Council discussion that would need to be evaluated.

Councilmember Oravits asked for further explanation to the claim that it is much more costly to build within the City limits than it is to build in the County. Mr. Burke stated that the wall requirement for the Baylu property was due to the interface with the neighborhood on one side of the property and the highway on the other. It is intended to pre-empt concerns from the adjacent neighborhood. Councilmember Oravits noted that there is a half million dollar difference between the two properties just in the landscaping requirements. Mr. Burke offered that there are other items that are lending to higher costs on both sides and suggested that it is unlikely to be simplified to easily compare City requirements to County requirements. He further offered that there are different costs that are site specific. Staff would like to make the Baylu property work as the operating costs are \$77,000 cheaper each year. Baylu is a much cheaper piece of land but the savings will be spent on site improvements. The intent is to have a complete analysis of costs and when those are put side by side the McAllister property is cheaper.

Vice Mayor Evans offered that another item to seriously consider is that a public service facility will be constructed in an already established residential area. It will be equally important to consider and preempt issues with the surrounding neighborhood.

Councilmember Oravits voiced concern with the traffic at the Baylu property and asked about the possibility of putting streets in areas to prevent trucks from passing through the neighborhoods. Mr. Bourque stated that as of now all traffic would have to arrive and depart the facility from Courtland Boulevard. Mayor Nabours asked about the challenges with the proposed road that would go through the Vintage property. Community Development Director Mark Landsiedel noted that a portion of that road belongs to Arizona Department of Transportation (ADOT) and the other portion is owned by Vintage Partners. Vintage Partners has concerns with the access because they are planning for a few hotels along that road; they are willing to possibly entertain emergency access on that road if needed. There has been conversation about building the road around the gas station instead of through the Vintage property but there are concerns from ADOT with the road being so close to the highway intersection. It is a big challenge that has yet to find resolution.

Mayor Nabours asked about the requirement on having no fueling facilities in a 500 year flood plain. Mr. Bourque stated that the fueling station is towards the front of the McAllister property which is not in the 500 year flood plain and neither is the fleet shop. Councilmember Barotz asked for further clarification on what facilities are in and out of the 500 year flood plain. Mr. Bourque stated that staff would need some additional time to sort out the flood plain concerns. When the process first began the information that was available was old information. Since the damming at McAllister, staff is currently in the process of identifying what the flood plains looks like now. There is preliminary information from Stormwater who is conferring with the Corp of Engineers; the design was built on the City's expectation of where the flood lines are going to be drawn. That work continues to go on and final results are coming.

Mr. Burke offered that the Council has two decision points; one is to reject all bids associated with the RFP for these sites, second is whether or not to go forward with the McAllister site.

Councilmember Overton suggested taking more time to make sure everything is right. He is not in favor of rejecting all bids because there are nine other options available to consider should Baylu not go forward. There are too many issues and questions with the McAllister site to make a good decision now. Mayor Nabours agreed suggesting that if all bids are rejected and the McAllister property does not work out it will be as if starting from the very beginning again.

Councilmember Overton moved to postpone action on the consideration of proposals until brought back by the City Manager; seconded; passed unanimously.

- C. Consideration and Adoption of Resolution No. 2014-21 :** A resolution of the Council of the City of Flagstaff, Arizona, declaring the use of portable

communication devices in the City of Flagstaff to be a matter of local concern and such matter will be governed by a City ordinance.

Mayor Nabours offered that the Resolution is for the City to opt out of the County Ordinance and has nothing included about what the City Ordinance will contain.

Councilmember Overton noted the misspelling of the word devices in the first whereas statement and asked that it be corrected.

Councilmember Oravits moved to read Resolution No. 2014-21 by title only; seconded; passed unanimously.

*RESOLUTION OF THE COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA,
DECLARING THE USE OF PORTABLE COMMUNICATION DEVICES IN THE
CITY OF FLAGSTAFF TO BE A MATTER OF LOCAL CONCERN AND SUCH
MATTER WILL BE GOVERNED BY A CITY ORDINANCE*

Mayor Nabours moved to adopt Resolution No. 2014-21; seconded; passed unanimously.

- D. Consideration of Changing August City Council Meeting Date:** Tuesday, August 26, 2014, to Monday, August 25, 2014.

Councilmember Overton moved to cancel the meeting of Tuesday, August 26, 2014 and set a special meeting for Monday, August 25, 2014; seconded; passed unanimously.

16. **DISCUSSION ITEMS**

None

17. **POSSIBLE FUTURE AGENDA ITEMS**

Verbal comments from the public on any item under this section must be given during Public Participation near the beginning of the meeting. Written comments may be submitted to the City Clerk. After discussion and upon agreement of three members of the Council, an item will be moved to a regularly-scheduled Council meeting.

None

18. **INFORMATIONAL ITEMS AND REPORTS FROM COUNCIL AND STAFF,
REQUESTS FOR FUTURE AGENDA ITEMS**

Councilmember Overton thanked the Council for attending his wedding last weekend.

Councilmember Barotz requested a future agenda item for a work session to discuss the issues raised by Nat White about the library roof. She asked that Nat be notified of the date so he may notify the board. Mr. Burke suggested that the discussion occur at the Public Hearing for the final budget approval scheduled for June 17, 2014.

19. **ADJOURNMENT**

The Regular Meeting of the Flagstaff City Council held May 6, 2014, adjourned at 8:02 p.m.

MAYOR

ATTEST:

CITY CLERK

CERTIFICATION

STATE OF ARIZONA)
 SS)
County of Coconino)

I, ELIZABETH A. BURKE, do hereby certify that I am the City Clerk of the City of Flagstaff, County of Coconino, State of Arizona, and that the above Minutes are a true and correct summary of the meeting of the Council of the City of Flagstaff held May 20, 2014. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 3rd day of June, 2014.

CITY CLERK

**MINUTES OF THE SPECIAL MEETING (EXECUTIVE SESSION) OF THE
FLAGSTAFF CITY COUNCIL HELD ON TUESDAY, MAY 27 2014, IN THE STAFF
CONFERENCE ROOM, SECOND FLOOR OF THE FLAGSTAFF CITY HALL,
211 WEST ASPEN, FLAGSTAFF, ARIZONA**

1. Call to Order

Mayor Nabours called the meeting to order at 4:00 p.m.

2. Roll Call

Present:

Absent:

Mayor Nabours
Vice Mayor Evans
Councilmember Barotz
Councilmember Brewster
Councilmember Overton
Councilmember Woodson (telephonically)

Councilmember Oravits (excused)

Others present: City Manager Kevin Burke; Deputy City Attorney Sterling Solomon.

3. **Recess into Executive Session.**

Mayor Nabours moved to recess into Executive Session; seconded; passed unanimously.

4. **Executive Session:**

A. Discussion or consultation for legal advice with the attorney or attorneys of the public body; and discussion or consultation with the attorneys of the public body in order to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation, pursuant to ARS 38-431.03(A)(3) and (4), respectively.

i. Western Navajo Pipeline

B. Discussion or consideration of employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee or employee of any public body..., pursuant to ARS 38-431.03(A)(1).

i. City Attorney Annual Evaluation

5. **Adjournment**

The Special Meeting of the Flagstaff City Council adjourned at 5:29 p.m.

MAYOR

ATTEST:

CITY CLERK

**CITY OF FLAGSTAFF
STAFF SUMMARY REPORT**

To: The Honorable Mayor and Council
From: Rick Compau, Purchasing Director, Management Services
Co-Submitter: Barbara Goodrich, Management Services Director
Date: 05/28/2014
Meeting Date: 06/03/2014



TITLE:

Consideration and Approval of Contract: Fiscal Year 2014-2015 Service Partner Contract for Community Health and Human Services to be provided by United Way of Northern Arizona ("UWNA") ***(Approve Service Agreement with United Way of Northern Arizona in the amount of \$293,750 for Fiscal Year 2014-2015).***

RECOMMENDED ACTION:

Award the service contract and allocate funds to UWNA in the amount of \$293,750 for fiscal year 2014-2015 to provide Community Health and Human Services.

Policy Decision or Reason for Action:

The service contract, in summary, provides the allocation of funds to be used exclusively for assisting nonprofit entities located in Flagstaff in providing health and/or human services.

The recommended action approves the specific allocation of monies for FY 2014-2015 as reviewed and approved by the Board of Directors for UWNA. Given the total fund allocation of \$293,750 to UWNA, \$249,688 will be allocated by UWNA utilizing a formal application process to various social service agencies and \$44,062 for administrative fees for UWNA to administer the program.

A formal Request For Proposal ("RFP") process was conducted, in which one (1) response was received from UWNA. Their proposal response was evaluated, utilizing the established evaluation criteria outlined in the RFP document, and was determined to be both responsible and responsive.

The initial contract term is for three (3) years, with the option to renew the contract for two (2) additional one (1) year periods.

Financial Impact:

If approved, the allocation and administrative costs will be paid from account code 001-09-402-1311-1-4273 (Service Partner Contracts), in FY 2014-2015.

Connection to Council Goal:

11. Effective governance

Previous Council Decision on This:

Yes, in June of 2009, Council approved a multi-year service contract, which expired June 30, 2012, with two (2) one (1) year options to extend. The City is currently in the last extension year, which expires June 30, 2014.

Options and Alternatives:

- 1.) Not provide any funding to UWNA.
- 2.) Consider reducing the funding allocation and have UWNA submit information as to where the cuts would occur (in priority) and the impact of these proposed reductions.

Background/History:

Back in 1992, the City worked with UWNA to establish a program that allocates City funds to agencies that provide health and/or human services. Because of this program, the City of Flagstaff, UWNA, and the citizens of Flagstaff have benefited from that partnership for the allocation and disbursement of City of Flagstaff general funds for social services to be administered throughout the community.

As mentioned earlier, a formal RFP process was conducted to give other organizations an opportunity to submit a proposal as to how they would serve the City and its citizens, ensuring that City funds are used effectively to benefit targeted populations, and distributed through a volunteer driven and fair process and leveraged with multiple types of resources.

Key Considerations:

An organization acting on behalf of the City to allocate funds for community health and human services is an arrangement that is very beneficial to the City and provides a “one stop shop” for the various social service agencies.

Expanded Financial Considerations:

None.

Community Benefits and Considerations:

Approval of this contract will permit UWNA to distribute funds to those agencies that are able to provide the necessary health and human services identified as community goals. The contract requires that a report/presentation be given by UWNA to Council shortly after the Board takes action to approve all funding allocations.

Community Involvement:

Involve and collaborate. The UWNA Board is a broad representative of the community and includes a participating provider. The Board sets the goals of the UWNA organization necessary to achieve their mission. The Board continues to involve representatives from the public in review of the agencies activities.

Expanded Options and Alternatives:

None.

Attachments: [Ranking Tabulation](#)
 [Service Agreement](#)

CITY OF FLAGSTAFF
PURCHASING DIVISION
COMMUNITY HEALTH and HUMAN SERVICES, RFP NO. 2014-62

RANKING TABULATION

<i>Evaluation Criterion #1-- (30 PERCENT) Method of Ensuring Effective Use of Funds</i>			
UNITED WAY of NORTHERN ARIZONA			
Note: Only Proposal Response			
Criteria Ranking:	1		

<i>Evaluation Criterion #2-- (30 PERCENT) Method of Ensuring Intended Population Benefits</i>			
UNITED WAY of NORTHERN ARIZONA			
Note: Only Proposal Response			
Criteria Ranking:	1		

<i>Evaluation Criterion #3-- (30 PERCENT) Process for Data Collection and Aggregation</i>			
UNITED WAY of NORTHERN ARIZONA			
Note: Only Proposal Response			
Criteria Ranking:	1		

<i>Evaluation Criterion #4-- (30 PERCENT) Fair, Sytematic and Understandable Process to Identify Partners</i>			
UNITED WAY of NORTHERN ARIZONA			
Note: Only Proposal Response			
Criteria Ranking:	1		

<i>Evaluation Criterion #5-- (20 PERCENT) Method for Identifying and Addressing Underserved Needs</i>			
UNITED WAY of NORTHERN ARIZONA			
Note: Only Proposal Response			
Criteria Ranking:	1		

<i>Evaluation Criterion #6-- (20 PERCENT) Comprehensive and Accurate Method for Determining Need</i>			
UNITED WAY of NORTHERN ARIZONA			
Note: Only Proposal Response			
Criteria Ranking:	1		

<i>Evaluation Criterion #7-- (20 PERCENT) Method for Leveraging City Resources for Maximum Benefit</i>			
UNITED WAY of NORTHERN ARIZONA Note: Only Proposal Response			
<i>Criteria Ranking:</i>	1		

<i>Evaluation Criterion #8-- (10 PERCENT) Method of Demonstrating and Confirming Leveraged Funds and Benefits</i>			
UNITED WAY of NORTHERN ARIZONA Note: Only Proposal Response			
<i>Criteria Ranking:</i>	1		

<i>Evaluation Criterion #9-- (10 PERCENT) Reporting Methods and Timelines</i>			
UNITED WAY of NORTHERN ARIZONA Note: Only Proposal Response			
<i>Criteria Ranking:</i>	1		

**AGREEMENT
FOR
COMMUNITY HEALTH AND HUMAN SERVICES**

**CITY OF FLAGSTAFF
and
UNITED WAY OF NORTHERN ARIZONA**

This Agreement for Community Health and Human Services ("Agreement") is made by and between the City of Flagstaff ("City"), a municipal corporation with offices at 211 W. Aspen Avenue, Flagstaff, Coconino County, Arizona, and United Way of Northern Arizona, a Corporation with an office at 1515 E. Cedar Avenue, Suite D-1, Flagstaff, Arizona 86001 ("Provider"), effective as of the date written below.

RECITALS

- A. The City desires to enter into this Agreement for Community Health and Human Services, via a social service contribution from the City of Flagstaff; and
- B. Provider has available and offers to provide the personnel necessary to organize and provide said services in accordance with the Scope of Work section of the RFP document, number 2014-62, attached to this Agreement as Exhibit A; and
- C. The City has made available a sum of money to provide financial assistance to non-profit organizations to provide Community Health and Human Services to primarily low and moderate income residents of the City; and
- D. The City wishes to delegate certain program administration and monitoring responsibilities to Provider regarding the allocation of funds reserved for city-wide Community Health and Human Service programs to local social service agencies.

For the reasons recited above, and in consideration of the mutual covenants contained in this Agreement, the City and Provider agree as follows:

1. SERVICES TO BE PERFORMED BY PROVIDER

Provider agrees to provide the services, as set forth in detail in Exhibit "A" attached hereto and hereby incorporated as part of this Agreement and adopted by reference.

2. COMPENSATION OF PROVIDER

Provider agrees to provide all of the services set forth in Exhibit "A and B" for prices not to exceed those set forth in the fee/price schedule, attached hereto as Exhibit "C".

3. RIGHTS AND OBLIGATIONS OF PROVIDER

3.1 Independent Contractor. The parties agree that Provider performs specialized services and that Provider enters into this Agreement with the City as an independent contractor. Nothing in this Agreement shall be construed to constitute Provider or any of Provider's agents or employees as an agent, employee or representative of the City. As an independent contractor, Provider is solely responsible for all labor and expenses in connection with this Agreement and for any and all damages arising out of Provider's performance under this Agreement. Provider is not obligated to accept all requests for services, depending on circumstances with other work being performed for other clients.

3.2 Provider's Control of Work. All services to be provided by Provider shall be performed as determined by the City in accordance with the Scope of Services set forth in Exhibit "A." Provider shall furnish the qualified personnel, materials, equipment and other items necessary to carry out the terms of this Agreement. Provider shall be responsible for and in full control of the work of all such personnel.

3.3 Reports to the City. Although Provider is responsible for control and supervision of work performed under this Agreement, the services provided shall be acceptable to the City and shall be subject to a general right of inspection and supervision to ensure satisfactory completion. This right of inspection and supervision shall include, but not be limited to, all reports if requested by the City to be provided by Provider to the City and the right of the City, and the right of the City to audit Provider's records.

3.4 Compliance with All Laws. Provider shall comply with all applicable laws, ordinances, rules, regulations and executive orders of the federal, state and local government, which may affect the performance of this Agreement. Any provision required by law, ordinances, rules, regulations, or executive orders to be inserted in this Agreement shall be deemed inserted, whether or not such provisions appear in this Agreement.

4. NOTICE PROVISIONS

Notice. Any notice concerning this Agreement shall be in writing and sent by certified or registered mail as follows:

To the City's Authorized Representative:

**Josh Copley, Deputy City Manager
City of Flagstaff
211 W. Aspen
Flagstaff, Arizona 86001**

To Provider:

**Jill Briggs, President & CEO
United Way of Northern Arizona
1515 E. Cedar Avenue, Suite D-1
Flagstaff, Arizona 86001**

5. INDEMNIFICATION

To the fullest extent permitted by law, Provider shall indemnify, defend, save and hold harmless the City of Flagstaff and its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Provider or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such Provider to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Provider from and against any and all claims. It is agreed that Provider shall be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. Provider shall waive all rights of subrogation against the City, its officers, officials, agents and employees for losses arising from the work performed by Provider for the City.

6. INSURANCE

Provider and subcontractors, if any, shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Agreement are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by Provider, its agents, representatives, employees or subcontractors.

The insurance requirements herein are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement. The City in no way warrants that the minimum limits contained herein are sufficient to protect Provider from liabilities that may arise out of the performance of the work under this Agreement by Provider, its agents, representatives, employees or subcontractors and Provider is free to purchase additional insurance as may be determined necessary.

A. Minimum Scope and Limits of Insurance. Provider shall provide coverage at least as broad and with limits of liability not less than those stated below.

1. **Commercial General Liability - Occurrence Form**
(Form CG 0001, ed. 10/93 or any replacement thereof)

General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000
Fire Damage (any one fire)	\$500,000
Medical Expense (any one person)	Optional

2. **Automobile Liability** - Any Auto or Owned, Hired and Non-Owned Vehicles
(Form CA 0001, ed. 12/93 or any replacement thereof.)

Combined Single Limit Per Accident \$1,000,000
for Bodily Injury and Property Damage

3. **Commercial General Liability** \$1,000,000

B. SELF-INSURED RETENTIONS/DEDUCTIBLES: Any self-insured retentions and deductibles must be noted to the City. However, the Proposer shall be solely responsible for any self-insured and/or deductibles associated with the Proposer's insurance coverage.

C. OTHER INSURANCE REQUIREMENTS: The policies are to contain, or be endorsed to contain, the following provisions:

1. **Commercial General Liability and Automobile Liability Coverages:**

- a. The City of Flagstaff, its officers, officials, and employees are additional insureds with respect to liability arising out of: activities performed by, or on behalf of, the Provider; including the City's general supervision of the Provider; products and completed operations of the Provider; and automobiles owned, leased, hired or borrowed by the Provider.
- b. The Provider's insurance shall contain broad form contractual liability coverage.
- c. The Provider's insurance coverage shall be primary insurance with respect to the City, its, officers, officials, and employees. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be in excess to the coverage of the Provider's insurance and shall not contribute to it.
- d. The Provider's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- e. Coverage provided by the Provider shall not be limited to the liability assumed under the indemnification provisions of this contract.

- f. The policies shall contain a waiver of subrogation (not including auto) against the City, its officers, officials, and employees for losses arising from work performed by the Provider for the City.
2. **Workers' Compensation and Employer's Liability Coverage:** The insurer shall agree to waive all rights of subrogation against the City, its officers, officials, employees and volunteers for losses arising from work performed by the Provider for the City.

6.1 Notice of Cancellation. Each insurance policy required by the insurance provisions of this Agreement shall provide the required coverage and shall not be suspended, voided or canceled except after thirty (30) days prior written notice has been given to the City, except when cancellation is for non-payment of premium, then at least ten (10) days prior notice shall be given to the City. Such notice shall be sent directly to:

Rick Compau, C.P.M., CPPO, CPPB
Purchasing Director
City of Flagstaff, Purchasing Division
211 W. Aspen Ave.
Flagstaff, Arizona 86001

6.2 Acceptability of Insurers. Insurance shall be placed with insurers duly licensed or authorized to do business in the State of Arizona and with an "A.M. Best" rating of not less than A- VII, or receiving prior approval by the City. The City in no way warrants that the above-required minimum insurer rating is sufficient to protect Provider from potential insurer insolvency.

6.3 Verification of Coverage. Prior to commencing work or services, Provider shall furnish the City with certificates of insurance (ACORD form or equivalent approved by the City) as required by this Agreement. The certificates for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and any required endorsements shall be received and approved by the City before work commences. Each insurance policy required by this Agreement shall be in effect at or prior to commencement of work under this Agreement and remain in effect for the duration of this Agreement. Failure to maintain the insurance policies as required by this Agreement or to provide evidence of renewal shall constitute a material breach of contract.

All certificates required by this Agreement shall be sent directly to **Rick Compau, C.P.M., CPPO, CPPB, Purchasing Director, City of Flagstaff, Purchasing Division, 211 W. Aspen Ave., Flagstaff, AZ. 86001.** The City project/contract number and project description shall be noted on the certificate of insurance. The City reserves the right to request and receive within ten (10) days, complete, certified copies of all insurance policies required by this Agreement at any time. The City shall not be obligated, however, to review same or to advise Provider of any deficiencies in such policies and endorsements, and such receipt shall not relieve Provider from, or be deemed a waiver of the City's right to insist on, strict fulfillment of Provider's obligations under this Agreement.

6.4 Subcontractors. Providers' certificate(s) shall include all subcontractors as additional insureds under its policies or Provider shall furnish to the City separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

6.5 Approval. Any modification or variation from the insurance requirements in this Agreement shall be made by the City Attorney's office, whose decision shall be final. Such action shall not require a formal amendment to this Agreement, but may be made by administrative action.

7. DEFAULT AND TERMINATION

7.1 Events of Default Defined. The following shall be Events of Default under this Agreement:

7.1.1 Any material misrepresentation made by Provider to the City;

7.1.2 Any failure by Provider to perform its obligations under this Agreement including, but not limited to, the following:

7.1.2.1 Failure to commence work at the time(s) specified in this Agreement due to a reason or circumstance within Provider's reasonable control;

7.1.2.2 Failure to perform the work with sufficient personnel and equipment or with sufficient equipment to ensure completion of the work within the specified time;

7.1.2.3 Failure to perform the work in a manner reasonably satisfactory to the City;

7.1.2.4 Failure to promptly correct or re-perform within a reasonable time work that was rejected by the City as unsatisfactory or erroneous;

7.1.2.5 Discontinuance of the work for reasons not beyond Provider's reasonable control;

7.1.2.6 Failure to comply with a material term of this Agreement, including, but not limited to, the provision of insurance; and

7.1.2.7 Any other acts specifically stated in this Agreement as constituting a default or a breach of this Agreement.

7.2 Remedies.

7.2.1 Upon the occurrence of any Event of Default, the City may declare Provider in default under this Agreement. The City shall provide written notification of the Event of Default and any intention of the City to terminate this Agreement. Upon the giving of notice, the City may invoke any or all of the following remedies:

7.2.1.1 The right to cancel this Agreement as to any or all of the services yet to be performed;

7.2.1.2 The right of specific performance, an injunction or any other appropriate equitable remedy;

7.2.1.3 The right to monetary damages;

7.2.1.4 The right to withhold all or any part of Provider's compensation under this Agreement;

7.2.1.5 The right to deem Provider non-responsive in future contracts to be awarded by the City; and

7.2.1.6 The right to seek recoupment of public funds spent for impermissible purposes.

7.2.2 The City may elect not to declare an Event of Default or default under this Agreement or to terminate this Agreement upon the occurrence of an Event of Default. The parties acknowledge that this provision is solely for the benefit of the City, and that if the City allows Provider to continue to provide the Services despite the occurrence of one or more Events of Default,

Provider shall in no way be relieved of any of its responsibilities or obligations under this Agreement, nor shall the City be deemed to waive or relinquish any of its rights under this Agreement.

7.2.3 Any excess costs incurred by the City in the event of termination of this Agreement for default, or in the event the City exercises any of the remedies available to it under this Agreement, may be offset by use of any payment due for services completed before termination of this Agreement for default or the exercise of any remedies. If the offset amount is insufficient to cover excess costs, Provider shall be liable for and shall remit promptly to the City the balance upon written demand from the City.

8. GENERAL PROVISIONS

8.1 Headings. The article and section headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provision of this Agreement.

8.2 Jurisdiction and Venue. This Agreement shall be administered and interpreted under the laws of the State of Arizona. Provider hereby submits itself to the original jurisdiction of those courts located within Coconino County, Arizona.

8.3 Attorney's Fees. If suit or action is initiated in connection with any controversy arising out of this Agreement, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees, or in event of appeal as allowed by the appellate court.

8.4 Severability. If any part of this Agreement is determined by a court to be in conflict with any statute or constitution or to be unlawful for any reason, the parties intend that the remaining provisions of this Agreement shall remain in full force and effect unless the stricken provision leaves the remaining Agreement unenforceable.

8.5 Assignment. This Agreement is binding on the heirs, successors and assigns of the parties hereto. This Agreement may not be assigned by either the City or Provider without prior written consent of the other.

8.6 Conflict of Interest. Provider covenants that Provider presently has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Provider further covenants that in the performance of this Agreement, Provider shall not engage any employee or apprentice having any such interest. The parties agree that this Agreement may be cancelled for conflict of interest in accordance with Arizona Revised Statutes § 38-511.

8.7 Authority to Contract. Each party represents and warrants that it has full power and authority to enter into this Agreement and perform its obligations hereunder, and that it has taken all actions necessary to authorize entering into this Agreement.

8.8 Integration. This Agreement represents the entire understanding of City and Provider as to those matters contained in this Agreement, and no prior oral or written understanding shall be of any force or effect with respect to those matters. This Agreement may not be modified or altered except in writing signed by duly authorized representatives of the parties.

8.9 Non-appropriation. In the event that no funds or insufficient funds are appropriated and budgeted in any fiscal period of the City for payments to be made under this Agreement, the City shall notify Provider of such occurrence, and this Agreement shall terminate on the earlier of the last day of the fiscal period for which sufficient appropriation was made or whenever the funds appropriated for payment under this Agreement are exhausted. No payments shall be made or due to Provider under this Agreement beyond these amounts appropriated and budgeted by the City to fund payments under this Agreement.

8.10 No Third Party Beneficiaries. The parties acknowledge and agree that the terms, provisions, conditions, and obligations of this Agreement are for the sole benefit of, and may be enforceable solely by, the Parties to this Agreement, and none of the terms, provisions, conditions, and obligations of this Agreement are for the benefit of, or may be enforced by, any person or entity not a party to this Agreement.

8.11 Compliance with Federal Immigration Laws and Regulations. Provider hereby warrants to the City that the Provider and each of its subcontractors ("Subcontractors") will comply with, and are contractually obligated to comply with, all Federal Immigration laws and regulations that relate to its employees and A.R.S. §23-214(A) (hereinafter "Provider Immigration Warranty").

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

The City retains the legal right to inspect the papers of any Provider or Subcontractor employee who works on this Agreement to ensure that the Provider or Subcontractor is complying with the Provider Immigration Warranty. Provider agrees to assist the City in regard to any such inspections.

The City may, at its sole discretion, conduct random verification of the employment records of the Provider and any of subcontractors to ensure compliance with Provider's Immigration Warranty. Provider agrees to assist the City in regard to any random verifications performed.

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

8.12 Subcontractors. This Agreement or any portion thereof shall not be sub-contracted without the prior written approval of the City. No Subcontractor shall, under any circumstances, relieve Provider of its liability and obligation under this Agreement. The City shall deal through Provider and any Subcontractor shall be dealt with as a worker and representative of Provider. Provider assumes responsibility to the City for the proper performance of the work of Subcontractors and any acts and omissions in connection with such performance. Nothing in the Contract Documents is intended or deemed to create any legal or contractual relationship between the City and any Subcontractor or Sub-Subcontractor, including but not limited to any third-party beneficiary rights.

8.13 Waiver. No failure to enforce any condition or covenant of this Agreement by the City shall imply or constitute a waiver of the right of the City to insist upon performance of the condition or covenant, or of any other provision of this Agreement, nor shall any waiver by the City of any breach of any one or more conditions or covenants of this Agreement constitute a waiver of any succeeding or other breach under this Agreement.

9. DURATION

This Agreement shall become effective on and from the day and year executed by the parties, indicated below, and shall continue in force for an initial term of three (3) years, beginning July 1, 2014 through June 30, 2017], unless sooner terminated as provided above. Upon mutual agreement between the City and Provider, this Agreement may be renewed for a maximum of two (2) additional one (1) year periods, upon mutual agreement from both parties. The Purchasing Director of the City has authority to bind the City only for the purpose of renewing the term of this Agreement as described in this section.

City of Flagstaff

Provider

Kevin Burke, City Manager

Attest:

City Clerk

Approved as to form:

City Attorney

Date of Execution: _____

EXHIBIT A SCOPE OF WORK

1) Identify community health and human services critical needs and opportunities and provide the City funds for them through a fair process.

Provider shall utilize both formal and informal methods to collect data, analyze community needs, and target assets available to apply to health and human services. Provider, in partnership with Flagstaff Medical Center and Coconino County, shall conduct a community health assessment. Through contracts with Applied Survey Research and Northern Arizona University Provider shall conduct original research, through both face to face surveys and phone surveys at a volume to achieve statistical significance. Provider shall then compile secondary data from local, state and national data sources. Finally, the results of the original research and secondary research shall be compiled and tested with over a dozen citizen groups to validate and prioritize the statistical information. This Community Health Assessment shall be a primary guide to understanding service needs and establish funding priorities and shall continue to be a valuable tool. In addition, key priorities established for Flagstaff shall be incorporated into Provider's funding priorities. To ensure that Flagstaff and Community Assessments are still relevant, given changing economic and social conditions, Provider shall also maintain on-going communication with key health and human services providers, local business and civic groups.

Dialogue and data collection shall occur on an on-going basis with social services providers. Provider shall:

- Conduct email surveys with partner agencies to determine the effect of the changing economic conditions on clients and demand for services;
- Conduct three (3) face to face meetings with executives and senior staff from health and human service agencies to discuss needs and opportunities;
- Conduct site visits to social service agencies to discuss service needs, ability of providers to meet those needs and emerging opportunities to improve programs;
- Sponsor a community forum on poverty with the Arizona Community Action Association, and Coconino County to assess needs and assets of our communities ability to respond to the increasing numbers of low-income residents; and
- Routinely discuss findings from data collection and dialogue with business and civic leaders to understand health and human services needs in relation to their knowledge of community conditions.

These communication methods or similar ones shall be maintained on an on-going basis.

Additionally, Provider staff shall participate in a variety of organizations to facilitate the transfer of knowledge and build understanding of trends, best practices and opportunities in health and human services.

Finally, Provider shall sponsor two (2) Community Initiative Councils; the Alliance for Children's Early Success (ACES) and the Financial Stability Partnership (FSP). These Councils shall serve as focal points for services, planning and collaboration in their respective arenas, early childhood education and development (ACES) and low-income families (FSP).

2) Ensure funds are used effectively and specifically for the intended low and moderate income populations.

Each spring, the Provider's board and staff shall recruit volunteers from among donors, campaign volunteers, corporate and community leaders to determine how the City of Flagstaff funds should be disbursed. Teams of volunteers headed by a member of the Provider's board review applications and conduct site visits. Each applicant is expected to document how its services impact the lives of the people who participate in its programs.

These volunteers have an interest in community social services, have an ability to read and interpret program/services information and are willing to commit the time necessary to do the best job possible. Volunteers are required to become knowledgeable regarding Provider's community investment process by attending a training session, become knowledgeable regarding agencies assigned to them, and specifics of programs for which funds are requested (each volunteer is asked to review five proposals' narratives and fiscal reports as well as complete a rating sheet), attend all meetings of their assigned team, recommend funding levels to Provider's board and ensure that community investment decisions are based on information provided within submitted proposals and site visits.

Volunteers shall evaluate the written proposal on key areas: Alignment with funding priorities (funding priorities are set by the Board based on community assessments), ability to display quantitative and qualitative outcomes that address how community conditions or individual clients conditions have changed in the current year due to program(s)/service(s) delivered, goals and outcome objectives, budget narrative, logic model and inclusion of all required materials. Provider's staff shall audit applications to ensure compliance and volunteers shall be asked to bring their own experiences to the review process. A CPA or a person with expertise in fiscal management shall review fiscal components of the application. Review teams shall then recommend allocation amounts for each applicant to the Provider's Board of Directors

Final allocation decisions shall be made by the Provider's Board of Directors. The Board shall take into consideration the committee recommendations. A senior member of the City of Flagstaff staff shall hold a position on the Board of Directors and assume a leadership role with the community review team.

Provider shall work in collaboration with service providers, local government, health and education leaders that have successfully established or supported new programs or addressed system-wide responses to specific population needs. Provider shall lead an effort to better understand the needs and impact of this population, as well as potential models utilized in other communities, to address chronic alcoholism.

Provider shall work from an asset or strength based model, meaning the Provider believes in working from strengths and that rarely can a single entity solve problems. To this end, as gaps in service become evident, Provider shall work with its partners, Community Initiative Councils, businesses and civic leaders to identify existing resources to meet needs. Provider, in collaboration with The Financial Stability Partnership (FSP), shall identify services for newly unemployed, people who have never had to access help before as an emerging need. Provider shall create resource lists and develop distribution methods. Provider shall provide the resource list to human resource personnel for the City of Flagstaff and other alliance members to ensure that employees targeted for lay-offs or furloughs received information about available social services.

3) Use City funds to leverage additional resources to provide enhanced and substantially similar benefit.

Three levels of review shall occur for each entity that is funded as follows:

- 1) compliance with non-profit organizational and fiscal requirements (990 tax filing, annual audit, non-profit status)
- 2) site visits by community review teams to see the program operations and meet the executive level staff and key board members
- 3) programmatic reports documenting services provided

Each organization shall provide the following:

A single Application Cover Sheet, Amount(s) Requested Form, Budget Narrative, Patriot Act Compliance Form, Certification of Non-Discrimination Form, Audit, and 990 Tax Return are required for funding source:

- **Application Cover Sheet** – Please utilize provided Application Cover Sheet. Signatures and printed names of Board President and Executive Director/CEO are required.
- **Amount(s) Requested Form** - Indicate amount for City of Flagstaff Funds being requested.
 - ◆ Computation of Administrative/Fund Raising Expenses.
- **Budget Narrative** - The purpose of a budget narrative is to provide more clarity and detail on various budget line items for which funds are being requested. The budget narrative should explain criteria used to compute budget figures. Tie budget narrative with projected outcomes within Logic Models. Complete Budget Narrative For Amount(s) Requested Form.
- **USA Patriot Act Annual Compliance Form**
- **Certification of Non-Discrimination in Services and Employment Form**
- **Audit** - Most recent independent certified public accountant's ***Audit Report*** for agency **with Auditor's management letter**. Auditor's Recommendations to Board of Directors. *(If Management Letter was not issued, a letter from the Auditor stating no Management Letter was issued **MUST BE SUBMITTED**).*
 - **GAAP and GAAS** - The Agency listed in this application accounts for its funds in accordance with generally accepted accounting principles (GAAP) and was audited in accordance with generally accepted auditing standards (GAAS) by an independent certified public accountant in the immediately preceding year.
 - **OMB 133 Audit**: (Single Audit Act) \$500,000 or more expenditures of Federal funds. Fiscal and program compliance tested. More testing required. Opinion letter addresses Internal Controls. Management Letter provides suggestions.
 - **Regular Audit**: Review of fiscal documentation and records. No Opinion Letter on Internal Controls. Management Letter with suggestions is written. Required based on partner's budget/revenues of \$100,000 and above.
 - **Reviewed Financial Statement**: Tests numbers and ratios. Required based on partner's budget/revenues of \$25,000 - \$100,000.
 - **Compilation**: Pulls fiscal records and converts into Generally Accepted Accounting Procedures (GAAP) with disclosures/notes. Required based on partner's budget/revenues below \$25,000.
 - **IRS 990 Tax Return** – Must be from the same calendar year/fiscal year as audit (organizations which are not required to submit a Form 990 must complete the first two pages of a 990 for UWNA), accounting method **must be accrual**; including signatures in the box marked "Signature of Officer." The preparer's signature alone is **not** sufficient.

Dates of the Form 990 **must match** dates of annual audit and both cannot be older than 18 months.

- **New applicants to Successful Provider** - If this is the first year an agency is applying for any funds through , the following are required:
 - ❑ Copy of most recent **IRS determination letter** (501c3).
 - ❑ **Current Year's Budget** (the year agency is currently in) for entire agency as approved by agency's Board of Directors.
 - ❑ A list of agency's **Board of Directors** and **Advisory Board** (if agency is an affiliate of a statewide organization) with the following required information:
 - Mailing addresses and telephone numbers for each member. Just the agency's address and phone number are unacceptable.
 - Indicate offices currently held by each member.
 - Terms of office – beginning and ending dates (month, day, and year). If your agency does not have term limits, attach a copy of Bylaws stating this fact.
 - A list of dates of Board of Directors meetings held within the past 12 months. Indicate meetings at which a quorum was present.
 - Provide times and locations with an exact address of each Board meeting.

Each spring the Provider shall release a request for proposal for City of Flagstaff funding. All Community Health and Human Service agencies serving Flagstaff residents shall be invited to participate through public notification in the Arizona Daily Sun. Provider partners shall be invited to participate through their annual provider application for funds. Previous year's applicants shall be notified via email and Provider staff shall be available via phone/email for questions and concerns. Provider shall require that each applicant provide a logic model explaining how City of Flagstaff funding was utilized by the agency in the previous calendar year. Provider shall ask for quantitative and qualitative outcomes that address how the agency is changing community conditions including: locations/ neighborhoods served, demographics of those served (local residents or transient populations), and how has this service changed community conditions.

Provider shall also require that each applicant provide goals and objectives for the current calendar year. This component shall include broad statements of intent (goals) with measurable, time-specific outcomes (objectives) that directly link with identified problem/needs addressed through City of Flagstaff funds. Goals shall be general statements of long-range benefits that reflect what changes are desired within a targeted population or community area. Outcome objectives shall be specific, quantified statements of expected outcomes of the service. These performance measures shall describe events that can be realistically achieved with available resources.

And finally, Provider shall require that each applicant complete a logic model for the current year in which they are requesting funding. The logic model shall describe how the proposed service(s)/program is/are compatible with funding priorities. Program goals shall describe any changes in condition, knowledge, attitude or skill as a result of the proposed service. Project/service measurement tools and evaluative methods shall accurately track stated outcome objectives. Logic models shall display: Needs, Process, Outcome, Service Area (Education, Income and Health), Evaluation, and requested Budget to accomplish stated Outcome.

Provider shall provide training to applicants. Each year Provider shall assess the most important topics by evaluating where Provider weaknesses in previous year's applications or a significant change in non-profit management standards. All training provided shall include: Outcome measurement, logic models, Sarbanes Oxley for non-profits, and the new 990.

4) Ensure sufficient data collection and reporting is available to document the community benefits and both agency and client eligibility. Provide an annual report to the City including process, methodology, leverage and benefits provided.

City funds:

- Shall be directly matched by other funders (private, state and federal) to bring services to Flagstaff residents
- Shall be directly matched with in-kind contributions of volunteers, facilities and other goods and services
- Shall be combined with Provider funds to have a greater impact
- Shall be combined with Coconino County funds to have greater impact
- Shall support a strong Provider, thus bringing Flagstaff the added value of an organization dedicated to improving lives, mobilizing communities and improving community conditions

Provider shall continue to seek opportunities to maximize the impact of City funds by working with partners who can attract multiple funding sources and have the capability to expand the number and quality of services by using volunteers and in-kind resources to stretch funding.

Provider shall conduct an annual audit that documents the total dollars raised, sources of funds and amount used for administration. These audited figures shall be reported to the community by the Provider in its annual report. Additionally, Provider shall have fiduciary reporting oversight and responsibility, where the audited financials, tax returns, volunteer hours tracked by provider, leveraged dollars, and community initiative outcomes are reviewed to aid in maintaining high level of transparency and accountability.

Annually, Provider shall provide a report to the City Council on the use of the Social Services funds. Leveraged dollars and resources shall be reported to the Council at the same time.

On an annual basis each organization that receives funding shall provide:

Quantitative and qualitative outcomes that address how the agency is changing community conditions or individual lives including: locations/ neighborhoods served, type of services provided, number of people served, demographics of those served (local residents or transient populations), and how has this service changed community conditions?

Provider shall compile these individual agency reports into a summary report for the City Council. Annually, Provider shall provide a report to the City Council on the use of the Social Services funds. Leveraged dollars and resources shall be reported to the Council at the same time. Additionally, there are currently four City of Flagstaff employees and the Mayor of Flagstaff on the Provider's Board of Directors; these individuals shall be kept abreast of leveraging activities on an on-going basis.

Provider shall adhere to a document retention policy in accordance with Sarbanes Oxley recommendations for non-profit organizations. All documents associated with this contract shall be maintained in accordance with the document retention policy which assures that the City of Flagstaff would have access to any requested materials for a multi-year period.

EXHIBIT B
AWARD PROGRAM

- A. The City shall advertise the availability of funds to the public and the aforesaid purposes and shall direct interested service providers to Provider for application materials.
- B. Provider shall send application materials to service providers who received funds from the last City allocation cycle, as well as, any other qualified interested service providers.
- C. Provider shall appoint a review committee composed of Flagstaff area residents and one (1) member appointed by the City which will review funding requests programmatically, financially and administratively, taking into account Community Health and Human Service needs, availability of similar services from other sources.
- D. Provider shall provide written notification to the City of recommended allocations approved by the Provider's Board of Directors.
- E. Provider shall be responsible for notifying organizations of reporting requirements and payment schedules.
- F. Provider shall disburse all approved allocations and otherwise administer all funds covered by this Agreement, while monitoring funded programs and finances, and shall submit an annual report to the City on the status of these programs.
- G. The City shall appoint one (1) professional staff member to serve as a staff liaison to the Provider's Allocation Committee.

EXHIBIT C FEE SCHEDULE

The City hereby agrees to award funds in the amount of \$293,750 to Provider as approved, subject to the conditions imposed by the City Council (hereinafter referred to as the "Council") and such funds shall be used exclusively for the purpose of assisting non-taxing entities located within the jurisdictional boundaries of the City, in providing Community Health and Human Services to Flagstaff area residents and travelers and payment of compensation for services. Community Health and Human Services may include, but not necessarily limited to: temporary assistance, transportation assistance, crisis shelters, victim assistance, substance abuse programs, and assistance to the elderly.

1. COMPENSATION

- A. The total funds awarded to Provider in the amount of \$293,750 shall be broken out as follows:

Direct Services:	\$249,688
Administrative Fee (15% of total awarded funds):	<u>\$ 44,062</u>
	\$293,750

2. DISBURSEMENT OF FUNDS

- A. The City shall disburse to Provider its annual allocation award in two equal installments no later than July 15, and December 15 of each year, and Provider shall bill the City as needed for the administrative fee.
- B. Provider shall charge no more than fifteen percent (15%) of the total funds available for allocation as an administrative fee for the monitoring and administration of this program. Provider may earn interest on the total disbursement amount, which shall be credited against amounts owed by the City to Provider for its administrative fee. Provider shall include in its annual report to the City the actual administrative costs incurred by them and all interest earned on the total disbursement amount.
- C. Provider shall assume total fiscal responsibility for all of the funds made available for allocation by the City under this program.

3. CRITERIA AND PROCEDURES

- A. In order to be eligible for City funds under this program, each service provider shall be a non-taxing entity located within the jurisdictional boundaries of the City of Flagstaff, and shall provide direct Community Health and Human Services to primarily low and moderate income residents of Flagstaff and the contiguous Coconino County area, and to travelers to Flagstaff who are in need of emergency service assistance.
- B. Each service provider shall be legally qualified as a non-profit corporation under the law. Each service provider shall obtain a ruling from the United States Treasury Department that it is not a private foundation and that it is exempt from payment of income tax, and that gifts to it are deductible for income tax purposes. A copy of such ruling shall be submitted to the Provider and/or the City.
- C. Each service provider shall have clear purposes and functions which designate it as a voluntary health and human service organization.

- D. Each service provider shall maintain a board of directors or governing body that consists of volunteers, who make policy decisions, represents diversity of our community; and meets at least quarterly. Members of the volunteer governance structure should not receive financial compensation from the agency they oversee. This requirement precludes an agency's executive director and professional staff from serving on its board of directors.
- E. If the service provider operates under religious auspices, it shall clearly separate its budget and financial reporting for support of City-funded programs from its religious programs.
- F. Each service provider shall maintain full fiduciary responsibility for the Agency, including, but not limited to, managing the organization in full compliance with all Generally Accepted Accounting Principles, and conducting an annual audit. Organizations with an annual budget of less than \$100,000 may request a waiver from Provider for the annual audit requirement. Appropriate documentation shall be required if such a waiver is granted.
- G. Any service provider that employs staff shall demonstrate that overhead expenses are held to a minimum and that all possible use is made of volunteer personnel.
- H. Funding provided by the City may be limited to expenses related directly to service provision, and may exclude funding of capital expenses, debt services, fund raising costs, or building of reserves.
- I. Each service provider shall use City-provided funds only for the provision of services for which such funds are allocated by Provider.
- J. Each service provider shall provide prompt written notification to Provider of any programmatic, fiscal, staff or board issues that may have an impact on the agency operations.

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Amy Hagin, Senior Procurement Specialist
Date: 05/28/2014
Meeting Date: 06/03/2014



TITLE:

Consideration and Approval of Contract: Services Agreement; Desktop Office Supplies

RECOMMENDED ACTION:

- 1) Accept the Proposal and approve the agreement with OfficeMax North America, Inc. for annual purchases of desktop office supplies
- 2) Authorize the City Manager to execute the necessary documents

Policy Decision or Reason for Action:

To provide City staff a source to obtain office supplies at a fixed discount price. The Proposer will develop office supply lists which will enable the City to find cost savings and cost control through volume buying all the while meeting our sustainability goals.

Financial Impact:

The City had over \$200,000 in expenditures during Fiscal Year 2013 on desktop office supplies. The Proposer's offer includes a 2% rebate, to be paid annually on purchases, providing that purchases exceed \$50,000 per year. The Proposer is also offering a 5% retention allowance during the initial 60 days on sales volume upon execution of agreement.

In addition, the suggested agreement contains cooperative purchasing language enabling other organizations to utilize the agreement subject to Proposer approval. The Proposer is offering the City a 1% rebate on purchases made by other organizations utilizing the City's agreement when said purchases are greater than \$50,000 per year. With a similar rebate structure in previous years, the City has received on average \$7,500 in rebate dollars annually.

Connection to Council Goal:

11. Effective governance.

Has There Been Previous Council Decision on This:

No

Options and Alternatives:

- 1) Award the agreement to OfficeMax North America, Inc.
- 2) Reject all proposals and direct staff to make office supply purchases on an "open retail market" incurring higher costs and losing potential rebate funds

Background/History:

The City has utilized an agreement with preferred pricing from a desktop office supply vendor previously with great success in lieu of creating the need for our staff to make purchases on the "open retail market".

With the most recent agreement expiring, the Purchasing Section conducted a Request for Proposal (RFP). Four (4) proposal responses were received which were evaluated by an evaluation committee comprised of five (5) City staff members. The proposals were evaluated with the following criterion: experience and qualifications, presented approach, structure and sustainability, and pricing. The presented approach, structure and sustainability contained topics such as electronic-commerce capabilities, cost containment tools, reporting and tracking, and environmentally preferred products to name a few.

The proposal submitted by OfficeMax North America, Inc. (OfficeMax) was ranked the highest and determined to be the most advantageous for the City. OfficeMax has a Flagstaff location/storefront as well as the online ordering service. The suggested agreement is structured with item/sku pricing on frequently purchased office supplies. Any item/sku not on this list is offered with the preferred pricing structure as indicated by the Proposer.

The rankings were as follows, by category:

Rank	Ink Envey	OfficeMax	Quality Connections	Staples
Experience & Qualifications	4	1	3	1
Presented Approach, Structure, Sustainability	4	1	2	2
Price/Fee	4	1	3	2
Total Ranking	4	1	3	2

Key Considerations:

The goal of the RFP for desktop office supplies is to ensure that the City is receiving a competitive price structure on items from a experienced, qualified, sustainable-minded firm whose presented approach and structure to offering desktop office supplies met the City's needs. Key considerations for the desktop office supplies were competitive pricing, delivery to the City's multiple locations, a stockless office supply program, utilization of the City's procurement card (P-card) system, and online ordering capabilities.

The Proposer offers a fixed pricing structure (with the exception on paper and ink toner) for a period of 12 months. Paper and ink toner are extremely volatile so will be on a 90-day price fix and reviewed quarterly thereafter. The Proposer offers competitive pricing with a rebate structure, desktop delivery, a stockless program, online ordering with orders delivered next day, training on ordering system, reporting tools on usage and ordering, and the ability to use the City's P-card for purchases online or at the local store.

Community Involvement:

Empower

This agreement will empower City staff to make desktop office supplies purchases with preferred pricing and rebate opportunities.

Attachments: [Agreement](#)

**AGREEMENT FOR
DESKTOP OFFICE SUPPLIES AND SERVICES**

**CITY OF FLAGSTAFF
and**

OFFICEMAX NORTH AMERICA, INC.

This Agreement for a City of Flagstaff Desktop Office Supplies and Services ("Agreement") is made by and between the City of Flagstaff ("City"), a municipal corporation with offices at 211 W. Aspen Avenue, Flagstaff, Coconino County, Arizona, and OfficeMax North America, Inc., with an office at 440 N. 51st Avenue, Phoenix, Maricopa County, Arizona ("Provider"), effective as of the date written below.

RECITALS

- A. The City desires to enter into this Agreement for Desktop Office Supplies and Services; and
- B. Provider has available and offers to provide the personnel and supplies necessary to organize and provide said services in accordance with the Scope of Work, attached to this Agreement as an Exhibits A and B;

For the reasons recited above, and in consideration of the mutual covenants contained in this Agreement, the City and Provider agree as follows:

1. SERVICES TO BE PERFORMED BY PROVIDER

Provider agrees to provide the services, as set forth in detail in the Exhibits A and B attached hereto and hereby incorporated as part of this Agreement and adopted by reference.

2. COMPENSATION OF PROVIDER

The City agrees to make payment(s) based upon the individual purchases to Provider based upon the unit/sku pricing set forth in Exhibit "B". All purchases are made with City issued procurement cards.

3. RIGHTS AND OBLIGATIONS OF PROVIDER

3.1 Independent Contractor. The parties agree that Provider performs specialized services and that Provider enters into this Agreement with the City as an independent contractor. Nothing in this Agreement shall be construed to constitute Provider or any of Provider's agents or employees as an agent, employee or representative of the City. As an independent contractor, Provider is solely responsible for all labor and expenses in connection with this Agreement and for any and all damages arising out of Provider's performance under this Agreement. Provider is not obligated to accept all requests for services, depending on circumstances with other work being performed for other clients.

3.2 Provider's Control of Work. All services to be provided by Provider shall be performed as determined by the City in accordance with the Scope of Services set forth in Exhibit "A." Provider shall furnish the qualified personnel, materials, equipment and other items necessary to carry out the terms of this Agreement. Provider shall be responsible for and in full control of the work of all

such personnel.

3.3 Reports to the City. Although Provider is responsible for control and supervision of work performed under this Agreement, the services provided shall be acceptable to the City and shall be subject to a general right of inspection and supervision to ensure satisfactory completion. This right of inspection and supervision shall include, but not be limited to, all reports if requested by the City to be provided by Provider to the City and the right of the City, and the right of the City to audit Provider's records.

3.4 Compliance with All Laws. Provider shall comply with all applicable laws, ordinances, rules, regulations and executive orders of the federal, state and local government, which may affect the performance of this Agreement. Any provision required by law, ordinances, rules, regulations, or executive orders to be inserted in this Agreement shall be deemed inserted, whether or not such provisions appear in this Agreement.

4. NOTICE PROVISIONS

Notice. Any notice concerning this Agreement shall be in writing and sent by certified or registered mail as follows:

To the City's Authorized Representative:

To Provider:

Rick Compau
Purchasing Director
City of Flagstaff
211 W. Aspen
Flagstaff, Arizona 86001

5. INDEMNIFICATION

To the fullest extent permitted by law, Provider shall indemnify, defend, save and hold harmless the City of Flagstaff and its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Provider or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such Provider to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Provider from and against any and all claims. It is agreed that Provider shall be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. Provider shall waive all rights of subrogation against the City, its officers, officials, agents and employees for losses arising from the work performed by Provider for the City.

6. INSURANCE

Provider and subcontractors, if any, shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Agreement are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by Provider, its agents, representatives, employees or subcontractors.

The insurance requirements herein are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement. The City in no way warrants that the minimum limits contained herein are sufficient to protect Provider from liabilities that may arise out of the performance of the work under this Agreement by Provider, its agents, representatives, employees or subcontractors and Provider is free to purchase additional insurance as may be determined necessary.

A. Minimum Scope and Limits of Insurance. Provider shall provide coverage at least as broad and with limits of liability not less than those stated below.

1. Commercial General Liability – Occurrence Form
(Form CH 001, ed. 10/93 or any replacements thereof)

General Aggregate	\$2,000,000
Products- Completed Operations Aggregate	\$1,000,000
Personal & Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000
Fire Damage (Any one fire)	\$ 50,000
Medical Expense (Any one person)	Optional

2. Automobile Liability - Any Auto or Owned, Hired and Non-Owned Vehicles
(Form CA 0001, ed. 12/93 or any replacement thereof.)

Combined Single Limit Per Accident for Bodily Injury and Property Damage	\$1,000,000
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3. Worker's Compensation and Employer's Liability

Worker's Compensation	Statutory
Employer's Liability: Each Accident	\$ 500,000
Disease-Each Employee	\$ 500,000
Disease-Policy Limit	\$ 500,000

B. SELF-INSURED RETENTIONS/DEDUCTIBLES: Any self-insured retentions and deductibles must be noted to the City. However, the Proposer shall be solely responsible for any self-insured and/or deductibles associated with the Proposer's insurance coverage.

C. OTHER INSURANCE REQUIREMENTS: The policies are to contain, or be endorsed to contain, the following provisions:

1. Commercial General Liability and Automobile Liability Coverages:

- a. The City of Flagstaff, its officers, officials, and employees are additional insureds with respect to liability arising out of: activities performed by, or on behalf of, the Provider; including the City's general supervision of the Provider; products and completed operations of the Provider; and automobiles owned, leased, hired or borrowed by the Provider.
- b. The Provider's insurance shall contain broad form contractual liability coverage.
- c. The City, its, officers, officials, agents, employees and volunteers shall be additional insureds to the full limits of the liability purchased by Provider even if those limits of liability are in excess of those required by this Agreement.
- d. The Provider's insurance coverage shall be primary insurance with respect to the City, its, officers, officials, and employees. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be in excess to the coverage of the Provider's insurance and shall not contribute to it.
- e. The Provider's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- f. Coverage provided by the Provider shall not be limited to the liability assumed under the indemnification provisions of this contract.
- g. The policies shall contain a waiver of subrogation (not including auto) against the City, its officers, officials, and employees for losses arising from work performed by the Provider for the City.

2. Workers' Compensation and Employer's Liability Coverage: The insurer shall agree to waive all rights of subrogation against the City, its officers, officials, employees and volunteers for losses arising from work performed by the Provider for the City.

6.1 Notice of Cancellation. Each insurance policy required by the insurance provisions of this Agreement shall provide the required coverage and shall not be suspended, voided or canceled except after thirty (30) days prior written notice has been given to the City, except when cancellation is for non-payment of premium, then at least ten (10) days prior notice shall be given to the City. Such notice shall be sent directly to:

Rick Compau, C.P.M., CPPO, CPPB
Purchasing Director
City of Flagstaff, Purchasing Division
211 W. Aspen Ave.
Flagstaff, Arizona 86001

6.2 Acceptability of Insurers. Insurance shall be placed with insurers duly licensed or authorized to do business in the State of Arizona and with an "A.M. Best" rating of not less than A- VII, or receiving prior approval by the City. The City in no way warrants that the above-required minimum insurer rating is sufficient to protect Provider from potential insurer insolvency.

6.3 Verification of Coverage. Prior to commencing work or services, Provider shall furnish the City with certificates of insurance (ACORD form or equivalent approved by the City) as required by this Agreement. The certificates for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and any required endorsements shall be received and approved by the City before work commences. Each insurance policy required by this Agreement shall be in effect at or prior to commencement of work under this Agreement and remain in effect for the duration of this Agreement. Failure to maintain the insurance policies as required by this Agreement or to provide evidence of renewal shall constitute a material breach of contract.

All certificates required by this Agreement shall be sent directly to **Rick Compau, C.P.M., CPPO, CPPB, Purchasing Director, City of Flagstaff, Purchasing Division, 211 W. Aspen Ave., Flagstaff, AZ. 86001.** The City project/contract number and project description shall be noted on the certificate of insurance. The City reserves the right to request and receive within ten (10) days, complete, certified copies of all insurance policies required by this Agreement at any time. The City shall not be obligated, however, to review same or to advise Provider of any deficiencies in such policies and endorsements, and such receipt shall not relieve Provider from, or be deemed a waiver of the City's right to insist on, strict fulfillment of Provider's obligations under this Agreement.

6.4 Subcontractors. Providers' certificate(s) shall include all subcontractors as additional insureds under its policies **or** Provider shall furnish to the City separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

6.5 Approval. Any modification or variation from the insurance requirements in this Agreement shall be made by the City Attorney's office, whose decision shall be final. Such action shall not require a formal amendment to this Agreement, but may be made by administrative action.

7. DEFAULT AND TERMINATION

7.1 Events of Default Defined. The following shall be Events of Default under this Agreement:

7.1.1 Any material misrepresentation made by Provider to the City;

7.1.2 Any failure by Provider to perform its obligations under this Agreement including, but not limited to, the following:

7.1.2.1 Failure to commence work at the time(s) specified in this Agreement due to a reason or circumstance within Provider's reasonable control;

7.1.2.2 Failure to perform the work with sufficient personnel and equipment or with sufficient equipment to ensure completion of the work within the specified time;

7.1.2.3 Failure to perform the work in a manner reasonably satisfactory to the City;

7.1.2.4 Failure to promptly correct or re-perform within a reasonable time work that was rejected by the City as unsatisfactory or erroneous;

7.1.2.5 Discontinuance of the work for reasons not beyond Provider's reasonable control;

7.1.2.6 Failure to comply with a material term of this Agreement, including, but not limited to, the provision of insurance; and

7.1.2.7 Any other acts specifically stated in this Agreement as constituting a default or a breach of this Agreement.

7.1.3 The City and Provider reserve the right to terminate, with or without cause, any resulting order or contract upon thirty (30) days written notice. In addition, both the City and Provider reserve the right to a thirty (30) day cure period before either party can terminate the Agreement

7.2 Remedies.

7.2.1 Upon the occurrence of any Event of Default, the City may declare Provider in default under this Agreement. The City shall provide written notification of the Event of Default and any intention of the City to terminate this Agreement. Upon the giving of notice, the City may invoke any or all of the following remedies:

7.2.1.1 The right to cancel this Agreement as to any or all of the services yet to be performed;

7.2.1.2 The right of specific performance, an injunction or any other appropriate equitable remedy;

7.2.1.3 The right to monetary damages;

7.2.1.4 The right to withhold all or any part of Provider's compensation under this Agreement;

7.2.1.5 The right to deem Provider non-responsive in future contracts to be awarded by the City; and

7.2.1.6 The right to seek recoupment of public funds spent for impermissible purposes.

7.2.2 The City may elect not to declare an Event of Default or default under this Agreement or to terminate this Agreement upon the occurrence of an Event of Default. The parties acknowledge that this provision is solely for the benefit of the City, and that if the City allows Provider to continue to provide the Services despite the occurrence of one or more Events

of Default, Provider shall in no way be relieved of any of its responsibilities or obligations under this Agreement, nor shall the City be deemed to waive or relinquish any of its rights under this Agreement.

7.2.3 Any excess costs incurred by the City in the event of termination of this Agreement for default, or in the event the City exercises any of the remedies available to it under this Agreement, may be offset by use of any payment due for services completed before termination of this Agreement for default or the exercise of any remedies. If the offset amount is insufficient to cover excess costs, Provider shall be liable for and shall remit promptly to the City the balance upon written demand from the City.

7.2.4 The City and Provider reserve the right to terminate, with or without cause, any resulting order or contract upon thirty (30) days written notice. In addition, both the City and Provider reserve the right to a thirty (30) day cure period before either party can terminate the Agreement

8. GENERAL PROVISIONS

8.1 Headings. The article and section headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provision of this Agreement.

8.2 Jurisdiction and Venue. This Agreement shall be administered and interpreted under the laws of the State of Arizona. Provider hereby submits itself to the original jurisdiction of those courts located within Coconino County, Arizona.

8.3 Attorney's Fees. If suit or action is initiated in connection with any controversy arising out of this Agreement, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees, or in event of appeal as allowed by the appellate court.

8.4 Severability. If any part of this Agreement is determined by a court to be in conflict with any statute or constitution or to be unlawful for any reason, the parties intend that the remaining provisions of this Agreement shall remain in full force and effect unless the stricken provision leaves the remaining Agreement unenforceable.

8.5 Assignment. This Agreement is binding on the heirs, successors and assigns of the parties hereto. This Agreement may not be assigned by either the City or Provider without prior written consent of the other.

8.6 Conflict of Interest. Provider covenants that Provider presently has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Provider further covenants that in the performance of this Agreement, Provider shall not engage any employee or apprentice having any such interest. The parties agree that this Agreement may be cancelled for conflict of interest in accordance with Arizona Revised Statutes § 38-511.

8.7 Authority to Contract. Each party represents and warrants that it has full power and authority to enter into this Agreement and perform its obligations hereunder, and that it has taken all actions necessary to authorize entering into this Agreement.

8.8 Integration. This Agreement represents the entire understanding of City and Provider as to those matters contained in this Agreement, and no prior oral or written understanding shall be of any force or effect with respect to those matters. This Agreement may not be modified or altered except in writing signed by duly authorized representatives of the parties.

8.9 Non-appropriation. In the event that no funds or insufficient funds are appropriated and budgeted in any fiscal period of the City for payments to be made under this Agreement, the City shall notify Provider of such occurrence, and this Agreement shall terminate on the earlier of the last day of the fiscal period for which sufficient appropriation was made or whenever the funds appropriated for payment under this Agreement are exhausted. No payments shall be made or due to Provider under this Agreement beyond these amounts appropriated and budgeted by the City to fund payments under this Agreement.

8.10 Compliance with Federal Immigration Laws and Regulations. Provider hereby warrants to the City that the Provider and each of its subcontractors ("Subcontractors") will comply with, and are contractually obligated to comply with, all Federal Immigration laws and regulations that relate to its employees and A.R.S. §23-214(A) (hereinafter "Provider Immigration Warranty").

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

The City retains the legal right to inspect the papers of any Provider or Subcontractor employee who works on this Agreement to ensure that the Provider or Subcontractor is complying with the Provider Immigration Warranty. Provider agrees to assist the City in regard to any such inspections.

The City may, at its sole discretion, conduct random verification of the employment records of the Provider and any of subcontractors to ensure compliance with Provider's Immigration Warranty. Provider agrees to assist the City in regard to any random verifications performed.

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

8.11 Subcontractors. This Agreement or any portion thereof shall not be sub-contracted without the prior written approval of the City. No Subcontractor shall, under any circumstances, relieve Provider of its liability and obligation under this Agreement. The City shall deal through Provider and any Subcontractor shall be dealt with as a worker and representative of Provider. Provider assumes responsibility to the City for the proper performance of the work of Subcontractors and any acts and omissions in connection with such performance. Nothing in the Contract Documents is intended or deemed to create any legal or contractual relationship between the City and any Subcontractor or Sub-Subcontractor, including but not limited to any third-party beneficiary rights.

8.13 Waiver. No failure to enforce any condition or covenant of this Agreement by the City shall imply or constitute a waiver of the right of the City to insist upon performance of the condition or covenant, or of any other provision of this Agreement, nor shall any waiver by the City of any breach of any one or more conditions or covenants of this Agreement constitute a waiver of any succeeding or other breach under this Agreement.

9. DURATION

This Agreement shall become effective on and from the day and year executed by the parties, indicated below, and shall continue in force for an initial term of three (3) years, beginning June 3, 2014, through June 2, 2017, unless sooner terminated as provided above. Upon mutual agreement between the City and Provider, this Agreement may be renewed for two (2) additional one (1) year terms, upon mutual agreement from both parties.

City of Flagstaff

Provider

Kevin Burke, City Manager

Attest:

City Clerk

Approved as to form:

City Attorney

Date of Execution:_____

CITY OF FLAGSTAFF PURCHASING DIVISION
211 WEST ASPEN AVE.
FLAGSTAFF, ARIZONA 86001

REQUEST FOR PROPOSAL No. 2014-50
BUYER: AMY HAGIN
PH: (928) 213-2276, FX: (928) 213-2209

STANDARD TERMS AND CONDITIONS

The following terms and conditions are an explicit part of the solicitation and any offer received by a Proposer in response to this RFP.

1. **CERTIFICATION:** By signature on the Offer page, at the end of this RFP document, Proposer certifies that:
 - a. The submission of the Offer did not involve collusion or other anti-competitive practices.
 - b. Proposer has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the Offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in the rejection of the Offer. Signing the Offer, on page 35 of this RFP document, with a false statement shall void the Offer and any resulting contract and may be subject to penalties provided by law.
2. **GRATUITIES:** The City may, by written notice to the Proposer, cancel any resulting contract if it is found by the City that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the Proposer or any agent or representative of the Proposer, to any officer or employee of the City with a view toward securing a contract, securing favorable treatment with respect to the awarding, amending, or the making of any determinations with respect to the performing of such contract. In the event any resulting contract is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold from the Proposer the amount of the gratuity.
3. **OFFER BY PROPOSER:** All responses to this RFP are offers to contract with the City and shall substantially conform to the terms, conditions, specifications and other requirements set forth within the text of the RFP Package, including the sample Agreement. Offers do not become contracts unless and until they are formally accepted by the City. Formal acceptance may occur when the City Manager accepts an Offer, or when the City Council accepts the Offer and enters into the Agreement, as allowed under the Flagstaff City Charter. The City reserves the right to clarify any contractual terms with the concurrence of Proposer, however, any substantial non-conformity in the Offer shall be deemed non-responsive and the Offer rejected. A contract approved by the City Council may only be changed by written amendment signed by duly authorized representatives of the City and the Proposer.
4. **EXCEPTION TO THE SOLICITATION:** Proposer shall identify and list all exceptions taken to all sections of this RFP Package and list these exceptions referencing the section (paragraph) where the exception exists, identifying the exceptions and the proposed wording for Proposer's exception. Proposer shall list these exceptions under the heading "Exception to the PROPOSAL Solicitation." Exceptions that surface elsewhere and that do not also appear under the heading "Exception to the Proposal Solicitation," shall be considered invalid and void and of no contractual significance. The City reserves the right to reject, render the proposal non-responsive, enter into negotiation on any of the Proposer exceptions, or accept them.
5. **INTERPRETATION - PAROL EVIDENCE:** The Agreement is intended by the parties as a final expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in the Agreement. Acceptance or acquiescence in a course of performance rendered under the Agreement shall not be relevant to determine the meaning of the contract even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity to object. Whenever a term defined

by the City Charter or applicable Arizona State Statute is used in the Agreement, that definition shall control.

6. **RIGHTS AND REMEDIES:** No provision in this document or in the RFP Packet shall be construed, expressly or by implication, as a waiver by either party of any existing or future right and/or remedy available by law in the event of any claim of default or breach of contract.
7. **PROTESTS:** Protests shall be resolved, in accordance with the following: A protest shall be in writing and shall be personally delivered or served upon the City Purchasing Director. A protest of a solicitation shall be received at the City Purchasing Department before the solicitation opening date. A protest of a proposed award or of an award shall be personally delivered or served upon the City Purchasing Director within ten (10) days after the protester knows or should have known the basis of the protest. A protest shall include:
 - a. The name, address and telephone number of the protester;
 - b. The signature of the protester or its representative;
 - c. Identification of the solicitation or contract number;
 - d. A detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and
 - e. The form of relief requested.
8. **ADVERTISING:** Proposer shall not advertise or publish information concerning the solicitation or the Agreement, without the prior written consent of the City.
9. **RIGHT TO INSPECT PLANT:** The City may, at reasonable times and at its expense, inspect the plant or place of business of a Proposer or Sub-proposer which is related to the performance of any contract as awarded or to be awarded.
10. **INSPECTION:** All materials, services or construction are subject to final inspection and acceptance by the City. Materials, services or construction failing to conform to the specifications of the contract shall be held at Proposer's risk and may be returned to Proposer. If so returned, all costs shall be the responsibility of Proposer.
11. **PURCHASE ORDERS:** The City shall issue a purchase order for the goods or services covered by the contract. All such purchase orders will reference the contract number, as well as the City Council approval date and Council Agenda item number.
12. **PACKING AND SHIPPING:** If applicable, Proposer shall be responsible for industry standard packing which conforms to requirements of carrier's tariff and ICC regulations. Containers shall be clearly marked as to lot number, destination, address and purchase order number. All shipments shall be F.O.B. Destination, City of Flagstaff, 211 West Aspen Avenue, Flagstaff, Arizona 86001, unless otherwise specified by the City. C.O.D. shipments will not be accepted.
13. **TITLE AND RISK OF LOSS:** The title and risk of loss of material or service shall not pass to the City until the City actually receives the material or service at the point of delivery, and the City has completed inspection and has accepted the material, unless otherwise provided within the contract.
14. **NO REPLACEMENT OF DEFECTIVE TENDER:** Every tender of materials, or services, must fully comply with all provisions of the contract. If a tender is made which does not fully conform, this shall constitute a breach and Proposer shall not have the right to substitute a conforming tender without prior approval from the City.

- 15. DEFAULT IN ONE INSTALLMENT TO CONSTITUTE TOTAL BREACH:** Proposer shall deliver conforming materials, or services, in each installment or lot of the contract and may not substitute nonconforming materials, or services. Delivery of nonconforming materials, and/or services, or a default of any nature, at the option of the City, shall constitute a breach of the contract as a whole.
- 16. SHIPMENT UNDER RESERVATION PROHIBITED:** Proposer is not authorized to ship materials under reservation and no tender of a bill of lading shall operate as a tender of the materials.
- 17. LIENS:** All goods, services and other deliverables supplied to the City under the Agreement shall be free of all liens other than the security interest held by Proposer until payment in full is made by the City. Upon request of the City, Proposer shall provide a formal release of all liens.
- 18. LICENSES:** Proposer shall maintain in current status all Federal, State, and local licenses and permits required for the operation of the business conducted by Proposer as applicable to the Agreement.
- 19. COST OF PROPOSAL PREPARATION:** The City shall not reimburse the cost of developing, presenting or providing any response to this solicitation. Proposals submitted for consideration by the City should be prepared simply and economically, providing adequate information in a straightforward and concise manner.
- 20. CONFIDENTIAL INFORMATION:**
- A. If a Proposer believes a specific section of its proposal to be confidential, the Proposer is to mark the page(s) "confidential" and isolate the pages marked confidential in a specific and clearly labeled section of its proposal response. The Proposer is to include a written statement as to the basis for considering the marked pages confidential.
 - B. The information identified by the person as confidential shall not be disclosed until the City makes a written determination.
 - C. The City shall review the statement and information and shall determine in writing whether the information shall be treated as confidential.
 - D. If the City determines to disclose the information, the City shall inform the Proposer in writing of such determination.
 - E. After award of a contract, proposal responses shall be considered a matter of public record and subject to disclosure. Materials submitted by Proposers shall become the property of the City unless otherwise requested at the time of submission. Materials identified as confidential by the Proposer will be reviewed by the City Purchasing Office which shall make a determination as to whether the information is disclosable. Generally, information submitted in response to this RFP is considered a matter of public record and subject to disclosure pursuant to the Arizona Public Records Law.
- 21. AUTHORIZED CHANGES:** The City reserves the right at any time to make changes in any one or more of the following: a) methods of shipment or packing; b) place of delivery; and c) quantities. If any change causes an increase or decrease in the cost of or the time required for performance, an equitable adjustment may be made in the price or delivery schedule, or both.

Any claim for adjustment shall be evidenced in writing and approved by the City Purchasing Director prior to the institution of the change.

22. SAMPLES: Upon request, Proposers may be required to furnish a sample of the goods and/or service to be provided. Submission of a sample by a Proposer shall constitute an express warranty that the whole of the goods and/or service shall conform to the sample submitted. All samples submitted by a Proposer shall become the property of the City for testing purposes and/or future comparison at no charge unless designated otherwise by the Proposer. Samples not destroyed by testing or which are not retained for future comparison shall be returned upon request at Proposer's expense.

23. PRE-PROPOSAL CONFERENCE: A prospective Proposers' conference may be held at the City's sole discretion. If scheduled, the date and time of this conference will be indicated on the cover page of this document.

The purpose of this conference shall be to clarify the contents of this RFP Package in order to prevent any misunderstanding of the City's position. Any doubt as to the requirements of this RFP Package or any apparent omission or discrepancy should be presented to the City at this conference. The City shall then determine the appropriate action necessary, if any, and issue a written amendment to the RFP. Oral statements or instructions shall not constitute an amendment to this RFP.

24. DISCUSSIONS AND REVISIONS TO PROPOSAL: Discussions may be conducted with responsible Proposers who submit proposals determined to be reasonably susceptible of being selected for award. Such discussions may facilitate the exchange of pertinent information to enable a more complete understanding of, and responsiveness to, the solicitation requirements. Should the City elect to call for 'best and final' offers, Proposers shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and such revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing Proposers. The purposes of such discussions shall be to:

- A. Determine in greater detail such Proposers' qualifications, and
- B. Explore with the Proposers, the Scope of Services, the Proposers' proposed method of performance, and the relative utility of alternate methods of approach;
- C. Determining whether the Proposers have the necessary personnel and facilities to perform within the required time;
- D. Agreeing upon compensation which is fair and reasonable, taking into account the estimated value of the required services, and the scope, complexity and nature of such services.

25. COOPERATIVE PURCHASING AGREEMENTS: A contract resulting from this RFP may be extended for use by the members of the Flagstaff Alliance for the Second Century. An Intergovernmental Agreement (IGA) has been executed between the City, Coconino County Community College District, Northern Arizona University, Coconino County and Flagstaff Unified School District. The contract may also be extended to other municipalities and government agencies of the state. Any such usage by other municipalities and government agencies must be in accordance with the ordinance, charter and/or rules and regulations of the respective political entity. Any public agencies not identified within this RFP who wish to cooperatively use the contract are subject to the approval of Proposer.

The City is also a member of S.A.V.E. (Strategic Alliance for Volume Expenditures), which consists of numerous municipalities, counties, universities, colleges, schools and other Arizona State agencies. These cooperatives are achieved through Intergovernmental Agreements (IGAs) in accordance with provisions allowed by A.R.S. §11-952 and §41-2632. The IGAs permit purchases of material, equipment and services from Proposers at the prices, terms and conditions contained in contracts originated between any and all of these agencies and the Proposer(s) contract, as awarded.

Is your firm willing to offer the goods and services solicited under the terms and conditions of this solicitation to other members of the Flagstaff Alliance for the Second Century and S.A.V.E. under the same pricing, terms and conditions? **Please refer to exception noted in Exception Attachment.**

☒ Yes ☐ No

26. FINANCIAL STATUS: All Proposers shall make available upon request a current audited financial statement, a current audited financial report, or a copy of a current federal income tax return. Failure or refusal to provide this information within five (5) business days after communication of the request by the City shall be sufficient grounds for the City to reject a proposal, and/or to declare a Proposer non-responsive or non-responsible.

If a Proposer is currently involved in an ongoing bankruptcy as a debtor, or in a reorganization, liquidation, or dissolution proceeding, or if a trustee or receiver has been appointed over all or a substantial portion of the property of the Proposer under federal bankruptcy law or any state insolvency law, the Proposer must provide the City with that information as part of its proposal. The City may consider that information during evaluation of the proposal.

By submitting a proposal in response to this solicitation, Proposer agrees that, if, during the term of any contract it has with the City, it becomes involved as a debtor in a bankruptcy proceeding, or becomes involved in a reorganization, dissolution or liquidation proceeding, or if a trustee or receiver is appointed over all or a substantial portion of the property of Proposer under federal bankruptcy law or any state insolvency law, Proposer shall immediately provide the City with a written notice to that effect, and shall provide the City with any relevant information it requests to determine whether the Proposer will meet its obligations to the City.

27. GOVERNING LAW and JURISDICTION: This solicitation shall be governed by and construed in accordance with the laws of the State of Arizona.

28. SUBSEQUENT PURCHASES: The City, with the consent of the successful Proposer(s), reserves the right to purchase additional items as listed in this proposal, if Proposer is willing to offer the same terms and conditions as submitted in this proposal, for a period of twelve (12) months from the date of approval.

29. POINT OF CONTACT: The proposal must indicate the name of one individual who the City is to contact with any questions or clarifications in regards to the proposal.

30. ON-SITE INVESTIGATION: Proposers are strongly encouraged to view all of the City's facilities that may be referenced in the Scope of Work prior to submitting their proposal. The Proposer shall be responsible for examining the facility sites and comparing it with the descriptions and specifications, to have carefully examined all of the RFP Package, including the sample contract and to have satisfied themselves as to the conditions under which the work is to be performed before submitting a proposal and entering into the contract.

No allowance shall subsequently be made on behalf of Proposer on account of an error on its part or its negligence or failure to become acquainted with the conditions of the site, or surrounding areas.

- 31. CONTRACT ADMINISTRATION:** To help insure contract compliance, a Contract Administration Process will be an integral part of the contract. This Contract Administration Process is an audit and feedback system and will be in addition to any of the other policies and procedures contained herein. The Contract Administration Process is a total quality management tool that empowers the users to monitor and assure contract compliance. The Proposer should know during the proposal process that the successful Proposer will be closely monitored for contract compliance. No additional cost is anticipated to be incurred by the successful Proposer by the presence of the Contract Administration Process, as long as contract compliance is maintained. *OfficeMax would expect to negotiate any audit terms that would be included in the Contract Admin Process.* All changes or amendments to the contract are to be in writing, authorized by the Purchasing Director, approved by the City Council, and signed by authorized representatives of the parties.
- 32. CONTRACT TYPE:** Firm Fixed Fee. Initial contract term shall be for three (3) years with annual extensions not to exceed a total of 24 months.
- 33. CONTRACT RENEWAL:** The City reserves the right to unilaterally extend the period of the contract for ninety (90) days beyond the stated expiration date. In addition, by mutual written consent, the contract may be renewed for supplemental periods of up to **two (2)** additional one (1) year terms.
- 34. OFFER ACCEPTANCE PERIOD:** In order to allow for an adequate evaluation, the City requires an offer in response to this solicitation to be valid and irrevocable for ninety (90) days after the opening time and date.
- 35. CONTACT WITH CITY EMPLOYEES AND CONTRACTORS**
All persons and/or firms that are interested in this project (including the firm's employees, representatives, agents, lobbyists, attorneys, and sub-contractors) will refrain, under penalty of disqualification, from direct or indirect contact for the purpose of influencing the evaluation/selection or creating bias in the evaluation/selection process with any person who may play a part in the evaluation/selection process. This includes but is not limited to the evaluation panel, City Council Members, City Manager, Assistant City Manager(s), Deputy City Manager(s), Department Directors or other staff. This policy is intended to create a level playing field for all potential firms, assure that contract decisions are made in public, and to protect the integrity of the selection process. All contact on this selection process should be addressed to the authorized representative identified on Page One of this document.

PROJECT DESCRIPTION/BACKGROUND

The City of Flagstaff (City) will be seeking a vendor that can provide desktop supplies services. The City currently spends approximately \$110,000 on desktop/office supplies per year. The supplies are distributed directly to various departments/facilities on a next-day delivery system. It is the City's intent to establish a contract with a qualified desktop supply vendor who can provide a full office supply management service to the City. Please note that the City is unable to state guarantees as to the quantities of items and/or yearly expenditure amount for such service.

SCOPE OF WORK

Stockless Office Supply Program: The City participates in a stockless office supply program. All office supplies must be ordered through the Internet with a few exceptions. Most end users will order using a Purchasing Card (P-Card). Each end user must have its own login and password access.

Desktop Delivery: All orders must include the department name, contact name, City account #, order # and delivery location, with special delivery options. Each order must be delivered to the specific department listed on the order form. Each department order must be packaged separately and include a packing slip indicating the department name, contact name, account number, itemized contents and associated pricing. City locations can be found in Attachment A, contained in this document. *OfficeMax will offer desktop delivery to multiple locations as defined in Addendum #1, Question 6.*

Ordering: All orders will be made online using your organization's website, with few exceptions. Each City Division/Section must be able to order independently using a P-Card credit card.

Delivery Terms: Unless otherwise stated, merchandise must be delivered F.O.B. destination with no transportation charges included in each order submitted. The City will pay for freight charges only on special orders or orders that require rush shipping per our request. *A \$5.95 minimum order charge will be applied to any order under \$50.00.*

Pricing Terms: All prices for product are to be held against increase for a period of twelve (12) consecutive months from the effective date, unless otherwise offered by the Proposer and accepted by the City. This includes copy, laser and computer paper. Proposers must state on the bid response form if the prices bid will remain firm for the full contract term or if bid prices are subject to escalation/de-escalation. *OfficeMax will hold bid prices for 12 months. The exception to this is paper and toner products. Bid pricing for these categories will be held for 90 days with a 30 day written*

Escalation/De-Escalation Clause (Paper Products): Any manufacturer price increase on paper products, that may occur during the agreement period (after the first year), must be submitted to the Director of Purchasing a minimum of thirty (30) days in advance of the effective date of increase. A certified copy of the manufacturer's notice of price change must accompany such notice. No price escalation will be authorized in excess of the amount of the increase referred to in the vendor's notice. Any subsequent decreases must also be passed to the City of Flagstaff. *Bid pricing for toner and paper will be held for 90 days with a 30 day written notice and vendor justification letters.*

Specified Manufacturer/Brand: Any product with a specified manufacturer/brand on the attached Bid Form (Exhibit B) is to show quality and style desired. All vendors must quote item **AS SPECIFIED**. Proposers may quote alternate brand **in addition** to manufacturer specified brand. If a brand name is not specified, the Proposer must indicate the brand and product number. If the quantity measurement of item (i.e. box of 500 paper clips, etc.) is different from specification, Proposer must also note any difference in item measurement.

PROPOSAL FORMAT/SUBMITTAL

FORMAT AND CONTENT: To aid in the evaluation, all proposals should follow the same general format. The proposals are to be submitted in binders and have sections tabbed with proposal information as outlined in the categories/criteria below.

The Evaluation Committee will evaluate responses to this RFP based on the information provided in each of the Proposer's proposal responses and interviews, if conducted, as necessary. To allow for a standard basis of evaluation, all proposal responses shall follow the format outlined below. Proposers should use recycled paper (minimum 50% post consumer waste) and double-sided printing for the proposal submitted. An original and five (5) copies are to be submitted. Proposal responses should be organized with sections/dividers as follows:

Proposer shall provide packaging/packing materials that meet at least one of, and preferable all of the following criteria:

- Made from 100% post-consumer recycled materials
- Non-toxic
- Bio-degradable
- Reusable
- Recyclable

Cover:

The cover should contain the following relevant data as a minimum:

- Statement indicating response to: Desktop Supplies and Services
- RFP No. 2014-50
- Submittal date
- Company name (and logo if desired)
- Other information/graphics as desired

Title Page:

Proposers shall include their company name, address, e-mail/website address(es), phone and fax numbers and name(s) of principals.

A. Organization

1. Describe your organization, date founded, ownership, organizational chart and other business affiliations.

B. Experience and Qualifications (35%)

1. Briefly describe your organization's history and experience in the office supply industry
2. Demonstrate your organization's experience in the business to business contract segment. Please include a copy of your most recent annual report
3. Explain how your organization will meet the needs of the City of Flagstaff's desktop delivery to the individual facilities. Provide a narrative of how the delivery process would operate

EXCEPTIONS, CONFIDENTIAL AND ADDITIONAL MATERIALS

Proposers shall indicate any and all exceptions taken to the provisions or specifications in this solicitation document.

Exceptions (mark one):

- ☐ No exceptions
- ☒ Exceptions taken (Describe) Attach additional pages if needed)

Please refer to exceptions on the following page.

Confidential/Proprietary Submittals (mark one):

- ☒ No confidential/proprietary materials have been included with this offer

☐ Confidential/Proprietary materials included. Proposers should identify below any portion of their offer deemed confidential or proprietary (see Standard Terms and Conditions, section titled **Confidential Information**). Identification of such materials in this section does not guarantee that disclosure will be prevented but that the item will be subject to review by the Proposer and the City prior to any public disclosure. Requests to deem the entire offer as confidential will not be considered.

Additional Materials submitted (mark one):

- ☐ No additional materials have been included with this offer
- ☒ Additional Materials attached (Describe. Attach additional pages if needed)

OfficeMax 2012 Annual Report CD included.

Exceptions to the PROPOSAL Solicitation

Instructions to Proposers

12.C Evaluation and Award of Contract (Exception): OfficeMax expects to negotiate in good faith the terms and conditions of any future contract upon award of the City of Flagstaff's business. Offers do not become contracts until they are accepted by both parties. In addition, OfficeMax requires a separate formal contract to be the superseding document to any prior negotiations, offers, and RFP proposal.

Standard Terms and Conditions

"Notwithstanding any response made by OfficeMax Incorporated and its subsidiaries and affiliates (collectively, "OfficeMax") to the Request for Proposal, ("RFP"), OfficeMax expects to negotiate in good faith the terms and conditions of any definitive agreement between the parties, including any changes to the RFP prior to the award of the contract. While this proposal is evidence of OfficeMax's intent to enter into a business relationship with the City of Flagstaff (the "Customer"), nothing, herein should be construed as a legally binding offer by OfficeMax, or acceptance by the Customer, until such time as a definitive agreement is executed by both parties.

In the event that OfficeMax and Customer engage in any further discussion which results in either (i) definitive agreement executed by the parties or (ii) OfficeMax providing products or services to the Customer without a fully-executed agreement, the terms and conditions contained in the Request for Proposal, shall not at any time, be considered binding upon OfficeMax unless otherwise noted in a fully executed agreement between the parties."

25. Cooperative Purchasing Agreement (Exception): OfficeMax agrees with this section to allow public agencies who have not been identified to consider participation in this contract, provided that it is agreed upon by the parties that the Proposer has the sole right to approve the participation of any interested customer.

31. Contract Administration (Exception): OfficeMax, if awarded the business would expect to negotiate any audit terms that would be included the CONTRACT ADMINISTRATION PROCESS.

Scope of Work

Desktop Delivery (Exception): OfficeMax, if awarded, will offer desktop delivery to multiple locations as defined in Addendum #1, Question 6.

Delivery Terms (Exceptions): A small order charge of \$5.95 will be applied to any original order under \$50.00 to help offset processing and transportation costs.

Pricing Terms (Exception): OfficeMax proposes that bid pricing shall remain fixed for a period of 12 months and reviewed quarterly thereafter. The exception shall be paper and toners, which shall remain fixed for a period of 90 days and reviewed quarterly thereafter. Advanced thirty (30) day written notification shall be provided with documentation from manufactures pending any price changes.

Escalation/De-Escalation Clause (Paper Products) Exception: OfficeMax proposes that bid pricing shall remain fixed for a period of 12 months and reviewed quarterly thereafter. The exception shall be paper and toners, which shall remain fixed for a period of 90 days and reviewed quarterly thereafter. Advanced thirty (30) day written notification shall be provided with documentation from manufactures pending any price changes.

Attachment A

OfficeMax expects to negotiate the terms of any contract should it be awarded the business.

7.1 Default and Termination (Exception): OfficeMax reserves the right to a 30 day cure period before the City of Flagstaff can terminate the contract.

OfficeMax reserves the right to a *Termination for Convenience* provision available to both parties involved.

7.2 Remedies (Exception): OfficeMax reserves the right to a 30 day cure period before the City of Flagstaff can terminate the contract.

OfficeMax reserves the right to a *Termination for Convenience* provision available to both parties involved.

NON-COLLUSION AFFIDAVIT

State of COLORADO

County of ADAMS

ss.

Timothy Burgett, affiant,

states that I am the Vice President
(Title)

of OfficeMax North America, Inc.

(Proposer)

and I am authorized to make this affidavit on behalf of my firm, and its owners, directors, and officers. I am the person responsible in my firm for the price(s) and the amount of this bid.

I state that:

1. The price(s) and amount of this proposal has been arrived at independently and without consultation, communication or agreement with any other Proposer.
2. Neither the price(s) nor the amount of this proposal, and neither the approximate prices(s) nor approximate amount of this proposal, have been disclosed to any other firm or person who is a Proposer or potential Proposer, and they will not be disclosed before proposal opening.
3. No attempt has been made or will be made to induce any firm or person to refrain from submitting a proposal in response to this RFP, or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary bid.
4. The proposal of my firm is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.
5. OfficeMax North America, Inc., its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last four years been convicted or found liable for any act prohibited by state or federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding on any jurisdiction, involving conspiracy or collusion with respect to bidding on any public contract.

[Signature]
Vice President
(Title)

Subscribed and sworn to before me

this 11th day of March, 2014

[Signature]
Signature of Notary Public

My Commission Expires
October 19, 2016

YURIDIA CHAVEZ
Notary Public
State of Colorado
Notary ID 20124067078
My Commission Expires Oct 19, 2016

APPENDIX B PROPOSER DISCLOSURE FORM

Information required to be solicited pursuant to City Code Section 1-20-001-0004.D

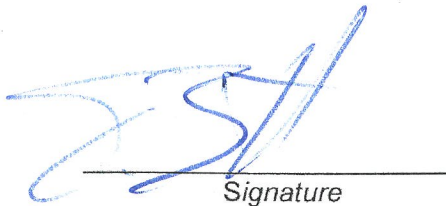
In accordance with City Code Section 1-20-001-0004, all Proposers are required to complete and sign the following checklist. For any item checked YES, you must provide as complete an explanation as possible on one or more attached sheets, including dates, company name(s), enforcing authority, court, agency, etc. Answering YES to one or more questions does not necessarily mean that you will be disqualified from this Proposal. **HOWEVER, FAILURE TO PROVIDE TRUE AND COMPLETE INFORMATION MAY RESULT IN DISQUALIFICATION FROM THIS PROPOSAL AND OTHER CONTRACTS FOR THE CITY OF FLAGSTAFF.** A copy of City Code Section 1-20-001-0004 may be obtained from the City of Flagstaff Purchasing Department.

Has your company or any affiliate* of your company, in the past 5 years, (i) had a permit revoked or suspended, (ii) been required to pay a fine, judgment or settlement of more than \$100,000, (iii) been convicted of a criminal offense (including a plea of guilty or *nolo contendere*), (iv) been found in contempt of court, or (v) been debarred, disqualified or suspended from submitting proposals on public contracts, as a result of or in connection with any of the following:

1. Any offense indicating a lack of business integrity or honesty, including fraud, bribery, embezzlement, false claims, false statements, falsification or destruction of records, forgery, obstruction of justice, receiving stolen property, theft, or price fixing, Proposal rigging, restraint of trade or other antitrust law violation?
YES X NO
2. Violation of the terms of any public contract?
YES NO X
3. Failure to pay any uncontested debt to any government agency?
YES NO X
4. Violation of any law or regulation pertaining to the protection of public health or the environment?
YES NO X

*An "affiliate" of your company means any person, company or other entity that, either directly or indirectly (for example, through stock ownership by family members), controls, is controlled by, or is under common control with, your company.

I hereby verify that the foregoing information, and any explanation attached are to the best of my knowledge, true and complete.


Signature

Vice President
Title

3.12.14
Date

CITY OF FLAGSTAFF PURCHASING DIVISION
211 WEST ASPEN AVE.
FLAGSTAFF, ARIZONA 86001

REQUEST FOR PROPOSAL No. 2014-50
BUYER: AMY HAGIN
PH: (928) 213-2276, FX: (928) 213-2209

OFFER

TO THE CITY OF FLAGSTAFF:

The undersigned hereby offers and agrees to furnish the material, service, or construction in compliance with the RFP Package. Signature also certifies understanding and compliance with "Certification" as defined in Article 1 of the "Standard Terms and Conditions" of this Agreement.

For clarification of this offer, contact:

Name: Tim Burgett Phone: 303-638-7575 Fax: 303-367-7052

Company Name: OfficeMax North America, Inc.

Address: 263 Shuman Boulevard

City, State, Zip: Naperville, IL 60563


Signature of Person Authorized to Sign Offer

Vice President
Title

Tim Burgett
Printed Name

3.12.14
Date

Customer Name: CITY OF FLAGSTAFF							OFFICEMAX ALTERNATE PRICING				
SORT	Customer Product Number	Product Description	UOM	Product Code	Description	Sell Price	Product Type	Product Code	Description	Sell Price	Comments
1	P1055011	BOISE ASPEN 50 RECYCLED MULTI USE PAPER 8.5 X 11, WHITE, 92, 20 LB	RM	P1055011	PPR ASPEN 50 WE 8.5X11	\$ 4.11	Alternate- 30% recycled	P1054901	ASPEN 30 11" REAM	\$ 3.90	
2	P1ACC 2811	BOISE ASPEN 100% RECYCLED COLOR COPY PAPER 8.5 X 11, WHITE, 96, 28 LB	RM	P1ACC2811	BOISE ASPEN COLOR COPY 100	\$ 9.95		P1ACC2811	BOISE ASPEN COLOR COPY 100	\$ 9.95	
3	P1BCP 2811	BOISE HD:P COLOR COPY PAPER AND COVERS 8.5 X 11, WHITE, 98, 28 LB	RM	P1BCP2811	8.5X11 COLOR COPY PAPER	\$ 8.28		P1BCP2811	8.5X11 COLOR COPY PAPER	\$ 8.28	
4	P1BPL 2411 RC	BOISE ASPEN 30% RECYCLED LASER PAPER 8.5 X 11, WHITE 96, 24 LB	RM	P1BPL2411RC	RECYC 8.5X11 LSR PPR	\$ 5.12	Alternate	P10M44006	OMX LASER REAM	\$ 4.52	
5	P1MP 2201	BOISE FIREWORX COLORED MULTI USE PAPER 8.5 X 11, COLORED, 20 LB	RM	P1MP2201CY	CRACKLING CANARY 11" 20#	\$ 4.00		P1MP2201CY	CRACKLING CANARY 11" 20#	\$ 4.00	
6	P1MP 2241	BOISE FIREWORX BRITES COLORED MULTI USE PAPER 8.5 X 11, COLORED, 24 L	RM	P1MP2241CY	MP COLOR 8X11, 24#, CANARY	\$ 4.80		P1MP2201CY	CRACKLING CANARY 11" 20#	\$ 4.00	
7	P1MP 6711 IY	BOISE FIREWORX COLORED VELLUM BRISTOL 8.5 X 11, IVORY, 67 LB, 250/PK	PK	P1MP67111Y	IVORY 67# BRISTOL PPR REAM	\$ 4.37	Alternate	P1MP67111Y	IVORY 67# BRISTOL PPR REAM	\$ 4.37	
8	P10M44006	LASER PAPER 8.5 X 11, WHITE, 96, 24 LB	RM	P10M44006	OMX LASER REAM	\$ 4.52		P1POL2411	BOISE POLARIS97 BRIGHT 24# 11"	\$ 4.51	
9	P10M55956	RECYCLED MULTI PURPOSE PAPER 8.5 X 11, WHITE, 92, 20 LB	RM	P10M55956	OMX 100% RECYCL MULTIPURP RM	\$ 4.37		P1054922	8.5X11 ASPEN 100 PAPER	\$ 4.32	
10	P10M55957	RECYCLED COPY PAPER, 8.5 X 11, WHITE, 92, 20 LB	RM	P10M55957	OMX RECYCLED COPY REAM	\$ 3.95	Alternate	P1054901	ASPEN 30 11" REAM	\$ 3.90	
11	L205850	ECONOMY VIEW BINDER, 1" WHITE, 2PK	PK	L205850	ECONOMY VIEW BINDER 1"WHT 2PK	\$ 3.64		L20M02766	ECON VW BINDER WHITE 1" 2PK	\$ 2.85	
12	L205858	ECONOMY VIEW BINDER, 0.5" WHITE, 2PK	PK	L205858	ECONOMY VIEW BNDR 0.5"WHT 2PK	\$ 2.74		L205858	ECON VW BINDER WHITE 0.5" 2PK	\$ 2.74	
13	L20M96213	HEAVY DUTY SLANT D RING VIEWBINDER, 2"	EA	L20M96213	LCKG D-RING VIEW BINDER 3"WHITE	\$ 4.08		L20M96213	LCKG D-RING VIEW BINDER 3"WHITE	\$ 4.08	
14	L20M96774	HEAVY DUTY SLANT D RING VIEWBINDER, 3"	EA	L20M96774	EZ LOAD LOCKING D-RING WHITE 2"	\$ 3.24		L20M96774	EZ LOAD LOCKING D-RING WHITE 2"	\$ 3.24	
15	P50M97207	HEAVY DUTY KRAFT STORAGE BOXES 12" X 15" X 10", TAN, 12/PK	CT	P50M97207	BOX STORAGE W/LID RECYCLED KRAFT	\$ 16.53		P50M97207	BOX STORAGE W/LID RECYCLED KRAFT	\$ 16.53	
16	P50M97213	HEAVY DUTY KRAFT STORAGE BOXES 12" X 15" X 10", WHITE, 12/PK	CT	P50M97213	BOX ARCHIVE LGL/LTR WHITE	\$ 16.02		P50M97213	BOX ARCHIVE LGL/LTR WHITE	\$ 16.02	
17	B1SK2400 10	CALENDAR DESKTOP 22" X 17"	EA	B1SK240010	CAL 10RY MN DSKPD 22X17	\$ 2.74		B1SK240010	CAL 10RY MN DSKPD 22X17	\$ 2.74	
18	S10M96286	REMANUFACTURED COLOR AND BLACK COMBO PACK FOR HP PHOTOSMART 7150.	PK	S10M96286	OMX INK HP 56/57 COMBO BLK/CLR	\$ 22.82	Alternate	S10M96286	OMX INK HP 56/57 COMBO BLK/CLR	\$ 22.82	
19	S1Q6000A	BLACK TONER HP COLOR LASERJET 1600, 2600n/dtn, CM1015 MFP, CM1017 MFP	EA	S1Q6000A	HP TONER Q6000A 124A BLK	\$ 73.15		S10M00751	OMX TONER HP Q6000A BLK	\$ 49.15	
20	S1Q6001A	CYAN TONER HP COLOR LASERJET 1600, 2600n/dtn, CM1015 MFP, CM1017 MFP	EA	S1Q6001A	HP TONER Q6001A 124A CYN	\$ 79.85		S10M00753	OMX TONER HP Q60001A CYN	\$ 49.15	
21	S1Q6002A	YELLOW TONER HP COLOR LASERJET 1600, 2600n/dtn, CM1015 MFP, CM1017 MFP	EA	S1Q6002A	HP TONER Q6002A 124A YLW	\$ 79.85	Alternate	S10M00752	OMX TONER HP Q60002A YLW	\$ 49.15	
22	S1Q6003A	MAGENTA TONER HP COLOR LASERJET 1600, 2600n/dtn, CM1015 MFP, CM1017 MFP	EA	S1Q6003A	HP TONER Q6003A 124A MAG	\$ 79.85		S10M00754	OMX TONER HP Q60003A MAG	\$ 49.15	
23	H40M99272	BLACK BINDER CLIPS SMALL, 3/8", 144/PK	PK	H40M99272	SMALL BINDER CLIPS 3/8"144PK	\$ 1.04		H40M99272	SMALL BINDER CLIPS 3/8"144PK	\$ 1.04	
24	H40M99274	BLACK BINDER CLIPS LARGE, 1", 48/PK	PK	H40M99274	VALUE PK LRG BNDR CLIPS 48PK	\$ 4.86		H40M99274	VALUE PK LRG BNDR CLIPS 48PK	\$ 4.86	
25	H40M99802	BLACK BINDER CLIPS SMALL, 3/8", 36/PK	PK	H40M99802	BINDER CLIPS SMALL BLACK 36PK	\$ 0.29		H40M99802	BINDER CLIPS SMALL BLACK 36PK	\$ 0.29	
26	H40M99803	BLACK BINDER CLIPS MEDIUM, 5/8", 24/PK	PK	H40M99803	BINDER CLIPS MED BLACK 24PK	\$ 0.49		H40M99803	BINDER CLIPS MED BLACK 24PK	\$ 0.49	
27	H40M99826	PREMIUM PAPER CLIPS #1, 400/PK	PK	H40M99826	PPR CLIPS #1 PREMIUM 400PK	\$ 0.39		H40M99826	PPR CLIPS #1 PREMIUM 400PK	\$ 0.39	
28	P237835	KRAFT CLASP ENVELOPES BROWN, 35, 5" X 7.5", 28 LB	BX	P237835	CLASP ENVELOPE 28 SUB 5X7.5	\$ 8.64		P237835	CLASP ENVELOPE 28 SUB 5X7.5	\$ 8.64	
29	P20M97221	KRAFT CLASP ENVELOPES BROWN, 90, 9" X 12", 28 LB	BX	P20M97221	ENVELOPE CATALOG 10X13"	\$ 16.14	Alternate	P20M97221	ENVELOPE CATALOG 10X13"	\$ 16.14	
30	P20M97225	KRAFT CATALOG ENVELOPES BROWN, 10" X 13", 28 LB, GUMMED FLAP	BX	P20M97225	ENV CLASP 9X12 28LB 100CT	\$ 5.41		P20M97225	ENV CLASP 9X12 28LB 100CT	\$ 5.41	
31	P20M97231	COMMERCIAL STYLE ENVELOPES 9, 3.875" X 8.875", 500/PK, SIDE SEAM	BX	P20M97231	ENVELOPE COMML 4X9"	\$ 8.61		P20M97231	ENVELOPE COMML 4X9"	\$ 8.61	
32	P20M97233	INTER DEPARTMENT ENVELOPES 3 COLUMN BROWN, 10" X 13", 28 LB, BUTTON &	BX	P20M97233	ENVELOPE INTRDPT 3-COL 10X13"	\$ 13.54		P20M97233	ENVELOPE INTRDPT 3-COL 10X13"	\$ 13.54	
33	P20M97238	SELF SEAL CATALOG ENVELOPES BROWN, 9.5" X 12.5", 28 LB, 250/PK	BX	P20M97238	ENV CAT KRFT 9.5X12.5SELF SEAL	\$ 20.37		P20M97238	ENV CAT KRFT 9.5X12.5SELF SEAL	\$ 20.37	
34	F10M01583	PRESSBOARD CLASSIFICATION FOLDERS WITH EMBOSSED FASTENERS LETTER,	BX	F10M01583	CLS FLDR LTR 10/BX RED EM	\$ 9.91		F10M01583	CLS FLDR LTR 10/BX RED EM	\$ 9.91	
35	F80M01672	END TAB FOLDERS WITH FASTENERS LETTER, 1, 11 PT, 50/PK	BX	F80M01672	FSTN FLDR ET 1 LTR MAN 50BX	\$ 7.34		F80M01672	FSTN FLDR ET 1 LTR MAN 50BX	\$ 7.34	
36	F80M01675	REINFORCED COLOR END TAB FOLDERS WITH FASTENERS LETTER, 1/3, COLORE	BX	F80M01675	FST FLDR ET LTR RED STRAIGHT CUT 50BX	\$ 12.06		F80M01675	FST FLDR ET LTR RED STRAIGHT CUT 50B	\$ 12.06	
37	F816650	PENDAFLEX END TAB POCKET FOLDERS LETTER, MANILA, 50/PK	BX	F816650	MAN END TAB PKT FLDR-LTR	\$ 11.87		F816650	MAN END TAB PKT FLDR-LTR	\$ 11.87	
38	F542890	PENDAFLEX READY TAB WITH LIFT TAB TECH REINFORCED HANGING FOLDERS L	BX	F542890	READY TAB GREEN HFF LTR 20 CT GREEN	\$ 5.61	Alternate	F50M97186	FLDR HANG LTR 1/3-TABS 25/BX	\$ 3.63	Priced by 20/BX, Sold by 25/BX
39	F10M97182	MANILA FILE FOLDERS 41642 CUT LETTER, MANILA, 1/3, ASSORTED	BX	F10M97182	FILE FLDR LTR 1/3CUT MAN 100CT	\$ 4.19		F10M97182	FILE FLDR LTR 1/3CUT MAN 100CT	\$ 4.19	
40	N2BL11 BE	BIC BRITE LINER FLUORESCENT HIGHLIGHTERS BLUE, 12/PK, CHISEL	DZ	N2BL11BE	BRITE LINER HIGHLIGHTER BLUE	\$ 1.49		N2BL11BE	BRITE LINER HIGHLIGHTER BLUE	\$ 1.49	
41	N2BL11 GN	BIC BRITE LINER FLUORESCENT HIGHLIGHTERS GREEN, 12/PK, CHISEL	DZ	N2BL11GN	BRITE LINER HIGHLIGHTER GREEN	\$ 1.49	Alternate	N2BL11GN	BRITE LINER HIGHLIGHTER GREEN	\$ 1.49	
42	N20M99367	POCKET STYLE FLUORESCENT HIGHLIGHTERS ASSORTED, CHISEL	DZ	N20M99367	POCKET HIGHLIGHTERS ASST 12CT	\$ 1.22		N20M06052	OMX HIGHLTR PEN AST 12PK	\$ 1.14	
43	A55200	AVERY PERMANENT FILE FOLDER LABELS SELF ADHESIVE BLUE, 11/16" X 3 7/16"	PK	A55200	FILE FOLDER LABELS-NAVY	\$ 1.51		A55200	FILE FOLDER LABELS-NAVY	\$ 1.51	
44	A55260	AVERY WHITE EASY PEEL ADDRESS LABELS WHITE, 1" X 2 5/8", 750/PK	PK	A55260	LBL 1X2-5/8 WHT LSR 750PK	\$ 5.01	Alternate	A50M99066	LBL 1X2-5/8 WHT LSR 7500PK	\$ 2.80	Priced by 750/PK, Sold by 7500/PK
45	A5TD 5730	AVERY PERMANENT COLOR CODING DOTS RED, 1/4" 450/PK	PK	A5TD5730	COLOR CODE 1/4" RED ROLL 450CT	\$ 1.24		A505466	COLOR DOT 3/4" RED 1008CT	\$ 0.99	Priced by 450/PK, Sold by 1008/PK
46	A80M96187	BOXED TRANSPARENT TAPE 3/4" x 1296", 1", 16/Pack	PK	A80M96187	TAPE CELO .75X1296 16 PACK	\$ 7.60		A80M96187	TAPE CELO .75X1296 16 PACK	\$ 7.60	
47	A80M97059	DESKTOP TAPE DISPENSER 1", Black, 1/Pack	EA	A80M97059	TAPE DISPENSER DESKTOP 1" CORE	\$ 1.39	Alternate	A80M97059	TAPE DISPENSER DESKTOP 1" CORE	\$ 1.39	
48	A95640115	LIQUID PAPER CORRECTION FLUID FAST DRY BOND WHITE 22ml	DZ	A95640115	LIQUID PAPER 12 PK BOND WHITE	\$ 7.01		A92841178	28411 PMOP CORRECT FLUID	\$ 5.05	Priced by 264/DZ, Sold by 216/DZ
49	A90M97787	DRY CORRECTION 2 PACK	PK	A90M97787	DRY CORRECTION 2 PACK	\$ 1.94		A90M05925	OMX CORR TAPE 6PK	\$ 0.83	Priced by 630/PK, Sold by 1890/PK
50	F70M01920	HARDBOARD CLIPBOARD 9" X 12/5"	EA	F70M01920	RECYCLED CLIPBRD HRDDBD-LTR	\$ 0.55		F70M01920	RECYCLED CLIPBRD HRDDBD-LTR	\$ 0.55	
51	H20M99263	ADJUSTABLE 2 3 HOLE PUNCH 11 SHEETS, 11 3/8" x 2 1/2" x 2", 3, BLACK	EA	H20M99263	HOLE PUNCH 11 SHEET ADJUST	\$ 1.53		H20M99263	HOLE PUNCH 11 SHEET ADJUST	\$ 1.53	
52	H313731	WESTCOTT BY ACME UNITED TITANIUM BONDER® SCISSORS 8", YELLOW, BENT	EA	H313731	TITANIUM TRIMMERS BENT 8"	\$ 1.12		H30M97613	8" BENT SHEAR SOFT BLUEGREY	\$ 1.01	
53	H30M96186	ECONOMY STAINLESS STEEL SCISSORS STRAIGHT HANDLE 8", RED, STRAIGHT	EA	H30M96186	STRAIGHT VALUE SCISSOR RED 8"	\$ 0.48	Alternate	H30M96186	STRAIGHT VALUE SCISSOR RED 8"	\$ 0.48	
54	J481803	EXPO WHITEBOARD CLEANER ORIGINAL FORMULA 8 OZ, SPRAY BOTTLE	EA	J481803	DRY ERASE MARKER CLEANER 8 OZ	\$ 1.39		J41752229	EXPO NON-TOXIC CLEANER 22OZ	\$ 1.27	Priced by 8/EA, Sold by 22/EA
55	K629561	WASTEBASKET PLASTIC 15H BLACK	EA	K629561	WASTEBASKET PLAS 15H BK	\$ 3.28		K6WB0058	BLACK OFFICE WASTEBASKET 28QRT	\$ 2.28	
56	L30M99026	INSERTABLE TAB DIVIDERS 11" X 8.5", TAN, ASSORTED, 5	PK	L30M99026	INSERTABLE DIV 5-TAB COLOR 3PK	\$ 0.60	Alternate	L30M99026	INSERTABLE DIV 5-TAB COLOR 3PK	\$ 0.60	
57	L9MN1500B20Z	DURACELL ALKALINE COPPERTOP BATTERIES AA, 20/PK	PK	L9MN1500B20Z	COPPERTOP AA ALKALINE BAT 20PK	\$ 9.43		L9MN1500B20Z	COPPERTOP AA ALKALINE BAT 20PK	\$ 9.43	
58	L9MN2400B20Z	DURACELL ALKALINE COPPERTOP BATTERIES AAA, 20/PK	PK	L9MN2400B20Z	COPPERTOP AAA ALKALINE 20PK	\$ 9.43		L9MN2400B24	AAA COPPERTOP VALUE PACK 24	\$ 9.25	Priced by 20/PK, Sold by 24/PK
59	P30M97624	NOTEBOOKS BLACK, 8" X 5", 1/PACK, NARROW	EA	P30M97624	NOTEBOOK 8X5" 70SH	\$ 0.66	Alternate	P30M97624	NOTEBOOK 8X5" 70SH	\$ 0.66	
60	P40M97633	CALCULATORS/POS ROLLS = 2 1/4" X 150", 12/PK, 1 PLY, WHITE	PK	P40M97633	ADD MACH ROLL 2.25"X150" 12PK	\$ 5.36		P40M97637	ADD MACH RL 2.25INX150FT ,REC,12PK	\$ 5.10	
61	S60M96090	COMPRESSED GAS DUSTERS 2/PK	PK	S60M96090	3.5OZ GAS DUSTER 2 PACK	\$ 4.39		S60M96090	3.5OZ GAS DUSTER 2 PACK	\$ 4.39	
62	A2653RP YW	POST IT RECYCLED NOTES IN CANARY YELLOW 12/PK, 1 1/2" X 2"	PK	A2653RPYW	OS NOTE 1.5X2 12PK CANARY RCLD	\$ 3.41	Alternate	A20M99213	OM NOTE 1.5X2 12PK YELLOW	\$ 0.78	
63	A2655RP	POST IT RECYCLED NOTES IN CANARY YELLOW 12/PK, 3" x 5"	PK	A2655RP	RECYCLED POST IT NOTE 3X5 YW	\$ 10.56		A20M99214	OM NOTE 3X5 12PK YELLOW	\$ 3.18	
64	A2655RP A	POST IT RECYCLED NOTES IN PASTEL COLORS ASSORTED, 5/PK, 3" x 5"	PK	A2655RPA	POSTIT 3"X5" RCYCL ASST PASTEL	\$ 4.69		A2655RPA	POSTIT 3"X5" RCYCL ASST PASTEL	\$ 4.69	
65	A2654R	14Y POST IT A2654R 14Y+4P POST RECYCLED NOTES PAD VALUE PACK ASSORT	PK	A2654R14Y4P	OS NOTE 3X3 14+4PK CNY/PL RCLD	\$ 9.82		A2654R14Y4P	OS NOTE 3X3 14+4PK CNY/PL RCLD	\$ 9.82	
66	A20M99172	REMOVEABLE NOTES YELLOW, 18/PK, 3" X 3"	PK	A20M99172	OM NOTE 3X3 18PK YELLOW	\$ 2.58		A20M99172	OM NOTE 3X3 18PK YELLOW	\$ 2.58	
67	P30M97330	RECYCLED PERFORATED PADS YELLOW, 5" X 8", 12/PK, JR. LEGAL	DZ	P30M97330	OMX JR PAD 50CT CNRY 5X812PK	\$ 3.76		P30M97330	OMX JR PAD 50CT CNRY 5X812PK	\$ 3.76	
68	P30M97333	STENO NOTEBOOKS GREGG, WHITE, 6" X 9", 12/PK	DZ	P30M97333	STENO BOOK GREGG WHT RECY 12PK	\$ 5.14	Alternate	P30M97333	STENO BOOK GREGG WHT RECY 12PK	\$ 5.14	
69	P30M97338	RECYCLED PERFORATED PADS WHITE, 8.5" X 11", 12/PK, LEGAL	DZ	P30M97338	OMX RECYL LGL PD WHT 8.5X11	\$ 7.06		P30M97336	OMX RECYL LEGAL PAD WHT 8.5X11 WR	\$ 6.64	
70	N450 H	PENTEL SUPER HI POLYMER LEAD REFILLS 12/PK, MEDIUM LINE	PK	N450H	.7MM H MED BLK	\$ 0.39		N450H	.7MM H MED BLK	\$ 0.39	
71	N451014	PILOT G2 MECHANICAL PENCIL BLACK, 0.5 MM, 12/PK	DZ	N451014	.5MM G2 MECH PENCIL	\$ 5.69	Alternate	N4MPFG11	MATIC GRIP MECHPNCL .5MM DZ	\$ 2.06	
72	N464892	SANFORD ERASERS FOR AUTOMATIC PENCILS 2/PK	TB	N464892	TUFF STUFF ERASER W/JUMBO 2TB	\$ 0.29		N464892	TUFF STUFF ERASER W/JUMBO 2TB	\$ 0.29	
73	N466057CL	PAPER MATE CLICKSTER GRIP MECHANICAL PENCILS ASSORTED, BLACK, 0.7 MM	DZ	N466057CL	CLICKSTER GRIP MP .7MM AST DZ	\$ 4.32		N451015	.7MM G2 MECH PENCIL	\$ 5.69	

74	N4L50BP3H	PENTEL SUPER POLYMER LEADS 0.7 MM, 36/PK, MEDIUM LINE	PK	N4L50BP3H	LEAD REFILL 0.7MM H 36PCS	\$	0.69		N4L50BP3H	LEAD REFILL 0.7MM H 36PCS	\$	0.69	
75	B50M97010	ECONOMY WOODCASE PENCILS #2, 12/PK	DZ	N50M97010	YELLOW PENCILS #2 -12CT	\$	0.55	Alternate	N50M99382	YELLOW PENCILS #2 72CT	\$	0.43	Priced by 12/DZ, Sold by 72/PK
76	N13311131	PAPER MATE PMOP STICK BALLPOINT PEN BLUE, MEDIUM	DZ	N13311131	STIC PENS MEDIUM BLUE 12PK	\$	0.54	Alternate	N10M06041	OMX BALLPEN STICK MED BLU 12PK	\$	0.46	
77	N165451	UNI BALL GEL GRIP STICK ROLLER BALL BLUE, MEDIUM	DZ	N165451	UNI-GEL GRIP RB 0.7MM BLUE	\$	5.35		N165451	UNI-GEL GRIP RB 0.7MM BLUE	\$	5.35	
78	N1GSMG11 BK	BIC ULTRA ROUND STIC GRIP BALLPOINT PENS BLACK, MEDIUM	DZ	N1GSMG11BK	ROUND STIC GRIP ULTRA BLK 12PK	\$	0.84		N1GSMG11BK	ROUND STIC GRIP ULTRA BLK 12PK	\$	0.84	
79	N10M99365	JUST BASICS STICK BALLPOINT PENS BLACK, MEDIUM	DZ	N10M99365	BALLPOINT PENS MED BLACK 12CT	\$	0.46		N10M99365	BALLPOINT PENS MED BLACK 12CT	\$	0.46	
80	N1SCSM11 BLK	BIC SOFTFEEL RETRACTABLE BALLPOINT PENS BLACK, MEDIUM	DZ	N1SCSM11BLK	SOFTFEEL RETRCT BLACK 12 PACK	\$	2.67		N1SCSM11BLK	SOFTFEEL RETRCT BLACK 12 PACK	\$	2.67	
81	N213601	SHARPIE INDUSTRIAL PERMANENT MARKERS BLACK, FINE	DZ	N213601	FINE INDUSTRIAL MARKERS 12CT	\$	3.84		N213601	FINE INDUSTRIAL MARKERS 12CT	\$	3.84	
82	N237175PP	SHARPIE ULTRA FINE PERMANENT MARKERS, 12 COLOR SET ASSORTED, 12/PK	ST	N237175PP	SHARPIE UF COLORS 12 SET	\$	3.60		N237175PP	SHARPIE UF COLORS 12 SET	\$	3.60	
83	A624645	QUALITY RUBBER BANDS 1/4" X 3 1/2", 320/PK, 64	BG	A624645	RUBBERBANDS SIZE#64 NTN	\$	3.47	Alternate	A60M07021	RUBBER BAND #64, 1 LB BAG	\$	1.46	
84	A624335	QUALITY RUBBER BANDS 1/8" X 3 1/2", 750/PK, 33	BG	A624335	RUBBERBAND #33, 1 LB	\$	4.62	Alternate	A60M07020	RUBBER BAND #33, 1 LB BAG	\$	1.46	
85	H10M97553	FULL STRIP STAPLER BLACK, 20 SHEETS, DESKTOP	EA	H10M97553	STAPLER FULL STRIP BLACK	\$	1.00		H10M97553	STAPLER FULL STRIP BLACK	\$	1.00	
86	H10M99264	STAPLE REMOVER 3 PACK	PK	H10M99264	STAPLE REMOVER 3 PACK	\$	0.21	Alternate	H10M02270	STAPLE REMOVER 3PK	\$	0.44	

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Paul Summerfelt, Wildland Fire Manager
Date: 05/28/2014
Meeting Date: 06/03/2014



TITLE:

Consideration and Approval of Agreement: Flagstaff Watershed Protection Project (FWPP) Participating Agreement Supplemental Project Agreement (SPA)14-PA-11030408-013: Boundary Line Survey with U.S. Forest Service Coconino National Forest ***(Approve agreement with USFS for reimbursement for survey work to be implemented by USFS in connection with the FWPP).***

RECOMMENDED ACTION:

Approve FWPP SPA 14-PA-11030408-013 Boundary Line Survey with U.S. Forest Service Coconino National Forest.

Policy Decision or Reason for Action:

In Nov 2012, 74% of Flagstaff voters approved Forest Bond #405, now known as the Flagstaff Watershed Protection Project (FWPP). The Boundary Survey for the identified locations are currently out-of-date, and must be redone before any forest treatments can occur on adjacent national forest lands. In accordance with the FWPP goals, the forest treatments, once completed, will improve overall forest health and reduce the probability of a destructive wildfire, helping to protect the City's north side and adjacent neighborhoods.

Financial Impact:

Coconino County will do the actual survey field work and recording for the U.S. Forest Service under a separate Agreement. The County's involvement in the effort, as an FWPP partner, will save the City approximately \$75,000. (The survey was initially going to be conducted by Bureau of Land Management surveyors at a not-to-exceed cost of \$141,000.)

Connection to Council Goal:

- 4. Complete Rio de Flag - FWPP City/Dry Lake Hills related activities
- 10. Develop an ongoing budget process - FWPP expenditures and transparency
- 11. Effective governance. - overall completion of FWPP

Has There Been Previous Council Decision on This:

Not on this specific activity. Council was involved in the Bond effort, and has been kept updated on the resulting FWPP process.

Options and Alternatives:

Two options exist: 1) Approve Agreement, permitting the survey to proceed; 2) Revise the Agreement to include new provisions/conditions to be decided upon later; or 3) Reject the Agreement, to include the work being paid for by bond funds.

Background/History:

The FWPP is an innovative and unique method of treating forested lands at high risk to damage from serious wildfire events. As far as is known, this is the first bond-funded program to address this issue in the country. As such, it has garnered a high level of interest at both the State and National level. Since the bond's passage in Nov 2012, some field operations have occurred, but much of the effort has been behind-the-scenes in the realms of planning, public outreach, development of agreements, and other support activities designed to permit efficient and effective forest treatments throughout the project area.

Key Considerations:

In 2013, City staff and key partners completed 26 major actions: In 2014, another 21 milestones have been identified: some have been completed, many are underway, and still others are planned for later this year. One of those planned is the completion of the Boundary Line Survey.

Expanded Financial Considerations:

The U.S. Forest Service is providing all posts, signs, and monuments as required at no expense to the City. The City (Flagstaff Fire Department - Wildland Fire Management division) will notify all adjacent property owners of the survey effort, in advance of any survey work being undertaken.

Community Benefits and Considerations:

Multiple community partners have been engaged in the FWPP effort, including the Greater Flagstaff Forests Partnership (GFFP), Friends of the Rio, and NAU's Ecological Restoration Institute (ERI). The campaign to pass the bond also included the citizen-led "Yes on 405" group, the Grand Canyon Trust, and The Nature Conservancy. Successfully completing the planned forest treatments will enhance protection of adjacent neighborhoods from destructive wildfire, and promote the vigor, resiliency, and sustainability of the forest itself.

Community Involvement:

Inform - In the months leading up to the vote (July-Nov 12), 50 public outreach events were held throughout the community. In 2013, post-election, over 1,500 people visited the Project's website. In addition, FWPP has received coverage in local/regional media on numerous occasions. Before the survey begins, the City (Fire Department - Wildland Fire management division) will notify adjacent property owners of the pending work - its purpose, methodology, and timeframe.

Consult - City staff, and our many partners, worked extensively with community members in shaping the scope of the bond question. GFFP hosted and lead a local focus group. Over 50 public comments were received during the Draft Environmental Impact Statement's public comment period. All planned work is in accordance with the Greater Flagstaff Community Wildfire Protection Plan (CWPP) and the Flagstaff Wildland Urban Interface Code (WUI Code), both adopted by City Council in 2005 and 2008, respectfully.

Involve - In 2013, 15 separate public meetings, presentations, and/or field trips were conducted in the area. Between Jan-May 2014, another 15 such events were held. In addition, 13 Native American tribes were approached with project information and encouraged to participate.

Collaborate - Since Mar 2013, fourteen separate workshops have been held with various community members and groups to develop the soon-to-be completed FWPP Monitoring Plan, designed to provide accountability and documentation to the voters that what we said would occur as a result of the forest treatments actually is delivered.

Empower - 74% of those who participated in the Nov 2012 election voted in favor of the project.

Attachments: Agreement
 A: County Proposal & Map
 Collection Agreement

FS Agreement No. 14-PA-11030408-013
Cooperator Agreement No. _____

PARTICIPATING AGREEMENT SUPPLEMENTAL PROJECT AGREEMENT
To
MASTER PARTICIPATING AGREEMENT # 13-PA-11030420-013
BETWEEN
THE CITY OF FLAGSTAFF
AND THE
USDA, FOREST SERVICE
COCONINO NATIONAL FOREST

This Supplemental Project Agreement (SPA) is hereby made and entered into by and between the City of Flagstaff, hereinafter referred to as "City," and the USDA, Forest Service, Coconino National Forest, hereinafter referred to as the "U.S. Forest Service," as specified under the provisions of Master Participating Agreement #13-PA-11030420-013, AND INCLUDING THE AUTHORITY TO COLLECT FUNDS UNDER THE COOPERATIVE FUNDS ACT OF JUNE 30, 1914, (U.S.C. 498 AS AMENDED BY PUB. L. 104-127).

I. GENERAL PROJECT DESCRIPTION

The purpose of this agreement is to document the voluntary contribution of funds from the City to the U.S. Forest Service to implement landline survey work within a portion of the Flagstaff Watershed Protection Project (FWPP) area. Fuels reduction treatments are planned near or adjacent private property within the Dry Lake Hills portion of the FWPP (see Exhibit A – Coconino County Public Works FWPP Survey Proposal and Map). Landline surveys are required to assure National Forest System (NFS) boundaries are delineated and the project is conducted only on NFS lands.

As planned, the work includes control survey(s), boundary line posting along 8 miles, setting or replacing no more than 6 corners, and recording the resulting Record of Survey drawing(s) with the Coconino County Recorder's Office.

In consideration of the above premises, the parties agree as follows:

II. RESPONSIBILITIES:

A. The City shall:

1. Upon presentation of quarterly Bills for Collection and associated expenditure reports, reimburse the U.S. Forest Service funds not to exceed the agreed amount shown in the attached Financial Plan.
2. Perform in accordance with the attached Financial Plan (Exhibit B).

**B. The U.S. Forest Service shall:**

1. **REIMBURSABLE BILLING.** The U.S. Forest Service shall bill the City quarterly for funds sufficient to cover the costs for the specific payment period. All reimbursement billings must be completed within the same fiscal year as U.S. Forest Service expenditures. Indirect costs shall not be assessed.

Billings must be sent to:

Stacey Brechler-Knaggs, Grants Manager
City of Flagstaff
211 Aspen, Flagstaff, AZ 86001
Email: sknaggs@flagstaffaz.gov

2. **SPECIAL BILLING REQUIREMENTS – FINANCIAL DOCUMENTATION.**
Reimbursable billings must be issued at the prescribed frequency based on expenditures recorded in the Forest Service accounting system for work performed. Bills for Collection reflect an aggregate amount for the billing period. Forest Service Transaction Register listing itemized expenses will be provided in accordance with the billing cycle. Provision of the Transaction Register or other supporting documentation accompanying individual bills will be limited to agreements over \$2,500, and only when Cooperative requirements are clearly defined within this provision.

The special billing requirements are: **provide Spending Detail Report and Employee Level Detail Report if applicable with every reimbursable billing.**

3. Use funds from the City to enter into an agreement or contract to complete FWPP landline survey work as described above.
4. Perform in accordance with the attached Financial Plan (Exhibit B).

III. CONTACTS & TIME LIMITS:

- A. **PRINCIPAL CONTACTS.** Individuals listed below are authorized to act in their respective areas for matters related to this agreement.

Principal Cooperator Contacts:

Cooperator Program Contact	Cooperator Administrative Contact
Paul Summerfelt, Wildland Fire Mgmt Officer City of Flagstaff 211 W. Aspen Flagstaff, AZ 86001 Phone: 928.213.2509 Fax: 928.213.2599 Email: psummerfelt@flagstaffaz.gov	Stacey Brechler-Knaggs, Grants Manager City of Flagstaff 211 W. Aspen Flagstaff, AZ 86001 Phone: 928.213.2227 Fax: 928.779.7656 Email: sknaggs@flagstaffaz.gov

**Principal U.S. Forest Service Contacts:**

U.S. Forest Service Program Manager Contact	U.S. Forest Service Administrative Contact
Erin Phelps, Project Manager Address: 5075 N. Highway 89 Flagstaff, AZ 86004 Phone: 928.527.8240 Fax: 928.527.8288 Email: ephelps@fs.fed.us	Emily Williams, Grants Mgmt Specialist 1824 S. Thompson St. Flagstaff, AZ 86001 Phone: 928.527.3477 Fax: 928.527.3620 Email: emilywilliams@fs.fed.us

- B. **TERMINATION FOR COLLECTION AGREEMENTS.** Either party, in writing, may terminate this agreement in whole, or in part, at any time before the date of expiration. The U.S. Forest Service shall not incur any new obligations for the terminated portion of this agreement after the effective date of termination and shall cancel as many obligations as possible. Full credit must be allowed for U.S. Forest Service expenses and all non-cancelable obligations properly incurred up to the effective date of termination.
- C. **AVAILABILITY FOR CONSULTATION.** Both parties will make themselves available at mutually agreeable times, for continuing consultation to discuss the conditions covered by this agreement and agree to actions essential to fulfill its purposes.
- D. **COMMENCEMENT/EXPIRATION DATE.** This agreement is executed as of the date of the last signature and has an expiration date of January 28, 2018, at which time it will expire. The expiration date is the final date for completion of all work activities under this agreement.

**IV. APPROVAL**

- A. AUTHORIZED REPRESENTATIVES. By signature below, each party certifies that the individuals listed in this document as representatives of the individual parties are authorized to act in their respective areas for matters related to this agreement. In witness whereof, the parties hereto have executed this agreement as of the last date written below.

CITY OF FLAGSTAFF

KEVIN BURKE, City Manager
City of Flagstaff

Date

Attest:

Elizabeth A. Burke, City Clerk

Date

Approved as to form:

_____, City Attorney

Date

U.S. FOREST SERVICE, Coconino National Forest

SCOTT RUSSELL, Acting Forest Supervisor
U.S. Forest Service, Coconino National Forest

Date

The authority and format of this agreement have been reviewed and approved for signature.



SUSAN L. BROWN
U.S. Forest Service Grants Management Specialist

5/7/14

Date

**Burden Statement**

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0217. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call toll free (866) 632-9992 (voice). TDD users can contact USDA through local relay or the Federal relay at (800) 877-8339 (TDD) or (866) 377-8642 (relay voice). USDA is an equal opportunity provider and employer.



**FLAGSTAFF WATERSHED PROTECTION PROJECT
SURVEY PROPOSAL
April 7, 2014**

FWPP Project:

Provide boundary surveying and posting for approximately 8 miles of Coconino National Forest boundary. The project is located in Sections 1 and 2, Township 21 North, Range 7 East and in Sections 27, 33 and 34, Township 22 North, Range 7 East. See the attached "Flagstaff Watershed Protection Project" map.

Scope of Services:

Survey, monument and post approximately 8 miles of Coconino National Forest boundary which will include the following:

- Research existing records, which may include, but is not limited to the following: Coconino County Recorder's Office, the Bureau of Land Management, Coconino National Forest, the City of Flagstaff and Coconino County Survey Department records.
- Surveying will include the following:
 - Locate all existing monuments along the Forest Service boundary.
 - Rehab or set monuments as necessary.
 - Set accessories as required.
 - Locate all improvements along the Forest Service boundary.
 - Post the boundary within one foot of the boundary line at ridge tops, roads, and at 220-280 foot intervals.
 - Post and sign corners and attach signs to bearing trees.
- Provide a Record of Survey drawing to Coconino National Forest for approval and record the survey with the Coconino County Recorder's Office.
- The survey shall conform to the current "Arizona Boundary Survey Minimum Standards."

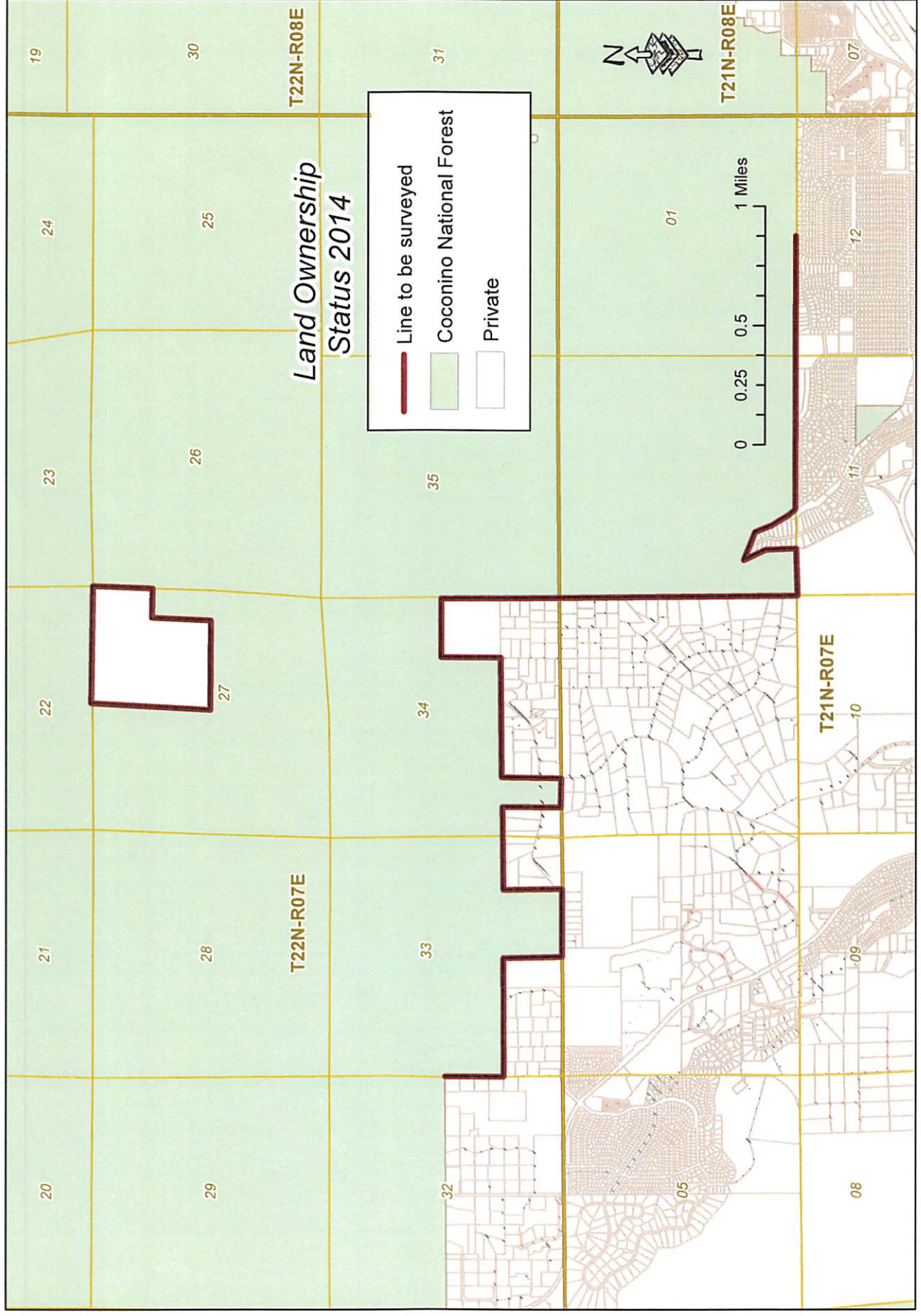
Cost for Services Provided by Coconino County:

Not to Exceed amount of \$65,000

Not included in this proposal are the following:

Posts, signs and new monuments as required. (Coconino National Forest)
Notification letters to all property owners along the Forest boundary. (City of Flagstaff)

Flagstaff Watershed Protection Project



Forest Service Agreement # 14-PA-11030408-013,
Exhibit B

Cooperator Agreement #

Collection Agreement Financial Plan**Cooperator and FS Contributions**

COST ELEMENTS and related data				Cooperator Contribution	FS Non-Cash Contribution	
Line Item Cost Subtotals				Subtotal	Subtotal	Combined Subtotals
PERSONNEL						
Resource Specialists (List all personnel):	# of Days	\$/Day				
			\$0.00			\$0.00
			\$0.00			\$0.00
			\$0.00			\$0.00
			\$0.00			\$0.00
			\$0.00			\$0.00
				\$0.00		\$0.00
				\$0.00		\$0.00
				\$0.00		\$0.00
				\$0.00		\$0.00
Subtotal, Personnel:	0.00		\$0.00	\$0.00		\$0.00
TRAVEL						
Explanation of trips: From Where/To Where/For Whom	Vehicle Mileage Cost or Airfare Cost	# of Trips	PerDiem and Lodging			
				\$0.00		\$0.00
				\$0.00		\$0.00
					\$0.00	\$0.00
Subtotal, Travel:	\$0.00	0	\$0.00	\$0.00	\$0.00	\$0.00
EQUIPMENT						
Name and Type of Equipment:	Unit Cost	Quantity				
			\$0.00			\$0.00
			\$0.00			\$0.00
				\$0.00		\$0.00
Subtotal, Equipment:	\$0.00	0	\$0.00	\$0.00	\$0.00	\$0.00
SUPPLIES						
Name and Type of Supplies:	Unit Cost	Quantity				
			\$0.00			\$0.00
			\$0.00			\$0.00
				\$0.00		\$0.00
Subtotal, Supplies:	\$0.00	0	\$0.00	\$0.00	\$0.00	\$0.00

CONTRACTUAL			
Describe Contracts that will most likely result from this project:			
			\$0.00
			\$0.00
			\$0.00
Subtotal, Contractual:		\$0.00	\$0.00
OTHER			
Describe Other Costs of the Project:			
Landline Survey contract or agreement		\$65,000.00	\$65,000.00
			\$0.00
			\$0.00
Subtotal, Other:		\$65,000.00	\$0.00
TOTAL DIRECT CHARGES		\$65,000.00	\$0.00
OVERHEAD ASSESSMENT (if applicable, see FSH 1909.13)	Insert Rate Here: 0.0%	\$0.00	
Total Party Costs		\$65,000.00	\$0.00
COST ELEMENTS SUBJECT TO NATIONAL PASS-THROUGH RATES		Cooperator Contribution	
TOTAL CHARGES		\$0.00	
OVERHEAD ASSESSMENT (if applicable, see FSH 1909.13)	Insert Rate Here: 0.0%		\$0.00
Total Pass-Through Costs		\$0.00	
TOTAL PROJECT COSTS			\$65,000.00

Burden Statement

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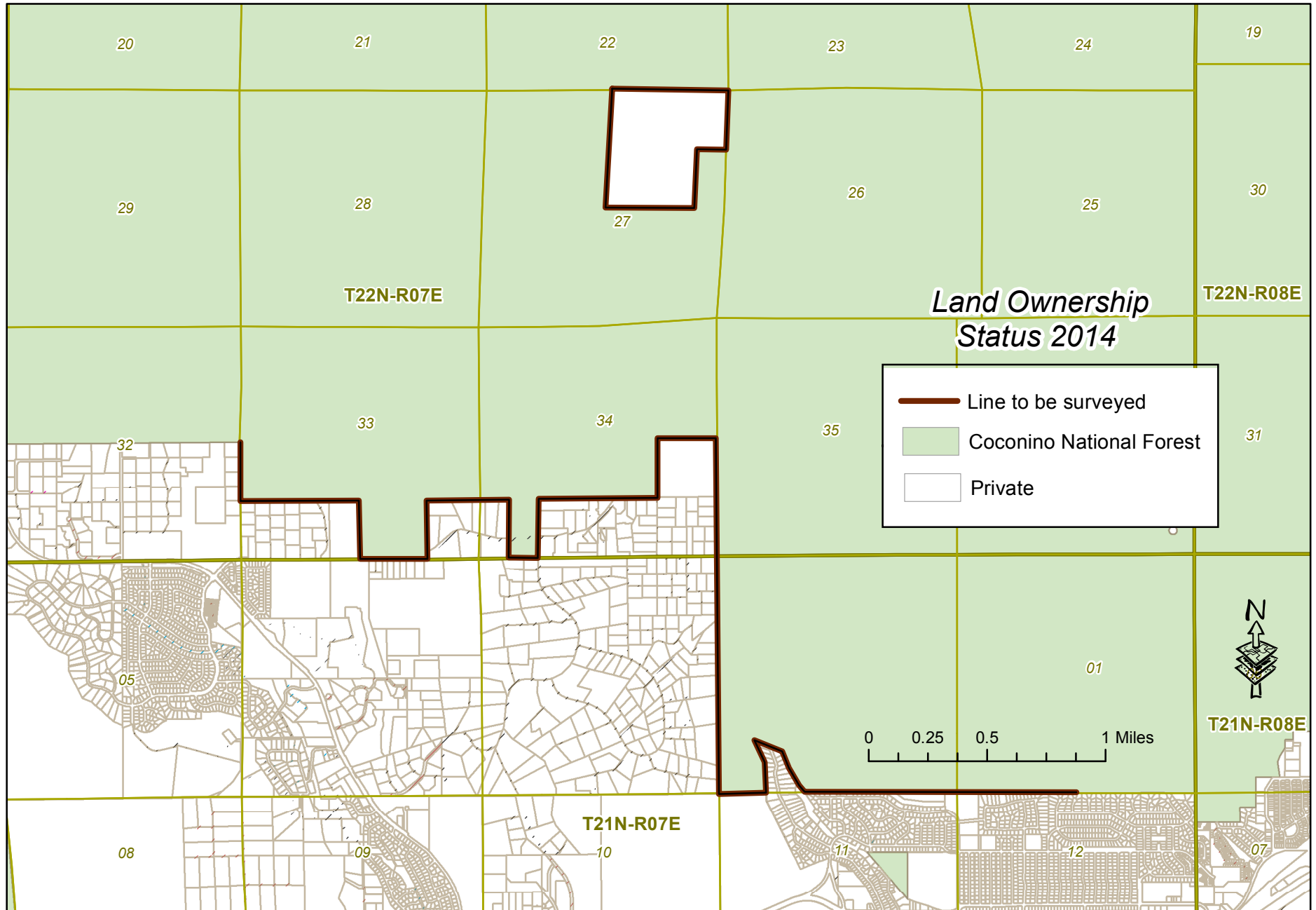
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Flagstaff Watershed Protection Project



Forest Service Agreement #

14-PA-11030408-013,
Exhibit B

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			\$0.00			\$0.00
			\$0.00			\$0.00
			\$0.00			\$0.00
				\$0.00		\$0.00
				\$0.00		\$0.00
				\$0.00		\$0.00
				\$0.00		\$0.00
				\$0.00		\$0.00
Subtotal, Personnel:	0.00		\$0.00	\$0.00		\$0.00
TRAVEL						
Explanation of trips: From Where/To Where/For Whom	Vehicle Mileage Cost or Airfare Cost	# of Trips	PerDiem and Lodging			
				\$0.00		\$0.00
				\$0.00		\$0.00
					\$0.00	\$0.00
Subtotal, Travel:	\$0.00	0	\$0.00	\$0.00	\$0.00	\$0.00
EQUIPMENT						
Name and Type of Equipment:	Unit Cost	Quantity				
			\$0.00			\$0.00
			\$0.00			\$0.00
				\$0.00		\$0.00
Subtotal, Equipment:	\$0.00	0	\$0.00	\$0.00	\$0.00	\$0.00
SUPPLIES						
Name and Type of Supplies:	Unit Cost	Quantity				
			\$0.00			\$0.00
			\$0.00			\$0.00
				\$0.00		\$0.00
Subtotal, Supplies:	\$0.00	0	\$0.00	\$0.00	\$0.00	\$0.00

CONTRACTUAL			
Describe Contracts that will most likely result from this project:			
			\$0.00
			\$0.00
			\$0.00
Subtotal, Contractual:		\$0.00	\$0.00
OTHER			
Describe Other Costs of the Project:			
Landline Survey contract or agreement		\$65,000.00	\$65,000.00
			\$0.00
			\$0.00
Subtotal, Other:		\$65,000.00	\$0.00
TOTAL DIRECT CHARGES		\$65,000.00	\$0.00
OVERHEAD ASSESSMENT (if applicable, see FSH 1909.13)	Insert Rate Here: 0.0%	\$0.00	
Total Party Costs		\$65,000.00	\$0.00
COST ELEMENTS SUBJECT TO NATIONAL PASS-THROUGH RATES		Cooperator Contribution	
TOTAL CHARGES		\$0.00	
OVERHEAD ASSESSMENT (if applicable, see FSH 1909.13)	Insert Rate Here: 0.0%		\$0.00
Total Pass-Through Costs		\$0.00	
TOTAL PROJECT COSTS			\$65,000.00

Burden Statement

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0217. The time required to complete this information collection is estimated to average 45 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

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CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Paul Summerfelt, Wildland Fire Manager
Date: 05/28/2014
Meeting Date: 06/03/2014



TITLE:

Consideration and Approval of Agreement: Flagstaff Watershed Protection Project (FWPP) Intergovernmental Agreement No. 14-1: Equestrian Parcel Forest Treatment Agreement with AZ State Forestry Division (***Approve Intergovernmental Agreement with AZ State Forestry Division for forest treatment work associated with the FWPP.***)

RECOMMENDED ACTION:

Approve FWPP Intergovernmental Agreement 14-1 Equestrian Parcel Forest Treatment Agreement with AZ State Forestry Division

Policy Decision or Reason for Action:

In Nov 2012, 74% of Flagstaff voters approved Forest Bond #405, now known as the **Flagstaff Watershed Protection Project** (FWPP): The Equestrian State Land parcel was identified as one of the target treatment areas. This will be the first FWPP Agreement to conduct forest treatments on State Lands. In accordance with the FWPP goals, the work, once completed, will improve overall forest health and reduce the probability of a destructive wildfire in the area, helping ensure the protection of the University Heights/Highlands and Equestrian Estates neighborhoods, along with W.L. Gore Facility on Woody Mountain Road.

Financial Impact:

The two and one-half (2.5) year Agreement establishes a process whereby the State will be reimbursed by the City for forest treatments completed in accordance with FWPP goals and by prior mutual agreement between the State and the City. Reimbursement will be for a maximum of 420 acres, paid on an actual-cost per-acre basis. Based upon an average expected cost of \$650/acre, the total expected treatment cost (City and State funds) is \$273,000.

City reimbursement will vary depending upon the FY when the work is done. In no case will City costs exceed \$204,750 (75% of the expected cost), as follow:

A) Specific to FY15: The State appropriated one-time funds to the AZ State Forestry Division for forest treatments on selected State Land parcels. Therefore, the City and State will split treatment costs for completed acres on a 50-50 cost-share basis, not to exceed \$136,500 by either party. (If all work completed in FY15, each party would contribute no more than 50% of the project's total expected cost - \$273,000.)

B) Specific to FY16-17: Based upon contractor availability and scheduling, however, we expect that some work will occur after June 30, 2015. Reimbursement by the City for any work completed in this time-frame will not exceed \$68,250.

In addition, the Agreement identifies a reimbursement cycle (no more than once per month), a minimum completed acreage per invoice (15 acres), and a formal quarterly and final completion reporting process (a description of work completed and a map depicting where it occurred).

Connection to Council Goal:

- 4. Complete Rio de Flag - FWPP City/Dry Lake Hills related activities
- 10. Develop an ongoing budget process - FWPP expenditures and transparency
- 11. Effective governance.- overall completion of FWPP

Has There Been Previous Council Decision on This:

Not on this specific activity. Council was involved in the Bond effort, and has been kept updated on the resulting FWPP process.

Options and Alternatives:

Three options exist: 1) **Approve** Agreement, permitting the forest treatment work planned for this parcel to proceed; 2) **Revise** the Agreement as a pre-condition to planned forest treatments occurring; or 3) **Reject** the Agreement, along with the need to conduct forest treatments on this parcel.

Background/History:

The **FWPP** is an innovative and unique method of treating forested lands at high risk to damage from serious wildfire events. As far as is known, this is the first bond-funded program to address this issue in the country. As such, it has garnered a high level of interest at both the State and National level. Since the bond's passage in Nov 2012, some field operations have occurred, but much of the effort has been behind-the-scenes in the realms of planning, public outreach, development of agreements, and other support activities designed to permit efficient and effective forest treatments throughout the project area.

Key Considerations:

In 2013, City staff and key partners completed 26 major actions: In 2014, another 21 milestones have been identified: some have been completed, many are underway, and still others are planned for later this year. One of these planned is the initiation of forest treatment work on the Equestrian State Land parcel.

Expanded Financial Considerations:

AZ State Forestry, working with the AZ State Land Department, will coordinate and oversee/manage all selective thinning, product removal, and piling of debris for later chipping and/or burning. The City and AZ State Forestry Division will work together to conduct any needed pile burn operations within 18 months following completion of cutting on any given acre.

Community Benefits and Considerations:

Multiple community partners have been engaged in the **FWPP** effort, including the **Greater Flagstaff Forests Partnership** (GFFP), **Friends of the Rio**, and **NAU's Ecological Restoration Institute** (ERI). The campaign to pass the bond also included the citizen-led **"Yes on 405"** group, the **Grand Canyon Trust**, and **The Nature Conservancy**. Successfully completing the planned forest treatments will enhance protection of adjacent neighborhoods from destructive wildfire, and promote the vigor, resiliency, and sustainability of the forest itself.

Community Involvement:

Inform - In the months leading up to the vote (July-Nov 12), 50 public outreach events were held throughout the community. In 2013, post-election, over 1,500 people visited the Project's website. In addition, **FWPP** has received coverage in local/regional media on numerous occasions.

Consult - City staff, and our many partners, worked extensively with community members in shaping the scope of the bond question. GFFP hosted and lead a local focus group. Over 50 public comments were received during the Draft Environmental Impact Statement's public comment period. All planned work is in accordance with the ***Greater Flagstaff Community Wildfire Protection Plan*** (CWPP) and the ***Flagstaff Wildland Urban Interface Code*** (WUI Code), both adopted by City Council in 2005 and 2008, respectfully.

Involve - In 2013, 15 separate public meetings, presentations, and/or field trips were conducted in the area. Between Jan-May 2014, another 15 such events were held. In addition, 13 Native American tribes were approached with project information and encouraged to participate.

Collaborate - Since Mar 2013, fourteen separate workshops have been held with various community members and groups to develop the soon-to-be completed **FWPP** Monitoring Plan, designed to provide accountability and documentation to the voters that what we said would occur as a result of the forest treatments actually is delivered.

Empower - 74% of those who participated in the Nov 2012 election voted in favor of the project.

Attachments: [Equestrian Agreement](#)
 [A: Scope of Work](#)
 [B: Qtr Report Template](#)
 [Map](#)

City of Flagstaff Intergovernmental Agreement No. FWPP 14-1
Flagstaff Watershed Protection Program

This Intergovernmental Agreement (“Agreement”) is entered into by and between the City of Flagstaff (“City”), an Arizona municipal corporation with offices at 211 W. Aspen Avenue, 86001, and the Arizona State Forestry Division (“ASFD”).

RECITALS:

WHEREAS the State Forester (A.R.S. § 37-623(A)) and the City of Flagstaff have mutual interest in protecting watersheds and improvements from catastrophic wildfires; and

WHEREAS by cooperatively working together it will provide a collaboratively developed project to meet the objectives of the City and ASFD; and

WHEREAS the City through its bonding authority and ASFD through legislative authority HB 2703, 2014-2015; general appropriations (Fifty-first legislature, Second Regular Session) has provided funding to address the need to treat forest fuels to protect watersheds, forest resources and infrastructure from a wildfire threat; and

WHEREAS the residents of Flagstaff have seen the need to protect their municipal watersheds through approval of a bond authorizing funding to treat the forests within the municipal watersheds; and

WHEREAS the State Forester is authorized to enter into Intergovernmental Agreements under A.R.S. § 37-623 (F) and 37-623.02; and

WHEREAS the City is authorized to enter into Intergovernmental Agreements under A.R.S. §§ 11-951 and 11-952; and

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

I. PURPOSE OF AGREEMENT

Under this Agreement ASFD will receive funds provided by the City through the Flagstaff Watershed Protection Program (“FWPP”). Funds will be used to conduct appropriate forest management on State Trust Lands, to reduce wildfire hazard and protect the parcel and adjacent areas from fire and post-fire damage.

II. SCOPE OF WORK

Funds will be used to reimburse ASFD for fulfilling a defined Scope of Work (Attachment A), which has been collaboratively developed with the City.

III. PROGRAMATIC CHANGES

ASFD shall obtain prior written approval from the City for any changes to the attached Scope of Work (Attachment A).

IV. TERM OF AGREEMENT

This Agreement shall be effective immediately upon signature by the two parties on July 1st, 2014, whichever is later, and will terminate upon completion of all treatments specified in the attached Scope of Work (Attachment A) or on Dec 30, 2016, whichever comes first, unless otherwise terminated or modified pursuant to the terms herein.

V. COMPENSATION AND MATCHING INVESTMENT

Recognizing that the Arizona State Legislature and Governor have approved one-time forest treatment funds for State Lands in State FY15, the intent of this Agreement is for City-provided FWPP funds to be utilized for up to **50%** of the total cost of all treatments specified in the attached Scope of Work (Attachment A), and that a contribution of the ASFD for the additional Cost-Share Match of **50%** of the total cost of all treatments specified in the attached Scope of Work (Attachment A), is required (including contributions of third parties). Support documentation outlining project costs including cost share match is required. Total compensation (City portion) during State FY15 **shall not exceed \$136,500.00.**

The cost-share split for any remaining work to be accomplished during the first two quarters of State FY16 (July 16-Dec 16) will be negotiated by both parties, based upon State and/or other grant fund availability. Total compensation (City portion) during this period **shall not exceed 25% of the full project cost (\$273,000 x 25% = \$68,250).**

Regardless, compensation under this Agreement shall be on a reimbursement basis, shall not exceed the total eligible costs of the project, and only costs for those project activities approved in (1) the initial award, or (2) approved modifications thereto, are allowable.

VI. ELIGIBLE COSTS

Eligible costs must be incurred during the Term of the Agreement, conform with the general provisions of this Agreement and all other provisions identified herein, and be submitted to the City along with detailed supporting documentation. This is a reimbursable program. Support documentation must show dates and amounts of all expenses.

VII. ADMINISTRATIVE AND ACCOUNTING REQUIREMENTS

It shall be the sole responsibility of ASFD to establish and document accounting and administrative control procedures for its operation. Such procedures shall be followed to ensure expenditures and accomplishments are being tracked and invoiced in accordance with all applicable laws and with the terms of the grant agreement/award.

In the event that an audit determines that unallowable costs have been charged to the grant and funds have been disbursed to the ASFD, then ASFD accepts full liability and must pay back all costs incurred and deemed unallowable.

VIII. REPORTING REQUIREMENTS

ASFD shall monitor the performance of the grant activities to ensure that performance goals are being achieved. ASFD shall provide detailed grant/project accomplishments in quarterly reports to the City no later than 30 days after the end of each calendar quarter. Reports will contain information on the following:

- A comparison of actual accomplishments to the goals established for the period and for the entire program or project.
- Output of the project that can be readily expressed in numbers, such as acres of forest treatment or other similar activities. A computation of cost per unit of output may be required where applicable.
- Reason(s) for delay if established goals were not met.
- Additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

Financial/Reimbursement requests will be submitted no more than once a month, but no less than once per quarter.

All accomplishment and financial reports shall be submitted to the City contact as identified below in Section X (NOTICES).

ASFD shall immediately notify the City of developments that have a significant impact on the activities supported under this Agreement. Also, notification shall be given in case of problems, delays or adverse conditions that materially impair the ability to meet the objectives of the Agreement. This notification shall include a statement of the action taken or contemplated, and any assistance needed to resolve the situation.

IX. PRINCIPAL CONTACTS.

NOTE: Principal contact should be one contact person responsible for overseeing all elements of the grant project including but not limited to accounting, administrative and field portions of the project.

Each party certifies that the individuals listed below are authorized to act in their respective areas for matters related to this instrument.

Principal Arizona State Forestry Division Contact:

Kevin Boness
District Forester
3650 Lake Mary Road
Flagstaff, Arizona 86005
(928) 774-1425
kevinboness@azsf.gov

Principal City of Flagstaff Contact:

Paul Summerfelt
Wildland Fire Management Officer
Project Manager – Flagstaff Watershed Protection Project
211 W. Aspen
Flagstaff AZ 86001
(928) 213-2509
psummerfelt@flagstaffaz.gov

X. NOTICES

Any and all reports, notices, requests or demands given or made upon the parties hereto, pursuant to or in connection with this Agreement, unless otherwise noted, shall be delivered in person or sent by United States Mail, postage prepaid, to the parties at their respective addresses as set forth immediately below:

<u>City of Flagstaff</u> Stacey Brechler-Knaggs Grants Manager City of Flagstaff 211 W. Aspen Flagstaff AZ 86001	<u>Arizona State Forestry</u> Tina Waddell Financial Administrator Arizona State Forestry Division 1110 West Washington, Suite 100 Phoenix, AZ 85007
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XI. AWARD CLOSEOUT

ASFD shall close out the grant within 30 days after expiration or notice of termination. If this award is closed out without audit, the City reserves the right to disallow and recover an appropriate amount after fully considering any recommended disallowances resulting from an audit which may be conducted later.

XII. AUTHORITY

ASFD shall have the legal authority to enter into this agreement and the institutional, managerial, and financial capability to ensure proper planning, management, accounting and completion of the project.

XIII. ATTACHMENTS

- A. Scope of Work
- B. Quarterly Report and Invoice Format

XIV. INDEMNIFICATION

To the fullest extent permitted by law, each party to this Agreement shall indemnify, defend and hold harmless the other party, their members, directors, officers, employees, agents, attorneys and assigns from and against any and all claims, losses, liability, costs or expenses resulting from the negligent, reckless, or intentional wrongful conduct of the indemnifying party or parties. This indemnification shall survive termination of this Agreement or the termination of the participation of any of its parties. The amount and type of insurance coverage requirements set forth in this Agreement shall in no way be construed as limiting the scope of the indemnity in this paragraph.

XV. CANCELLATION FOR CONFLICT OF INTEREST

This Agreement is subject to cancellation for conflict of interest pursuant to A.R.S. § 38-511.

XVI. NO THIRD PARTY BENEFICIARIES

The parties acknowledge and agree that the terms, provisions, conditions, and obligations of this Agreement are for the sole benefit of, and may be enforceable solely by, the parties, and none of the terms, provisions, conditions, and obligations of this Agreement are for the benefit of, or may be enforced by, any person or entity not a party to this Agreement.

XVII. AVAILABILITY OF FUNDS

Every payment obligation of the State under this Agreement is conditioned upon the availability of funds continuing to be appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of the Agreement, this Agreement may be terminated by the State at the end of the period for which funds are available. No liability shall accrue to the State in the event this provision is exercised, and the State shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

XVIII. DISPUTE RESOLUTION

The Parties to this Agreement agree to resolve all disputes arising out of or relating to this Agreement through arbitration, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes.

XIX. IN WITNESS WHEREOF, the parties agree to execute this agreement as of the last date written below.

STATE OF ARIZONA

Arizona State Forestry Division
1110 West Washington, Suite 100
Phoenix, Arizona 85007

CITY OF FLAGSTAFF

City of Flagstaff
211 W. Aspen
Flagstaff AZ 86001

Signature

Scott Hunt, Arizona State Forester

Date: _____

Signature

Gerald W. Nabours, Mayor

Date: _____

Approved as to Form:

Attest:

Attorney General_____

City Clerk_____

Approved as to Form:

City Attorney

ATTACHMENT A – Scope of Work
AZ State Forestry Division – Equestrian State Trust parcel

Forest History: The entire parcel has been “thinned from below” during multiple entries (both hand felling and mechanical) during the last two decades. Objectives of these previous activities included:

1. Reduce stand density and ladder fuels to increase crown base height, thereby reducing potential damage or loss during a wildfire.
2. Increase tree health, growth, and vigor to encourage natural progression toward a sustainable forest ecosystem.
3. Retain downed woody material where appropriate, and all large snags.
4. Maintain and enhance oaks.
5. Reintroduce and maintain a low intensity prescribed fire regime.
6. Maintain or enhance value or stocking on the parcel for future timber sale and/or real estate value.

Desired Future Condition: The forest will be characterized by dense clumps (10-20% of area, with 90-110 BA), small openings (20%-30% of area), and thinned stands (50-80% of area, 60-80 BA).

Objectives:

1. Reduce overall canopy cover by approximately 50%, with focus on creating openings and creating/retaining tree groups/clumps.
2. Tree clumps will have interlocking crowns. Some light thinning within a clump is permitted to achieve overall objectives. Spacing between groups will vary between 50± to 200 ± feet.
3. Maintain a 125 ft. no-cut buffer around the landfill to limit the spread of known knapweed populations and other potentially noxious or invasive plant species.
4. Increase the size of natural openings to between of 0.25-1.5 acres, with a focus on various shapes/configurations.
5. Retain standing dead trees greater than 18 inches DBH and large-downed logs, provided they are not a public safety hazard.
6. Permit establishment of natural regeneration in openings to facilitate long-term structural heterogeneity.

Guidelines:

- 1) Irregular tree spacing and vertical diversity within-and-between the individual clumps is desired.
- 2) Yellow pines and those greater than 24 inches DBH, and all Gambel Oak, will be retained.
- 3) Historical evidence patterns will not receive special consideration for locating groups, clumps, or individual trees as some evidences have been lost due to past disturbance.

Current stand structure is fairly homogeneous: the goal is to mimic, not replicate exactly, the historical disbursement pattern in the area.

4) Tree factors to consider for those to be retained:

- Dominant and co-dominant blackjack pines with good tree form and vigor,
- Any size class (≥ 1 " DBH), so as to increase vertical diversity,
- Those not in the most common size classes (≤ 5 "DBH and ≥ 18 " DBH), and
- Those of special "character".

Project Tasks/Components: The project will involve four related, but separate components:

1. Set-Up – Boundary identification, tree marking, unit designation, map development, and vendor solicitation and selection and/or crew orientation.
2. Cutting – Mechanical and/or hand thinning operations, to include skidding and yarding of material and/or slash pile (machine or hand) construction
3. Debris Disposal – Wood and slash pile grinding and removal and/or burning.
4. Close-Out – Any road decommissioning, removal of signs, reporting, etc.

Prior to commencement of Task 1, the City will notify adjacent property owners of the project, to include scope of work, activities that will occur, sequence of operations, and expected duration. In addition, the City will establish photo points to document before and after conditions.

BUDGET:

Summary - Total project is for \$273,000 (420 acres @ \$650/acre) as follows.

FY15 – City payment not to exceed 50% of actual treatment costs, and not to exceed \$136,500 total: City payment must be matched equally by State Forestry;

FY16 (July 15-June 16) & FY 17 (July 16-Dec16) – To complete any remaining work planned but not yet completed, a State contribution or match, if any, will be negotiated prior to start of that FY.

TOTAL: Regardless, the City's contribution toward all treatment work during the period of this Agreement will not exceed \$204,750 (75% of expected costs for all 420 acres).

Budget Items – Cash or in-kind is permitted as follows:

- Labor:
 - 1) Crew and/or State Forestry personnel: Actual \$ rate. Applicable for Cutting and Debris Disposal activities only. Food or drink not permitted.
 - 2) Volunteers: Not permitted.
- Equipment: No capital items will be purchased, or rentals authorized.
- Supplies: Chain saw parts, fuel, oil, needed safety equipment, tree marking paint, flagging, small hand tools, drip torch parts and/or fuses, etc, all related directly to project accomplishment.
- Contractual: ASFD may elect to utilize contractors. If so, solicitation, selection, and oversight will be entirely managed by ASFD.

ATTACHMENT B
Quarterly Performance Report

Year: _____

Quarter ending: (check one) ☐ March 31 ☐ June 30 ☐ Sept 30 ☐ Dec 31

Project Name: Equestrian State Trust Parcel Project: FWPP 14-1

Grantee Name & Address: AZ Division of Forestry

1110 W. Washington, Suite 100

Phoenix AZ 85007

Name of Person Filing This Report: _____

Narrative Report: *This Qtr -*

Project Objectives Accomplishment: *Progress made toward project objectives per Detailed Project plan -*

Measurement Criteria: *% of success in meeting the measurement criteria per Detailed Project Plan -*

Planned Next Qtr:

ATTACHMENT E
Quarterly Performance Report

List all claimed project work and expenditures for the quarter. If you are requesting a partial payment for the quarter also include an invoice signed by an authorized agent of the grantee along with all detailed supporting documentation.

Contributed Staff Hours: (list by name)

_____	hrs @	_____	=	\$0.00
_____	hrs @	_____	=	\$0.00
_____	hrs @	_____	=	\$0.00
_____	hrs @	_____	=	\$0.00
_____	hrs @	_____	=	\$0.00
_____	hrs @	_____	=	\$0.00
_____	hrs @	_____	=	\$0.00

Volunteer Hours: (list by name)

_____ 0	hrs @	\$0.00	=	\$0.00
_____ 0	hrs @	\$0.00	=	\$0.00

Donated Time: (list by name)

_____ 0	hrs @	_____ 0	=	\$0.00
_____ 0	hrs @	_____ 0	=	\$0.00

Equipment Purchased: (Descriptions with Model and serial Nos)**Equipment Use:** (Describe or explain)

_____ 0	hrs @	_____ 0	=	\$0.00
_____ 0	hrs @	_____ 0	=	\$0.00

Donated Equipment Time: (describe)

_____ 0	hrs @	_____ 0	=	\$0.00
_____ 0	hrs @	_____ 0	=	\$0.00

Supplies Purchased: (list)

= _____

Supplies Donated: (list)

= \$0.00

Other: (describe)**Other:** (describe) Indirect

= \$0.00

Other: (describe)

= \$0.00

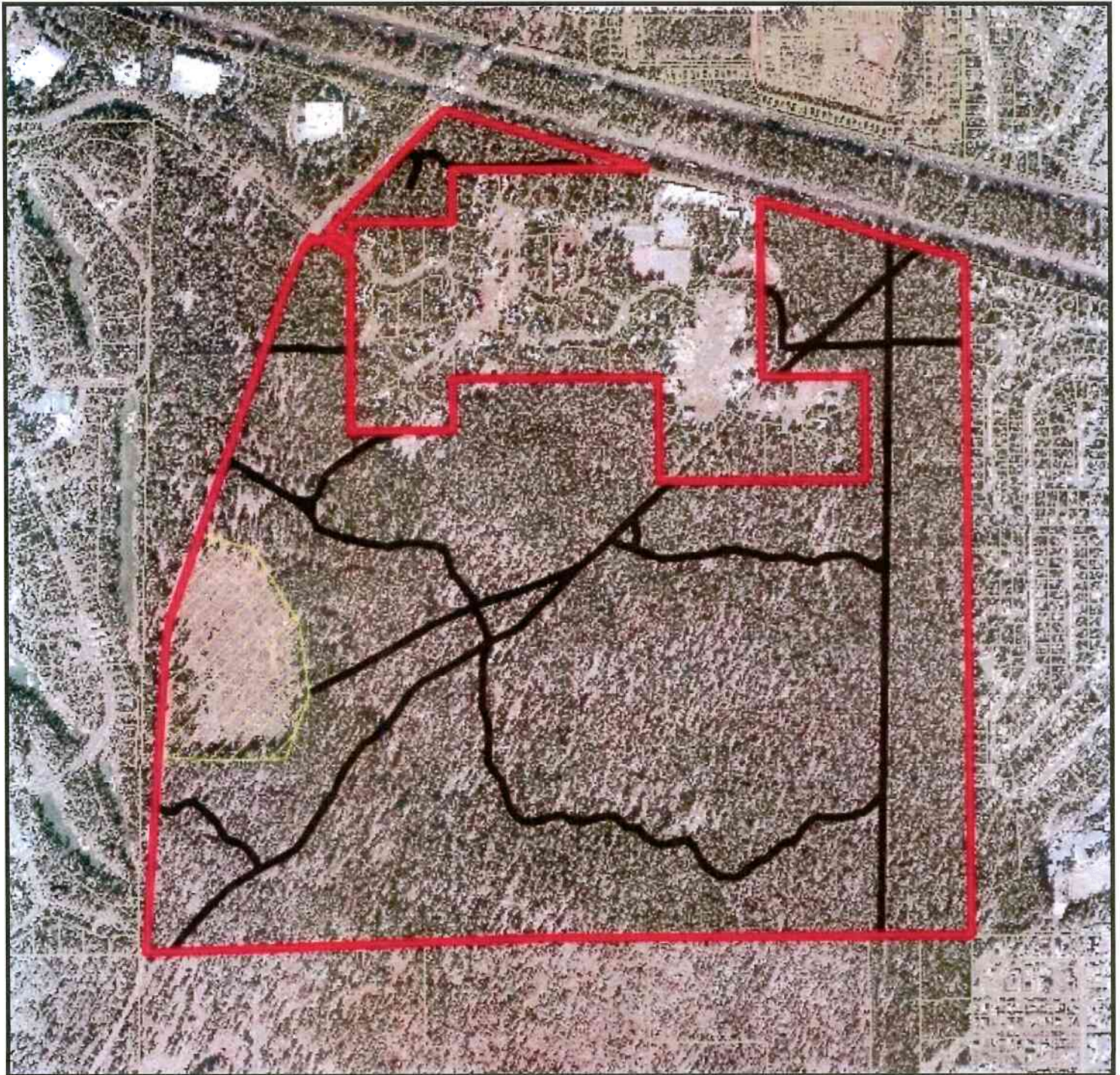
Total claimed labor; equipment and supplies this quarter



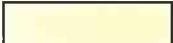
= \$0.00

Total claimed project costs to date:

FWPP Equestrian Project Area

425 Acres



-  Roads
-  Boundary
-  Landfill Exclusion



CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Paul Summerfelt, Wildland Fire Manager
Date: 05/28/2014
Meeting Date: 06/03/2014



TITLE:

Consideration and Approval of Agreement: Agreement for Professional Services for the Flagstaff Watershed Protection Project (FWPP): City of Flagstaff and Greater Flagstaff Forests Partnership (*Approve Agreement for Professional Services with GFFP for services associated with the FWPP*).

RECOMMENDED ACTION:

Approve Agreement for Professional Services for the FWPP with Greater Flagstaff Forests Partnership (GFFP).

Policy Decision or Reason for Action:

In Nov 2012, 74% of Flagstaff voters approved Forest Bond #405, now known as the Flagstaff Watershed Protection Project (FWPP). In FY12 (last two qtrs.) and FY13, GFFP provided support to FWPP on a number of activities based upon a City Council approved Annual Work Plan. This Agreement creates a three-year operating framework for GFFP to support City-approved FWPP activities, based upon Annual Work Plans for each of the three years. Each Work Plan will focus on the following areas: Public Engagement, Implementation, Tribal Partnership, Financial Leverage, Monitoring, Volunteer management, and General. In accordance with FWPP goals, these activities will facilitate forest treatments, which, once completed, will improve overall forest health and reduce the probability of a destructive wildfire and post-fire effects in our community.

Financial Impact:

The Agreement is for a not-to-exceed amount of \$90,000, with no more than \$30,000 to be spent in any given FY. Payment to FWPP will be on a reimbursable basis.

Connection to Council Goal:

- 4. Complete Rio de Flag - FWPP City/Dry lake Hills related activities
- 10. Develop an ongoing budget process - FWPP expenditures and transparency
- 11. Effective governance - overall completion of FWPP

Has There Been Previous Council Decision on This:

Not on this specific activity. Council was involved in the Bond effort, and has been kept updated on the resulting FWPP process.

Options and Alternatives:

Three options exist: 1) Approve Agreement, permitting the support activities to continue, 2) Revise the Agreement regarding the cost and/or activities themselves, or 3) Reject the Agreement, along with the need to utilize GFFP services to conduct these activities.

Background/History:

The FWPP is an innovative and unique method of treating forested lands at high risk to damage from serious wildfire events. As far as is known, this is the first bond-funded program to address this issue in the country. As such, it has garnered a high level of interest at both the State and National level. Since the bond's passage in Nov 2012, some field operations have occurred, but much of the effort has been behind-the-scenes in the realms of planning, public outreach, development of agreements, and other support activities designed to permit efficient and effective forest treatments throughout the project area.

Key Considerations:

In 2013, City staff and key partners completed 26 major actions: In 2014, another 21 milestones have been identified: some have been completed, many are underway, and still others are planned for later this year. Many of these are a direct result of GFFP's engagement in the effort.

Expanded Financial Considerations:

GFFP will plan, coordinate, implement, and report on activities specified in the approved Annual Work Plan. GFFP will bill the city on a periodic bases, providing an Accomplishment Report and all pertinent back-up documentation required to support the reimbursement request. Funds identified in the various Tasks of the Annual Work Plan can be moved to support other activities within the Work Plan, but in no case can the total reimbursement for any given FY exceed the TOTAL for that given year as identified in the Work Plan.

Community Benefits and Considerations:

Multiple community partners have been engaged in the FWPP effort, including the Greater Flagstaff Forests Partnership (GFFP), Friends of the Rio, and NAU's Ecological Restoration Institute (ERI). The campaign to pass the bond also included the citizen-led "Yes on 405" group, the Grand Canyon Trust, and The Nature Conservancy. Successfully completing the planned forest treatments will enhance protection of adjacent neighborhoods from destructive wildfire, and promote the vigor, resiliency, and sustainability of the forest itself.

Community Involvement:

Inform - In the months leading up to the vote (July-Nov 12), 50 public outreach events were held throughout the community. In 2013, post-election, over 1,500 people visited the Project's website. In addition, FWPP has received coverage in local/regional media on numerous occasions. Before the survey begins, the City (Fire Department - Wildland Fire management division) will notify adjacent property owners of the pending work - it's purpose, methodology, and timeframe.

Consult - City staff, and our many partners, worked extensively with community members in shaping the scope of the bond question. GFFP hosted and lead a local focus group. Over 50 public comments were received during the Draft Environmental Impact Statement's public comment period. All planned work is in accordance with the Greater Flagstaff Community Wildfire Protection Plan (CWPP) and the Flagstaff Wildland Urban Interface Code (WUI Code), both adopted by City Council in 2005 and 2008, respectfully.

Involve - In 2013, 15 separate public meetings, presentations, and/or field trips were conducted in the area. Between Jan-May 2014, another 15 such events were held. In addition, 13 Native American tribes were approached with project information and encouraged to participate.

Collaborate - Since Mar 2013, fourteen separate workshops have been held with various community members and groups to develop the soon-to-be completed FWPP Monitoring Plan, designed to provide accountability and documentation to the voters that what we said would occur as a result of the forest

treatments actually is delivered.

Empower - 74% of those who participated in the Nov 2012 election voted in favor of the project.

Attachments: Agreement
 FY15 Work Plan

**AGREEMENT FOR
PROFESSIONAL SERVICES FOR THE
FLAGSTAFF WATERSHED PROTECTION PROJECT (FWPP)**

**CITY OF FLAGSTAFF
and
GREATER FLAGSTAFF FORESTS PARTNERSHIP**

This Agreement for Professional Services for the Flagstaff Watershed Protection Project ("Agreement") is made by and between the City of Flagstaff ("City"), a municipal corporation with offices at 211 W. Aspen Avenue, Flagstaff, Coconino County, Arizona, and Greater Flagstaff Forests Partnership (GFFP), a Partnership with an office at 1300 S. Milton, Ste. #209, Flagstaff, Arizona 86001 ("Provider"), effective as of the date written below.

RECITALS

- A. The City desires to enter into this Agreement in order to obtain professional services; and
- B. Provider has available and offers to provide the personnel necessary to provide said professional services in accordance with the Scope of Work set for in Exhibit "A", attached to this Agreement;

For the reasons recited above, and in consideration of the mutual covenants contained in this Agreement, the City and Provider agree as follows:

1. SERVICES TO BE PERFORMED BY PROVIDER

Provider agrees to provide the services based on a Fiscal Year Approved Work Plan.

2. COMPENSATION OF PROVIDER

The City agrees to make an annual payment, not to exceed **\$30,000** per year based on the Fiscal Year Approved Work Plan for a total amount not to exceed **\$90,000** for the three year term of the agreement.

3. RIGHTS AND OBLIGATIONS OF PROVIDER

- 3.1 Independent Contractor. The parties agree that Provider performs specialized services and that Provider enters into this Agreement with the City as an independent contractor. Nothing in this Agreement shall be construed to constitute Provider or any of Provider's agents or employees as an agent, employee or representative of the City. As an independent

contractor, Provider is solely responsible for all labor and expenses in connection with this Agreement and for any and all damages arising out of Provider's performance under this Agreement. Provider is not obligated to accept all requests for services, depending on circumstances with other work being performed for other clients.

3.2 Provider's Control of Work. All services to be provided by Provider shall be performed as determined by the City in accordance with the Scope of Services set forth in Exhibit "A." Provider shall furnish the qualified personnel, materials, equipment and other items necessary to carry out the terms of this Agreement. Provider shall be responsible for and in full control of the work of all such personnel.

3.3 Reports to the City. Although Provider is responsible for control and supervision of work performed under this Agreement, the services provided shall be acceptable to the City and shall be subject to a general right of inspection and supervision to ensure satisfactory completion. This right of inspection and supervision shall include, but not be limited to, all reports if requested by the City to be provided by Provider to the City and the right of the City, and the right of the City to audit Provider's records.

3.4 Compliance with All Laws. Provider shall comply with all applicable laws, ordinances, rules, regulations and executive orders of the federal, state and local government, which may affect the performance of this Agreement. Any provision required by law, ordinances, rules, regulations, or executive orders to be inserted in this Agreement shall be deemed inserted, whether or not such provisions appear in this Agreement.

4. NOTICE PROVISIONS

Notice. Any notice concerning this Agreement shall be in writing and sent by certified or registered mail as follows:

City Program
Representative:

Paul Summerfelt
Wildland Fire Management
Officer
City of Flagstaff
211 W. Aspen
Flagstaff, AZ 86001
psummerfelt@flagstaffaz.gov

City Administrative
Contact:

Stacey Brechler-Knaggs
Grants Manager
City of Flagstaff
211 West Aspen
Flagstaff, AZ 86001
sknaggs@flagstaffaz.gov

Provider:

Steve Gatewood
Greater Flagstaff
Forests Partnership
1300 S. Milton, #209
Flagstaff, AZ 86001
admin@gffp.org

5. INDEMNIFICATION

To the fullest extent permitted by law, Provider shall indemnify, defend, save and hold harmless the City of Flagstaff and its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Provider or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such Provider to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Provider from and against any and all claims. It is agreed that Provider shall be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. Provider shall waive all rights of subrogation against the City, its officers, officials, agents and employees for losses arising from the work performed by Provider for the City.

6. INSURANCE

Provider and subcontractors, if any, shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Agreement are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by Provider, its agents, representatives, employees or subcontractors.

The insurance requirements herein are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement. The City in no way warrants that the minimum limits contained herein are sufficient to protect Provider from liabilities that may arise out of the performance of the work under this Agreement by Provider, its agents, representatives, employees or subcontractors and Provider is free to purchase additional insurance as may be determined necessary.

A. Minimum Scope and Limits of Insurance. Provider shall provide coverage at least as broad and with limits of liability not less than those stated below.

1. Automobile Liability - Any Auto or Owned, Hired and Non-Owned Vehicles
(Form CA 0001, ed. 12/93 or any replacement thereof.)
Combined Single Limit Per Accident \$1,000,000

for Bodily Injury and Property Damage

2. Professional Liability \$500,000

B. SELF-INSURED RETENTIONS/DEDUCTIBLES: Any self-insured retentions and deductibles must be noted to the City. However, the Proposer shall be solely responsible for any self-insured and/or deductibles associated with the Proposer's insurance coverage.

C. OTHER INSURANCE REQUIREMENTS: The policies are to contain, or be endorsed to contain, the following provisions:

1. Commercial General Liability and Automobile Liability Coverages:

- a. The City of Flagstaff, its officers, officials, and employees are additional insureds with respect to liability arising out of: activities performed by, or on behalf of, the Provider; including the City's general supervision of the Provider; products and completed operations of the Provider; and automobiles owned, leased, hired or borrowed by the Provider.
 - b. The Provider's insurance shall contain broad form contractual liability coverage.
 - c. The Provider's insurance coverage shall be primary insurance with respect to the City, its officers, officials, and employees. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be in excess to the coverage of the Provider's insurance and shall not contribute to it.
 - d. The Provider's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 - e. Coverage provided by the Provider shall not be limited to the liability assumed under the indemnification provisions of this contract.
 - f. The policies shall contain a waiver of subrogation (not including auto) against the City, its officers, officials, and employees for losses arising from work performed by the Provider for the City.
2. Workers' Compensation and Employer's Liability Coverage: The insurer shall agree to waive all rights of subrogation against the City, its officers,

officials, employees and volunteers for losses arising from work performed by the Provider for the City.

- 6.1 Notice of Cancellation. Each insurance policy required by the insurance provisions of this Agreement shall provide the required coverage and shall not be suspended, voided or canceled except after thirty (30) days prior written notice has been given to the City, except when cancellation is for non-payment of premium, then at least ten (10) days prior notice shall be given to the City. Such notice shall be sent directly to:

Stacey Brechler-Knaggs
Grants Manager
City of Flagstaff
211 W. Aspen Ave.
Flagstaff, Arizona 86001

- 6.2 Acceptability of Insurers. Insurance shall be placed with insurers duly licensed or authorized to do business in the State of Arizona and with an "A.M. Best" rating of not less than A- VII, or receiving prior approval by the City. The City in no way warrants that the above-required minimum insurer rating is sufficient to protect Provider from potential insurer insolvency.

- 6.3 Verification of Coverage. Prior to commencing work or services, Provider shall furnish the City with certificates of insurance (ACORD form or equivalent approved by the City) as required by this Agreement. The certificates for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and any required endorsements shall be received and approved by the City before work commences. Each insurance policy required by this Agreement shall be in effect at or prior to commencement of work under this Agreement and remain in effect for the duration of this Agreement. Failure to maintain the insurance policies as required by this Agreement or to provide evidence of renewal shall constitute a material breach of contract.

All certificates required by this Agreement shall be sent directly to **Stacey Brechler-Knaggs, City of Flagstaff, 211 W. Aspen Ave., Flagstaff, AZ. 86001.** The City project/contract number and project description shall be noted on the certificate of insurance. The City reserves the right to request and receive within ten (10) days, complete, certified copies of all insurance policies required by this Agreement at any time. The City shall not be obligated, however, to review same or to advise Provider of any deficiencies in such policies and endorsements, and such receipt shall not relieve Provider from, or be deemed a waiver of the City's right to insist on, strict fulfillment of Provider's obligations under this Agreement.

6.4 Subcontractors. Providers' certificate(s) shall include all subcontractors as additional insureds under its policies **or** Provider shall furnish to the City separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

6.5 Approval. Any modification or variation from the insurance requirements in this Agreement shall be made by the City Attorney's office, whose decision shall be final. Such action shall not require a formal amendment to this Agreement, but may be made by administrative action.

7. DEFAULT AND TERMINATION

7.1 Events of Default Defined. The following shall be Events of Default under this Agreement:

7.1.1 Any material misrepresentation made by Provider to the City;

7.1.2 Any failure by Provider to perform its obligations under this Agreement including, but not limited to, the following:

7.1.2.1 Failure to commence work at the time(s) specified in this Agreement due to a reason or circumstance within Provider's reasonable control;

7.1.2.2 Failure to perform the work with sufficient personnel and equipment or with sufficient equipment to ensure completion of the work within the specified time;

7.1.2.3 Failure to perform the work in a manner reasonably satisfactory to the City;

7.1.2.4 Failure to promptly correct or re-perform within a reasonable time work that was rejected by the City as unsatisfactory or erroneous;

7.1.2.5 Discontinuance of the work for reasons not beyond Provider's reasonable control;

7.1.2.6 Failure to comply with a material term of this Agreement, including, but not limited to, the provision of insurance; and

7.1.2.7 Any other acts specifically stated in this Agreement as constituting a default or a breach of this Agreement.

7.2 Remedies.

7.2.1 Upon the occurrence of any Event of Default, the City may declare Provider in default under this Agreement. The City shall provide written notification of the Event of Default and any intention of the City to terminate this Agreement. Upon the giving of notice, the City may invoke any or all of the following remedies:

7.2.1.1 The right to cancel this Agreement as to any or all of the services yet to be performed;

7.2.1.2 The right of specific performance, an injunction or any other appropriate equitable remedy;

7.2.1.3 The right to monetary damages;

7.2.1.4 The right to withhold all or any part of Provider's compensation under this Agreement;

7.2.1.5 The right to deem Provider non-responsive in future contracts to be awarded by the City; and

7.2.1.6 The right to seek recoupment of public funds spent for impermissible purposes.

7.2.2 The City may elect not to declare an Event of Default or default under this Agreement or to terminate this Agreement upon the occurrence of an Event of Default. The parties acknowledge that this provision is solely for the benefit of the City, and that if the City allows Provider to continue to provide the Services despite the occurrence of one or more Events of Default, Provider shall in no way be relieved of any of its responsibilities or obligations under this Agreement, nor shall the City be deemed to waive or relinquish any of its rights under this Agreement.

7.2.3 Any excess costs incurred by the City in the event of termination of this Agreement for default, or in the event the City exercises any of the remedies available to it under this Agreement, may be offset by use of any payment due for services completed before termination of this Agreement for default or the exercise of any remedies. If the offset amount is insufficient to cover excess costs, Provider shall be liable for and shall remit promptly to the City the balance upon written demand from the City.

8. GENERAL PROVISIONS

8.1 Headings. The article and section headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provision of this Agreement.

8.2 Jurisdiction and Venue. This Agreement shall be administered and interpreted under the laws of the State of Arizona. Provider hereby submits itself to the original jurisdiction of those courts located within Coconino County, Arizona.

8.3 Attorney's Fees. If suit or action is initiated in connection with any controversy arising out of this Agreement, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees, or in event of appeal as allowed by the appellate court.

8.4 Severability. If any part of this Agreement is determined by a court to be in conflict with any statute or constitution or to be unlawful for any reason, the parties intend that the remaining provisions of this Agreement shall remain in full force and effect unless the stricken provision leaves the remaining Agreement unenforceable.

8.5 Assignment. This Agreement is binding on the heirs, successors and assigns of the parties hereto. This Agreement may not be assigned by either the City or Provider without prior written consent of the other.

8.6 Conflict of Interest. Provider covenants that Provider presently has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Provider further covenants that in the performance of this Agreement, Provider shall not engage any employee or apprentice having any such interest. The parties agree that this Agreement may be cancelled for conflict of interest in accordance with Arizona Revised Statutes § 38-511.

8.7 Authority to Contract. Each party represents and warrants that it has full power and authority to enter into this Agreement and perform its obligations hereunder, and that it has taken all actions necessary to authorize entering into this Agreement.

8.8 Integration. This Agreement represents the entire understanding of City and Provider as to those matters contained in this Agreement, and no prior oral or written understanding shall be of any force or effect with respect to those matters. This Agreement may not be modified or altered except in writing signed by duly authorized representatives of the parties.

8.9 Non-appropriation. In the event that no funds or insufficient funds are appropriated and budgeted in any fiscal period of the City for payments to be made under this Agreement, the City shall notify Provider of such occurrence, and this Agreement shall terminate on the earlier of the last day of the fiscal period for which

sufficient appropriation was made or whenever the funds appropriated for payment under this Agreement are exhausted. No payments shall be made or due to Provider under this Agreement beyond these amounts appropriated and budgeted by the City to fund payments under this Agreement.

8.10 Mediation. If a dispute arises out of or relates to this Agreement, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to resolve the dispute by mediation before resorting to litigation or some other dispute resolution procedure. Mediation shall take place in Flagstaff, Arizona, shall be self-administered, and shall be conducted under the CPR Mediation Procedures established by the CPR Institute for Dispute Resolution, 366 Madison Avenue, New York, NY 10017, (212) 949-6490, www.cpradr.org, with the exception of the mediator selection provisions, unless other procedures are agreed upon by the parties. Unless the parties agree otherwise, the mediator(s) shall be selected from panels of mediators trained under the Alternative Dispute Resolution Program of the Coconino County Superior Court. Each party agrees to bear its own costs in mediation. The parties shall not be obligated to mediate if an indispensable party is unwilling to join the mediation. This mediation provision shall not constitute a waiver of the parties' right to initiate legal action if a dispute is not resolved through good faith negotiation or mediation, or if a party seeks provisional relief under the Arizona Rules of Civil Procedure.

8.11 Compliance with Federal Immigration Laws and Regulations. Provider hereby warrants to the City that the Provider and each of its subcontractors ("Subcontractors") will comply with, and are contractually obligated to comply with, all Federal Immigration laws and regulations that relate to its employees and A.R.S. §23-214(A) (hereinafter "Provider Immigration Warranty").

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

The City retains the legal right to inspect the papers of any Provider or Subcontractor employee who works on this Agreement to ensure that the Provider or Subcontractor is complying with the Provider Immigration Warranty. Provider agrees to assist the City in regard to any such inspections.

The City may, at its sole discretion, conduct random verification of the employment records of the Provider and any of subcontractors to ensure compliance with Provider's Immigration Warranty. Provider agrees to assist the City in regard to any random verifications performed.

The provisions of this Article must be included in any contract the Provider enters into with any and all of its subcontractors who provide services under this Agreement or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include

construction or maintenance of any structure, building or transportation facility or improvement to real property.

8.12 Subcontractors. This Agreement or any portion thereof shall not be sub-contracted without the prior written approval of the City. No Subcontractor shall, under any circumstances, relieve Provider of its liability and obligation under this Agreement. The City shall deal through Provider and any Subcontractor shall be dealt with as a worker and representative of Provider. Provider assumes responsibility to the City for the proper performance of the work of Subcontractors and any acts and omissions in connection with such performance. Nothing in the Contract Documents is intended or deemed to create any legal or contractual relationship between the City and any Subcontractor or Sub-Subcontractor, including but not limited to any third-party beneficiary rights.

8.13 Waiver. No failure to enforce any condition or covenant of this Agreement by the City shall imply or constitute a waiver of the right of the City to insist upon performance of the condition or covenant, or of any other provision of this Agreement, nor shall any waiver by the City of any breach of any one or more conditions or covenants of this Agreement constitute a waiver of any succeeding or other breach under this Agreement.

8.14 Business Operations in Sudan/Iran. In accordance with A.R.S. § 35-397, the Provider certifies that the Provider and its affiliates and subsidiaries do not have scrutinized business operations in Sudan or Iran. If the City determines that the Provider's certification is false, the City may impose all legal and equitable remedies available to it, including but not limited to termination of this Agreement.

9. DURATION

This Agreement shall become effective on and from the day and year executed by the parties, indicated below, and shall continue in force for three (3) Fiscal Year terms beginning July 1, 2014 through June 30, 2017, unless sooner terminated as provided above. At the beginning of each Fiscal Year, the Provider shall submit to the City a Fiscal Year Work Plan for City approval for the professional services provided as set forth in Exhibit A.

City of Flagstaff

**Greater Flagstaff Forests
Partnership**

Kevin Burke, City Manager

Steve Gatewood, Treasurer

Attest:

City Clerk

Approved as to form:

City Attorney

Date of Execution:_____

EXHIBIT A SCOPE OF WORK



FY 2014, FY 2015 and FY 2016 (July 1, 2014 thru June 30, 2017)
ANNUAL WORK PLAN

Provide Professional Services to facilitate the planning, implementation, and monitoring of the Flagstaff Watershed Protection Project (FWPP) based on Fiscal Year Approved Work Plans.

FWPP - GFFP Work Plan (FY 15 July '15-June '16)

<u>TASK</u>	<u>FOCUS</u>	<u>Jul-Dec \$</u>	<u>Jan-Jun \$</u>
Public Engagement	Outreach	\$1,700	\$1,700
		\$500	
		\$500	\$500
		\$250	\$500
		\$2,400	\$1,400
		\$250	\$250
		\$750	\$250
		\$6,350	\$4,600
Implementation	DEIS review & comment	\$1,000	
			\$1,000
		\$1,000	\$1,000
Tribal Partnership	Facilitation	\$500	\$500
		NA	NA
		\$500	\$500

FWPP - GFFP Work Plan (FY 15 July '15-June '16)

Financial Leverage	Grants	\$500	\$500
		\$1,500	\$1,500
		\$500	\$500
		\$2,500	\$2,500
Monitoring	Plan, document, interpret	\$2,000	
		\$1,000	
		\$500	
		\$1,000	\$1,000
		\$500	\$1,000
		\$5,000	\$2,000

FWPP - GFFP Work Plan (FY 15 July '15-June '16)

Volunteer Management	Coordinate	\$1,000	\$1,000
		\$1,000	\$1,000
General	Reporting	\$500	\$500
		NA	NA
	Support	\$500	\$500
		\$1,000	\$1,000
<u>SUMMARY \$</u>		<u>Jul-Dec \$</u>	<u>Jan-Jun \$</u>
		\$6,350	\$4,600
		\$1,000	\$1,000
		\$500	\$500
		\$2,500	\$2,500
		\$5,000	\$2,000
		\$1,000	\$1,000
		\$1,000	\$1,000
	GRAND TOTAL	\$17,350	\$12,600
TOTAL FY15 =	<u>\$29,950</u>		

FWPP - GFFP Work Plan (FY 15 July '15-June '16)

DELIVERABLE
Participate/assist with: Development of publications, engagement w/Work Teams, briefings/meetings with elected/appointed officials, etc
Provide comment and/or supporting info needs for DEIS
Press releases associated with release/comment period of DEIS, and subsequent FEIS/ROD
Plan/create outreach materials and displays
Plan/participate/support public meetings and events
Website revisions
Based on Draft Environmental Impact Statement (DEIS) comments, determine messaging gaps and create/distribute general outreach/messaging to address those gaps
Sub Total - Public Engagement
Finalize written comments focused upon clarifying issues, articulating and refining alternatives, providing any recommendations, and strengthening the overall DEIS
Assist as needed to respond to FEIS/ROD objections
Sub Total - Implementation
Assist City and County w/direct meetings, field visits, or other interaction with Tribal officials/authorized representatives, to develop cooperative effort for Navajo parcel within DLH area, and/or general project support
NOTE: Any planned contact with any Tribal official or representative will be coordinated with the City, County, and USFS. Following any meetings, a written report will be provided the City, to include, but not limited to: whom, what was discussed, issues raised, and items needing attention/resolution.
Sub Total - Tribal Partnerships

FWPP - GFFP Work Plan (FY 15 July '15-June '16)

Research and identify potential grants, contracts, or donations that would facilitate Project outreach, planning, implementation, or monitoring, to include match requirements (if any), application cycle, funding availability and best target range (if any), application submittal requirements, date/timeframe application are required, any other issues associated with the specific grantor, and rank order as to recommended priority.

Prepare initial grant submittals and submit to City for review/approval for the following known opportunities:

- 1) Joint Fire Science Program,
- 2) SW Fire Science Consortium,
- 3) National Forest Foundation

Plan a leverage campaign to fund "gaps" within the FWPP Monitoring Plan

Sub Total - Financial Leverage

Host and facilitate meetings/workshops with Stakeholders to finalize the Monitoring Plan (Fire, Hydrology, Socio/Economic/Community Support and Other)

Complete the written Monitoring Plan for City review, comment, and action, to include specific issues, questions, opportunities, and recommendations/priorities within each of the four areas.

Assist with presentations regarding the Monitoring Plan to City Council and others as needed

Prepare proposal and implementation plan for hydrologic monitoring for Mormon Mountain/Lake Mary watershed.

Establish process to track progress of monitoring studies, and report/interpret results and findings

Sub Total - Monitoring

FWPP - GFFP Work Plan (FY 15 July '15-June '16)

Solicit, coordinate, and oversee community volunteers to undertake activities necessary to achieve FWPP goals
Sub Total - Volunteer Management
Prepare biannual Status of FWPP Report
NOTE: Provide quarterly progress reports detailing all aspects of activities planned and undertaken, to include challenges, opportunities, and lessons learned.
Meeting and administration costs to facilitate/support the Work Plan
Sub Total - General
Public Engagement
Implementation
Tribal Partnerships
Financial Leverage
Monitoring
Volunteer Management
General
Movement of \$ within the categories is allowed, with approval by the City, but total amount for entire FY15 is not to exceed the TOTAL shown.

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Trevor Henry, Project Manager
Date: 05/28/2014
Meeting Date: 06/03/2014



TITLE:

Consideration and Approval of Contract: Switzer Canyon Transmission Main Project Phase II
(Award of construction contract to Redpoint Contracting, L.L.C. for construction of the Switzer Canyon Transmission Main Project Phase II).

RECOMMENDED ACTION:

- 1) Award the construction contract to Redpoint Contracting, L.L.C. of Phoenix, Arizona in the total award amount of \$1,217,213.00, which includes \$25,000.00 in contract allowance. The contract period is 120 calendar days; and
- 2) Authorize Change Order Authority to the City Manager in the amount of \$119,220 (10% of the bid contract amount, less contract allowance) for unanticipated additional costs; and
- 3) Authorize the City Manager to execute the necessary documents.

Policy Decision or Reason for Action:

Awarding the contract will authorize the construction of the Switzer Canyon Transmission Main Project Phase II in accordance with the approved public improvements construction plans prepared by Turner Engineering, Inc.

Financial Impact:

The Switzer Canyon Transmission Main Project Phase II is funded by the total budget appropriation of \$1,546,259 which includes FY 14, prior year expenditures and FY 15 (acct. 201-08-370-3311-0)

Connection to Council Goal:

1. Repair Replace maintain infrastructure (streets & utilities)

Has There Been Previous Council Decision on This:

Yes, award of the construction contract for Phase I on June 4, 2013

Options and Alternatives:

- 1) Approve the award as recommended.
- 2) Reject the approval of the award and direct staff to re-advertise the project. This option would delay the construction start date and cause the work to be deferred until 2015.

Background/History:

The bid solicitations were published two times, April 13 and 20, 2014. Five bids were received on May 6, 2014 at the office of the City Purchasing Agent. A summary of the bids received are:

Bidder	Total
<i>Engineer's Estimate</i>	\$1,434,380.00
Redpoint Contracting, L.L.C.	\$1,217,231.00
CNB Excavating Inc.	\$1,387,152.00
Kincaid Civil Construction	\$1,483,378.00
Eagle Mountain Construction	\$1,547,705.69
T & T Construction	\$1,609,028.00

Key Considerations:

The scope of the project includes a new 20" transmission water main with associated fittings, new fire hydrants and pavement replacement sections along the Turquoise Drive Corridor. Water meters/services will be relocated to the ROW with the proper adjustments. The Utilities Department has been planning an improvement of the existing transmission main along Turquoise Drive. Recently completed Phase I was from Rt. 66 to Turquoise Drive in the total amount of \$1,070,000. Phase II is from Switzer Canyon Drive to approximately Oak Avenue at approximately \$1.2 Million. Phase III of the Switzer Canyon transmission line replacement will extend from Oak Avenue to past the Elks Club in Switzer Canyon.

Construction impacts may include traffic detours, temporary lane closures with traffic flagging and temporary access to parcels with signage. Coordination with property and business owners will be made for water service disconnects and reconnects.

Expanded Financial Considerations:

Project expenditures will be funded by the current total budget appropriation of \$1,546,259 from the Utilities program (201-08-370-3311-0).

Community Benefits and Considerations:

The project will replace an existing 16" water main that is deteriorated and outside of the existing roadway. The existing 16" main will be abandoned in place. The project will improve the water system within this area and provide easier access for City operation and maintenance.

Community Involvement:

The City has contacted the property owners and residents to facilitate the water service relocations and new fire hydrants. Construction progress up-dates will be provided to the property owners as well as the community on the progress of the project.

Expanded Options and Alternatives:

1. Approve the award as recommended.
2. Reject approval of the award. This option would delay the construction start and cause the work to be deferred until 2015.

Attachments: Construction Contract
 Vicinity Map

Bid Results Switzer Canyon Phase 2

CONSTRUCTION CONTRACT

City of Flagstaff, Arizona and

This Construction Contract ("Contract") is made and entered into this ____ day of _____ 2014, by and between the City of Flagstaff, an Arizona municipal corporation with offices at 211 West Aspen Avenue, Flagstaff, Arizona ("Owner") and Redpoint Contracting ("Contractor"), an Arizona registered trade name with offices at 39506 N Daisy Mountain Drive, Phoenix, Arizona. Contractor and the Owner may be referred to each individually as a "Party" and collectively as the "Parties."

RECITALS

- A. Owner desires to obtain construction services; and
- B. Contractor has available and offers to provide personnel and materials necessary to accomplish the work and complete the Project as described in the Scope of Work within the required time in accordance with the calendar days included in this Contract.

NOW, THEREFORE, the Owner and Contractor agree as follows:

1. Scope of Work. The Contractor shall furnish all labor, materials, equipment, transportation, utilities, services and facilities required to perform all work for the construction of **Switzer Canyon Transmission Main Phase II Project** (the "Project"). Contractor shall construct the Project for the Owner in a good, workmanlike and substantial manner and to the satisfaction of the Owner through its engineers and under the direction and supervision of the City Engineer or his properly authorized agents including but not limited to project managers and project engineers. Contractor's work shall be strictly pursuant to and in conformity with the Contract.

- 1.1 A Pre-Construction Conference will be held with the successful Contractor after the Notice of Award is issued. The location, date and time of the Conference will be agreed upon between the Contractor and the Engineer. The purpose of the meeting is to outline specific construction items and procedures that the City of Flagstaff (the "Owner") feels require special attention on the part of the Contractor. The Contractor may also present any variations in procedures to improve the workability of the Project, reduce the cost or reduce inconvenience to the public. The Contractor shall submit a written proposal at this conference outlining intended plans for maintaining continuous access to residences and businesses along the construction site and traffic control.

2. Contract; Ownership of Work. Contractor shall furnish and deliver all of the materials and perform all of the work in accordance with this Contract; Construction Plans; Special Provisions; the City of Flagstaff Engineering Design and Construction Standards and Specifications; the latest version of the Maricopa Association of Governments ("MAG") Specifications for Public Works Construction and City revisions to the MAG Specifications for

Public Works Construction (“Exhibit A”); and any Arizona Department of Transportation (A.D.O.T.) Standards that may be referenced on the Plans or in the specifications, incorporated in this Contract by reference, plans and associated documents. All provisions of the Invitation for Construction Bids, Performance Bond, Payment Bond, Certificates of Insurance, Addenda, Change Orders and Field Orders, if any, are hereby incorporated into this Contract. All materials, work, specifications and plans shall be the property of the Owner.

The following exhibits are incorporated by reference and are expressly made a part of this Contract:

2.1.1 Revisions of MAG Standard Specifications for Public Works Construction Exhibit A
 (“Flagstaff Addendum to MAG”)

2.1.2 Special Provisions Exhibit B

3. Payments. In consideration of the faithful performance of the work described in this Contract, the Owner shall pay an amount not to exceed **\$1,217,213.00** to the Contractor for work and materials provided in accordance with the bid schedule, which amount includes federal, state, and local taxes, as applicable. This amount shall be payable through monthly progress payments, subject to the following conditions:

- 3.1 Contractor shall promptly submit to the Owner all proper invoices necessary for the determination of the prices of labor and materials;
- 3.2 Progress payments shall be made in the amount of ninety percent (90%) of the value of labor and materials incorporated in the work, based on the sum of the Contract prices of labor and material and of materials stored at the worksite, on the basis of substantiating paid invoices, as estimated by the Owner, less the aggregate of all previous payments, until the work performed under this Contract is fifty percent (50%) complete. When and after such work is fifty (50%) complete, the ten percent (10%) of value previously retained may be reduced to five percent (5%) of value completed if Contractor is making satisfactory progress as determined by the Owner, and providing that there is no specific cause or claim requiring a greater amount to be retained. If at any time the Owner determines that satisfactory progress is not being made, the ten percent (10%) retention shall be reinstated for all subsequent progress payments made under this Contract;
- 3.3 The City Engineer shall have the right to determine the final amount due to Contractor;
- 3.4 Monthly progress payments shall be made by the Owner, on or before fourteen (14) calendar days after the receipt by the Owner of an approved estimate of the work completed;
- 3.5 Contractor agrees that title to materials incorporated in the work, and stored at the site, shall vest with the Owner upon receipt of the corresponding progress payment;

3.6 The remainder of the Contract price, after deducting all such monthly payments and any retention, shall be paid within sixty (60) days after final acceptance of completed work by the Owner. The release of retention or alternate surety shall be made following the Owner's receipt and acceptance of: Contractor's Affidavit Regarding Settlement of Claims, Affidavit of Payment, Consent of Surety for Final Payment, and Unconditional Full and Final lien waivers from all subcontractors and suppliers who have filed an Arizona Preliminary 20 Day Lien Notice in accordance with A.R.S. §§ 33-992.01 and 33-992.02.

4. Time of Completion. Contractor agrees to complete all work as described in this Contract within **one hundred twenty (120) calendar days** from the date of the Owner's Notice to Proceed free of all liens, claims and demands of any kind for materials, equipment, supplies, services, labor, taxes and damages to property or persons, in the manner and under the conditions specified within the time or times specified in this Contract.

5. Performance of Work. All work covered by this Contract shall be done in accordance with the latest and best accepted practices of the trades involved. The Contractor shall use only skilled craftsmen experienced in their respective trades to prepare the materials and to perform the work.

6. Acceptance of Work; Non-Waiver. No failure of the Owner during the progress of the work to discover or reject materials or work not in accordance with this Contract shall be deemed an acceptance of, or a waiver of, defects in work or materials. No payment shall be construed to be an acceptance of work or materials, which are not strictly in accordance with the Contract.

7. Delay of Work. Any delay in the performance of this Contract due to strikes, lockouts, fires, or other unavoidable casualties beyond the control of the Contractor and not caused by any wrongful act or negligence of the Contractor shall entitle the Contractor to an extension of time equal to the delay so caused. The Contractor shall notify the Owner in writing specifying such cause within twenty-four (24) hours after its occurrence. In the event such delay is caused by strikes, lockouts, or inability to obtain workmen for any other cause, the Owner shall have the right but shall not be obligated to complete the work on the same basis as is provided for in Section 13 below (Contract Violations).

8. Failure to Complete Project in Timely Manner. If Contractor fails or refuses to execute this Contract within the time specified in Section 3 above, or such additional time as may be allowed, the proceeds of Contractor's proposal guaranty shall become subject to deposit into the Treasury of the municipality as monies available to compensate the Owner for damages as provided by A.R.S. § 34-201 for the delay in execution of this Contract, and bonds and the performance of work under this Contract, and the necessity of accepting a higher or less desirable bid from such failure or refusal to execute this Contract and bond as required. If Contractor has submitted a certified check or cashier's check as a proposal guaranty, the check shall be returned after execution of this Contract. The certified check or cashier's check of other Bidders shall be returned at the expiration of thirty (30) days from the date of opening of proposals or sooner, if this Contract is executed prior to that time.

9. Labor Demonstration. It is understood that the work covered by this Contract is for the Owner's business purposes and that any unfavorable publicity or demonstrations in connection with the work will have a negative effect upon the Owner. If Contractor's actions in performance of the Contract result in any public demonstration on behalf of the laborers or organized labor in the vicinity of the Owner's premises, whether such demonstration is in the form of picketing, posting of placards or signs, violence, threats of violence or in any other form, which in the Owner's judgment, might convey to the public the impression that the Owner or the Contractor or any subcontractor is unfair to laborers or to organized labor, the Owner shall have the right to terminate this Contract immediately, unless the Contractor shall have caused such demonstration to be discontinued within two (2) days after request of the Owner to do so. In the event any such demonstration is attended by violence, the Owner may fix lesser time within which a discontinuance shall be accomplished. In the event of Contract termination, the Contractor agrees to remove from the Premises within twenty-four (24) hours of termination, all machinery, tools, and equipment belonging to it or to its subcontractors. All obligations or liabilities of the Owner to the Contractor shall be discharged by such termination, except the obligation to pay to the Contractor a portion of the Contract price representing the value based upon the Contract prices of labor and materials incorporated in the work as established by the Owner, less the aggregate of all previous payments, but subject to all of the conditions pertaining to payments generally.

10. Material Storage. During the progress of the work, the Contractor shall arrange for office facilities and for the orderly storage of materials and equipment. Contractor shall erect any temporary structures required for the work at his or her own expense. The Contractor shall at all times keep the premises reasonably free from debris and in a condition, which will not increase fire hazards. Upon completion of the work, the Contractor shall remove all temporary buildings and facilities and all equipment, surplus materials and supplies belonging to the Contractor. Contractor shall leave the Premises in good order, clean, and ready to use by the Owner. The establishment of any temporary construction yard, material storage area or staging area to be located within City of Flagstaff limits and outside the public right-of-way or Project limits generally requires a Temporary Use Permit. (See Exhibit A, Section 107.2.1.)

11. Maintenance During Winter Suspension of Work. City retains the right to declare a winter shutdown. If work has been suspended due to winter weather, the Contractor shall be responsible for maintenance and protection of the improvements and of partially completed portions of the work until final acceptance of the project. Winter suspension shall be by field order, change order or original contract. If repairs and/or maintenance are needed during the suspension, the Contractor is required to perform the repairs and/or maintenance within twenty-four (24) hours of notification from the City. If the needed repairs and/or maintenance are not addressed within the timeframe, the City will accomplish the work and deduct the cost from monies due or become due to the Contractor.

The City shall provide snow removal operations on active traffic lanes only. All other snow removal and maintenance operations shall be the responsibility of the Contractor. All cost associated with snow removal and proper disposal shall be considered incidental to the work

including repair of temporary surface improvements due to normal wear and snow removal operations.

12. Assignment. Contractor shall not assign this Contract, in whole or in part, without the prior written consent of the Owner.

13. Notices. All notices or demands required to be given, pursuant to the terms of this Contract, shall be given to the other Party in writing, delivered in person, sent by facsimile transmission, deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested or deposited with any commercial air courier or express service at the addresses set forth below, or to such other address as the Parties may substitute by written notice, given in the manner prescribed in this paragraph.

If to Owner:

Patrick Brown, C.P.M.
Senior Procurement Specialist
211 West Aspen Avenue
Flagstaff, AZ 86001

If to Contractor:

39506 N Daisy Mountain Drive
Phoenix, AZ 85086

14. Contract Violations. In the event of any of the provisions of this Contract are violated by the Contractor or by any of Contractor's subcontractors, the Owner may serve written notice upon the Contractor and the Surety of its intention to terminate such Contract (the "Notice to Terminate"). The Contract shall terminate within five (5) days of the date Contractor receives the Notice to Terminate, unless the violation ceases and Contractor makes arrangements for correction satisfactory to the Owner. In the event of any such termination, the Owner shall immediately serve notice of the termination upon the Surety by registered mail, return receipt requested. The Surety shall have the right to take over and perform the Contract. If the Surety does not commence performance within ten (10) days from the date of receipt of the Owner's notice of termination, the Owner may complete the work at the expense of the Contractor, and the Contractor and his or her Surety shall be liable to the Owner for any excess cost incurred by the Owner to complete the work. If the Owner completes the work, the Owner may take possession of and utilize such materials, appliances and plants as may be on the worksite site and necessary for completion of the work.

15. Termination for Convenience. The Owner may terminate this contract at any time for any reason by giving at least **thirty 30 days** written notice to the Contractor. If termination occurs under this Section 14, the Contractor shall be paid fair market value for work completed by Contractor as of the date of termination.

16. Contractor's Liability and Indemnification. To the fullest extent permitted by law, the Contractor shall defend, indemnify and hold harmless the Owner, its agents, representatives, officers, directors, officials and employees from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), relating to arising out of, or alleged to have resulted from the negligent, reckless, or intentional acts, errors, mistakes, omissions, work or services of the Contractor, its employees, agents, or any tier of subcontractors in the performance of this Contract. Contractor's duty to

defend, hold harmless and indemnify the Owner, its agents, representatives, officers, directors, officials and employees shall arise in connection with the 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 resulting there from, caused by any acts, errors, mistakes, omissions, work or services in the performance of this Contract including any employee of the Contractor or any tier of subcontractor or any other person for whose acts, errors, mistakes, omissions, work or services the Contractor may be legally liable. The amount and type of insurance coverage requirements set forth in the Contract (Section 103.6 of Exhibit A) will in no way be construed as limiting the scope of the indemnity in this paragraph.

17. Non Appropriation. In the event that no funds or insufficient funds are appropriated and budgeted in any fiscal period of the Owner to meet the Owner's obligations under this Contract, the Owner will notify Contractor in writing of such occurrence, and this Contract will terminate on the earlier of the last day of the fiscal period for which sufficient appropriation was made or whenever the funds appropriated for payment under this Contract are exhausted. No payments shall be made or due to the other party under this Contract beyond these amounts appropriated and budgeted by the Owner to fund the Owner's obligations under this Contract.

18. Amendment of Contract. This Agreement may not be modified or altered except in writing and signed by duly authorized representatives of the parties.

19. Subcontracts. Contractor shall not enter into any subcontract, or issue any purchase order for the completed work, or any substantial part of the work, unless in each instance, prior written approval shall have been given by the Owner. Contractor shall be fully responsible to the Owner for acts and omissions of Contractor's subcontractors and all persons either directly or indirectly employed by them.

20. Cancellation for Conflict of Interest. This Contract is subject to the cancellation provisions of A.R.S. § 38-511.

21. Compliance with All Laws. Contractor shall comply with all applicable laws, statutes, ordinances, regulations and governmental requirements in the performance of this Contract.

22. Employment of Aliens. Contractor shall comply with A.R.S. § 34-301, which provides that a person who is not a citizen or ward of the United States shall not be employed upon or in connection with any state, county or municipal public works project.

23. Compliance with Federal Immigration Laws and Regulations. Contractor warrants that it complies with all Federal Immigration laws and regulations that relate to its employees and complies with A.R.S. 23-214.A. Contractor acknowledges that pursuant to A.R.S. 41-4401 a breach of this warranty is a material breach of this contract subject to penalties up to and including termination of this contract, and that the City retains the legal right to inspect the papers of any employee who works on the contract to ensure compliance with this warranty.

24. Contractor's Warranty. Contractor warrants that it complies with all Federal Immigration laws and regulations that relate to its employees and complies with A.R.S. § 23-214.A, Verification of Employment Eligibility. Contractor shall not employ aliens in accordance with A.R.S. § 34-301, Employment of Aliens on Public Works Prohibited. Contractor acknowledges that pursuant to A.R.S. § 41-4401, Government Procurement; E-Verify Requirement; Definitions, a breach of this warranty is a material breach of this contract subject to penalties up to and including termination of this Contract, and that the Owner retains the legal right to inspect the papers of any employee who works on the Contract to ensure compliance with this warranty.

25. Jurisdiction and Venue. This Agreement shall be administered and interpreted under the laws of the State of Arizona. The Contractor hereby submits itself to the original jurisdiction of those courts located within Coconino County, Arizona.

26. Attorney's Fees. If suit or action is initiated in connection with any controversy arising out of this Agreement, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees, or in event of appeal as allowed by the appellate court.

27. Time is of the Essence. Contractor acknowledges that the completion of the Contract by the dates specified final completion is critical to the Owner, time being of the essence of this Contract.

28. No Third Party Beneficiaries. The parties acknowledge and agree that the terms, provisions, conditions, and obligations of this Contract are for the sole benefit of, and may be enforceable solely by, the Parties to this Contract, and none of the terms, provisions, conditions, and obligations of this Contract are for the benefit of, or may be enforced by, any person or entity not a party to this Contract.

29. Headings. The article and section headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provision of this Contract.

30. Severability. If any part of this Contract is determined by a court to be in conflict with any statute or constitution or to be unlawful for any reason, the parties intend that the remaining provisions of this Contract shall remain in full force and effect unless the stricken provision leaves the remaining Contract unenforceable.

IN WITNESS WHEREOF, the Owner and Contractor, by their duly authorized representatives, have executed this Contract as of the date written above.

(Please sign in blue ink. Submit original signatures – photocopies not accepted)

Owner, City of Flagstaff

Contractor

Kevin Burke, City Manager

Signature

Attest:

Printed Name

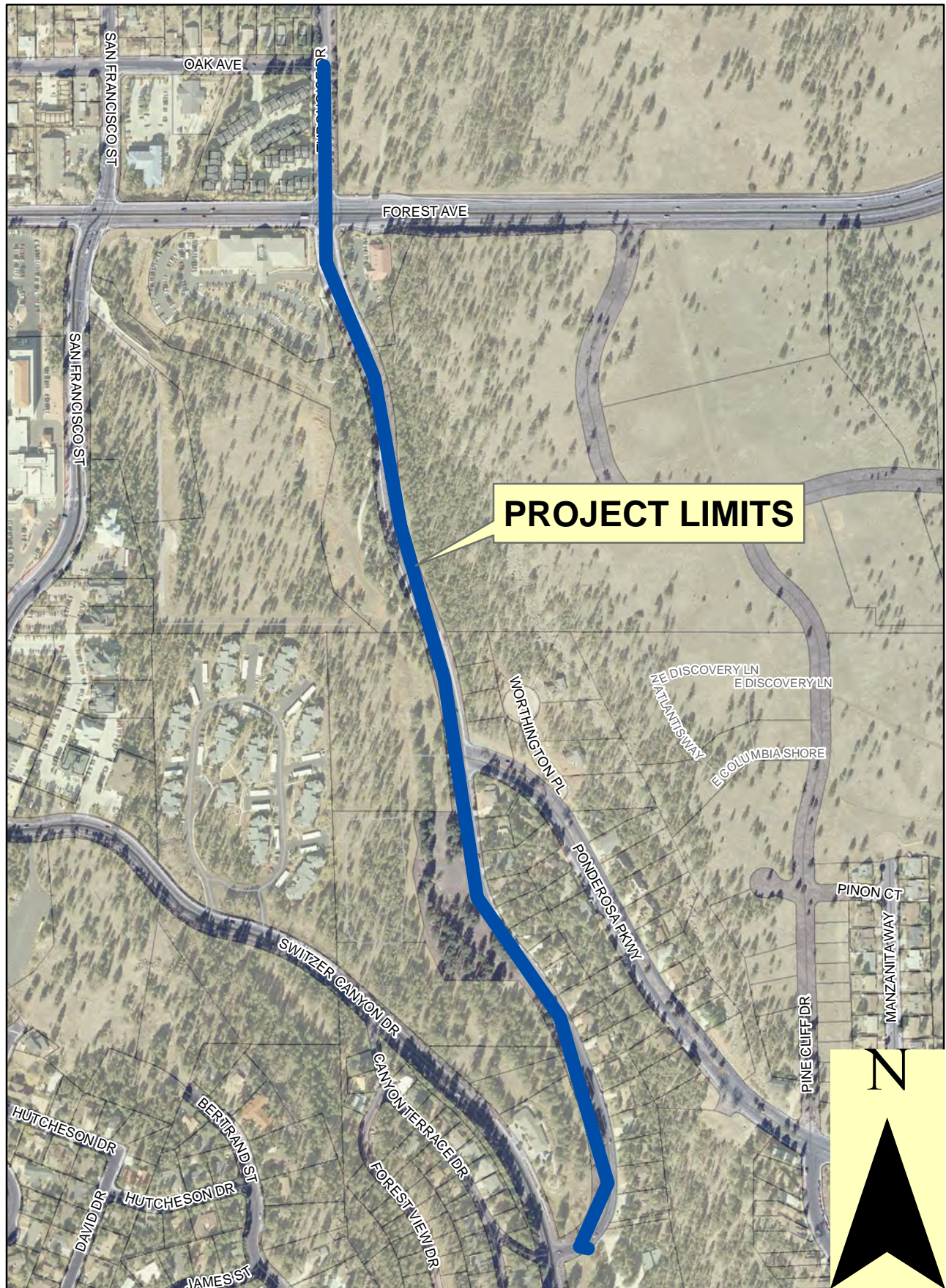
City Clerk

Title

Approved as to form:

City Attorney

SWITZER CANYON TRANSMISSION MAIN PHASE II



VICINTY MAP

th - May 2014

CITY OF FLAGSTAFF BID TABULATION

DATE: 05/06/2014 BID/PROJECT NO: 2014-69 BID/PROJECT NAME: Switzer Canyon Transmission Main Phase II

CONDUCTED BY: Patrick Brown ANTICIPATED COUNCIL AWARD DATE: _____

WITNESS: Di Ann Butkay ENGINEERS ESTIMATE: \$

[illegible]

CITY OF FLAGSTAFF
STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Trevor Henry, Project Manager
Date: 05/28/2014
Meeting Date: 06/03/2014



TITLE:

Consideration and Approval of Contract: Walapai Alley / San Francisco Alley Water & Sewer Improvement Project (***Approve contract with McDonald Bros. Construction, Inc. for Walapai Alley/San Francisco Alley Water and Sewer Improvement Project.***)

RECOMMENDED ACTION:

- 1) Award the construction contract to McDonald Bros. Construction, Inc. of Camp Verde, Arizona in the total award amount of \$374,866.56, which includes the base and alternate bids. The base and alternate bid includes a total of \$19,878.16 in contract allowance. The contract period is 120 calendar days; and
- 2) Authorize Change Order Authority to the City Manager in the amount of \$35,500.00 (10% of the bid contract amount, less contract allowance) for unanticipated additional costs; and
- 3) Authorize the City Manager to execute the necessary documents.

Policy Decision or Reason for Action:

- Awarding the contract will authorize the construction of the Walapai Alley / San Francisco Alley Water & Sewer Improvement Project in accordance with the approved public improvements prepared by Plateau Engineering, Inc.

Financial Impact:

- The Walapai Alley / San Francisco Alley Water & Sewer Improvement Project is funded by the total budget appropriation of \$461,144 (includes FY14 estimate and FY15 budget).

Connection to Council Goal:

- Repair, replace, maintain infrastructure (streets & utilities)

Has There Been Previous Council Decision on This:

- No.

Options and Alternatives:

- Approve the award as recommended
- Approve the award for just the base bid and re-advertise for the alternate bid. This option would delay the start of construction for the alternate bid.
- Reject bids and re-advertise the project. This option would delay the start of construction and cause both the base and alternate work to be deferred until 2015.

Background/History:

The bid solicitations were published two times, April 13 and 20, 2014. Two bids were received on May 6, 2014 at the office of the City Purchasing Agent. A summary of the bids received are:

Bidder	Total (Base + Alternate)
<i>Engineer's Estimate</i>	<i>\$416,795.54 (\$254,744.84 + \$162,050.70)</i>
McDonald Brothers Construction	\$374,866.56 (\$212,709.11 + \$162,157.45)
R Blume Underground	\$394,127.49 (\$164,864.62 + \$229,262.87)

Key Considerations:

The scope of the project includes a Base project with an Additive Alternate. Walapai Alley is the Base Bid, it includes the installation of 110 LF of an 8" water main, 201 LF of 1.5" service line, new water services and meters. San Francisco Alley is the Alternate Bid, it includes the installation of 242 LF of an 8" water main, 226 LF of a 10" sewer main, new water and sewer services, new water meters and cleanouts.

Construction impacts include on-site improvements for affected residents as well as traffic detours and temporary displacement of their parking. The public alley will be closed while construction is underway for the protection of the surrounding public. Coordination with property and business owners will be made for any and all improvements.

Expanded Financial Considerations:

The Walapai Water Alleyline project budget is \$281,886 (201-08-370-3162-0-4463) which includes the current FY 2014 estimates and the proposed FY 2015 budget. The San Francisco Water/Sewer Alleyline project budget is \$179,258 (201-08-379-3163-0-4463) which includes FY 2014 estimate and the proposed FY 2015 budget. Additional funding will be drawn against the FY 15 Annual Waterline Replacement Program in the amount of \$54,600 (201-08-370-3157-0-4463) if necessary.

Community Benefits and Considerations:

The project will replace the existing aging and undersize water and sewer mains. Water and sewer services will be improved and upgraded to meet current City standards. The project will improve the water and sewer system within this area and provide easier access for City operation and maintenance.

Community Involvement:

Coordination with the affected property owners has taken place with written notification and on-site meetings. Construction progress and reports/notifications will be provided to the property owners on a regular basis.

Expanded Options and Alternatives:

- Approve the award as recommended
- Approve the award for just the base bid and re-advertise for the alternate bid. This option would delay the start of construction and cause the alternate bid to be deferred until 2015.
- Reject bids and re-advertise the project. This option would delay the start of construction and cause both the base and alternate bids to be deferred until 2015.

Attachments: [Construction Contract](#)
 [Walapai Vicinity Map](#)
 [San Francisco Vicinity Map](#)
 [Bid Results Walapai-San Francisco](#)

CONSTRUCTION CONTRACT

**City of Flagstaff, Arizona
and
McDonald Brothers Construction, Inc.**

This Construction Contract ("Contract") is made and entered into this _____ day of _____ 2014, by and between the City of Flagstaff, an Arizona municipal corporation with offices at 211 West Aspen Avenue, Flagstaff, Arizona ("Owner") and McDonald Brothers Construction, Inc. ("Contractor"), an Arizona corporation with offices at 1535 S Quarterhorse Lane, Camp Verde, AZ. Contractor and the Owner may be referred to each individually as a "Party" and collectively as the "Parties."

RECITALS

- A. Owner desires to obtain construction services; and
- B. Contractor has available and offers to provide personnel and materials necessary to accomplish the work and complete the Project as described in the Scope of Work within the required time in accordance with the calendar days included in this Contract.

NOW, THEREFORE, the Owner and Contractor agree as follows:

1. Scope of Work. The Contractor shall furnish all labor, materials, equipment, transportation, utilities, services and facilities required to perform all work for the construction of **Walapai Alley/San Francisco Alley Water & Sewer Improvement Project** (the "Project"). Contractor shall construct the Project for the Owner in a good, workmanlike and substantial manner and to the satisfaction of the Owner through its engineers and under the direction and supervision of the City Engineer or his properly authorized agents including but not limited to project managers and project engineers. Contractor's work shall be strictly pursuant to and in conformity with the Contract.

- 1.1 A Pre-Construction Conference will be held with the successful Contractor after the Notice of Award is issued. The location, date and time of the Conference will be agreed upon between the Contractor and the Engineer. The purpose of the meeting is to outline specific construction items and procedures that the City of Flagstaff (the "Owner") feels require special attention on the part of the Contractor. The Contractor may also present any variations in procedures to improve the workability of the Project, reduce the cost or reduce inconvenience to the public. The Contractor shall submit a written proposal at this conference outlining intended plans for maintaining continuous access to residences and businesses along the construction site and traffic control.

2. Contract; Ownership of Work. Contractor shall furnish and deliver all of the materials and perform all of the work in accordance with this Contract; Construction Plans; Special Provisions; the City of Flagstaff Engineering Design and Construction Standards and Specifications; the latest version of the Maricopa Association of Governments ("MAG")

Specifications for Public Works Construction and City revisions to the MAG Specifications for Public Works Construction (“Exhibit A”); and any Arizona Department of Transportation (A.D.O.T.) Standards that may be referenced on the Plans or in the specifications, incorporated in this Contract by reference, plans and associated documents. All provisions of the Invitation for Construction Bids, Performance Bond, Payment Bond, Certificates of Insurance, Addenda, Change Orders and Field Orders, if any, are hereby incorporated into this Contract. All materials, work, specifications and plans shall be the property of the Owner.

The following exhibits are incorporated by reference and are expressly made a part of this Contract:

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 (“Flagstaff Addendum to MAG”)

2.1.2 Special Provisions Exhibit B

3. Payments. In consideration of the faithful performance of the work described in this Contract, the Owner shall pay an amount not to exceed **\$374,866.56** to the Contractor for work and materials provided in accordance with the bid schedule, which amount includes federal, state, and local taxes, as applicable. This amount shall be payable through monthly progress payments, subject to the following conditions:

- 3.1 Contractor shall promptly submit to the Owner all proper invoices necessary for the determination of the prices of labor and materials;
- 3.2 Progress payments shall be made in the amount of ninety percent (90%) of the value of labor and materials incorporated in the work, based on the sum of the Contract prices of labor and material and of materials stored at the worksite, on the basis of substantiating paid invoices, as estimated by the Owner, less the aggregate of all previous payments, until the work performed under this Contract is fifty percent (50%) complete. When and after such work is fifty (50%) complete, the ten percent (10%) of value previously retained may be reduced to five percent (5%) of value completed if Contractor is making satisfactory progress as determined by the Owner, and providing that there is no specific cause or claim requiring a greater amount to be retained. If at any time the Owner determines that satisfactory progress is not being made, the ten percent (10%) retention shall be reinstated for all subsequent progress payments made under this Contract;
- 3.3 The City Engineer shall have the right to determine the final amount due to Contractor;
- 3.4 Monthly progress payments shall be made by the Owner, on or before fourteen (14) calendar days after the receipt by the Owner of an approved estimate of the work completed;
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3.6 The remainder of the Contract price, after deducting all such monthly payments and any retention, shall be paid within sixty (60) days after final acceptance of completed work by the Owner. The release of retention or alternate surety shall be made following the Owner's receipt and acceptance of: Contractor's Affidavit Regarding Settlement of Claims, Affidavit of Payment, Consent of Surety for Final Payment, and Unconditional Full and Final lien waivers from all subcontractors and suppliers who have filed an Arizona Preliminary 20 Day Lien Notice in accordance with A.R.S. §§ 33-992.01 and 33-992.02.

4. Time of Completion. Contractor agrees to complete all work as described in this Contract within **one hundred twenty (120) calendar days** from the date of the Owner's Notice to Proceed free of all liens, claims and demands of any kind for materials, equipment, supplies, services, labor, taxes and damages to property or persons, in the manner and under the conditions specified within the time or times specified in this Contract.

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7. Delay of Work. Any delay in the performance of this Contract due to strikes, lockouts, fires, or other unavoidable casualties beyond the control of the Contractor and not caused by any wrongful act or negligence of the Contractor shall entitle the Contractor to an extension of time equal to the delay so caused. The Contractor shall notify the Owner in writing specifying such cause within twenty-four (24) hours after its occurrence. In the event such delay is caused by strikes, lockouts, or inability to obtain workmen for any other cause, the Owner shall have the right but shall not be obligated to complete the work on the same basis as is provided for in Section 13 below (Contract Violations).

8. Failure to Complete Project in Timely Manner. If Contractor fails or refuses to execute this Contract within the time specified in Section 3 above, or such additional time as may be allowed, the proceeds of Contractor's proposal guaranty shall become subject to deposit into the Treasury of the municipality as monies available to compensate the Owner for damages as provided by A.R.S. § 34-201 for the delay in execution of this Contract, and bonds and the performance of work under this Contract, and the necessity of accepting a higher or less desirable bid from such failure or refusal to execute this Contract and bond as required. If Contractor has submitted a certified check or cashier's check as a proposal guaranty, the check shall be returned after execution of this Contract. The certified check or cashier's check of other Bidders shall be returned at the expiration of thirty (30) days from the date of opening of proposals or sooner, if this Contract is executed prior to that time.

9. Labor Demonstration. It is understood that the work covered by this Contract is for the Owner's business purposes and that any unfavorable publicity or demonstrations in connection with the work will have a negative effect upon the Owner. If Contractor's actions in performance of the Contract result in any public demonstration on behalf of the laborers or organized labor in the vicinity of the Owner's premises, whether such demonstration is in the form of picketing, posting of placards or signs, violence, threats of violence or in any other form, which in the Owner's judgment, might convey to the public the impression that the Owner or the Contractor or any subcontractor is unfair to laborers or to organized labor, the Owner shall have the right to terminate this Contract immediately, unless the Contractor shall have caused such demonstration to be discontinued within two (2) days after request of the Owner to do so. In the event any such demonstration is attended by violence, the Owner may fix lesser time within which a discontinuance shall be accomplished. In the event of Contract termination, the Contractor agrees to remove from the Premises within twenty-four (24) hours of termination, all machinery, tools, and equipment belonging to it or to its subcontractors. All obligations or liabilities of the Owner to the Contractor shall be discharged by such termination, except the obligation to pay to the Contractor a portion of the Contract price representing the value based upon the Contract prices of labor and materials incorporated in the work as established by the Owner, less the aggregate of all previous payments, but subject to all of the conditions pertaining to payments generally.

10. Material Storage. During the progress of the work, the Contractor shall arrange for office facilities and for the orderly storage of materials and equipment. Contractor shall erect any temporary structures required for the work at his or her own expense. The Contractor shall at all times keep the premises reasonably free from debris and in a condition, which will not increase fire hazards. Upon completion of the work, the Contractor shall remove all temporary buildings and facilities and all equipment, surplus materials and supplies belonging to the Contractor. Contractor shall leave the Premises in good order, clean, and ready to use by the Owner. The establishment of any temporary construction yard, material storage area or staging area to be located within City of Flagstaff limits and outside the public right-of-way or Project limits generally requires a Temporary Use Permit. (See Exhibit A, Section 107.2.1.)

11. Maintenance During Winter Suspension of Work. City retains the right to declare a winter shutdown. If work has been suspended due to winter weather, the Contractor shall be responsible for maintenance and protection of the improvements and of partially completed portions of the work until final acceptance of the project. Winter suspension shall be by field order, change order or original contract. If repairs and/or maintenance are needed during the suspension, the Contractor is required to perform the repairs and/or maintenance within twenty-four (24) hours of notification from the City. If the needed repairs and/or maintenance are not addressed within the timeframe, the City will accomplish the work and deduct the cost from monies due or become due to the Contractor.

The City shall provide snow removal operations on active traffic lanes only. All other snow removal and maintenance operations shall be the responsibility of the Contractor. All cost associated with snow removal and proper disposal shall be considered incidental to the work

including repair of temporary surface improvements due to normal wear and snow removal operations.

12. Assignment. Contractor shall not assign this Contract, in whole or in part, without the prior written consent of the Owner.

13. Notices. All notices or demands required to be given, pursuant to the terms of this Contract, shall be given to the other Party in writing, delivered in person, sent by facsimile transmission, deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested or deposited with any commercial air courier or express service at the addresses set forth below, or to such other address as the Parties may substitute by written notice, given in the manner prescribed in this paragraph.

If to Owner:

Patrick Brown, C.P.M.
Senior Procurement Specialist
211 West Aspen Avenue
Flagstaff, AZ 86001

If to Contractor:

1535 S Quarterhorse Lane
Camp Verde, AZ 86322

14. Contract Violations. In the event of any of the provisions of this Contract are violated by the Contractor or by any of Contractor's subcontractors, the Owner may serve written notice upon the Contractor and the Surety of its intention to terminate such Contract (the "Notice to Terminate"). The Contract shall terminate within five (5) days of the date Contractor receives the Notice to Terminate, unless the violation ceases and Contractor makes arrangements for correction satisfactory to the Owner. In the event of any such termination, the Owner shall immediately serve notice of the termination upon the Surety by registered mail, return receipt requested. The Surety shall have the right to take over and perform the Contract. If the Surety does not commence performance within ten (10) days from the date of receipt of the Owner's notice of termination, the Owner may complete the work at the expense of the Contractor, and the Contractor and his or her Surety shall be liable to the Owner for any excess cost incurred by the Owner to complete the work. If the Owner completes the work, the Owner may take possession of and utilize such materials, appliances and plants as may be on the worksite site and necessary for completion of the work.

15. Termination for Convenience. The Owner may terminate this contract at any time for any reason by giving at least **thirty (30) days** written notice to the Contractor. If termination occurs under this Section 14, the Contractor shall be paid fair market value for work completed by Contractor as of the date of termination.

16. Contractor's Liability and Indemnification. To the fullest extent permitted by law, the Contractor shall defend, indemnify and hold harmless the Owner, its agents, representatives, officers, directors, officials and employees from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), relating to arising out of, or alleged to have resulted from the negligent, reckless, or intentional acts, errors, mistakes, omissions, work or services of the Contractor, its employees, agents, or any tier of subcontractors in the performance of this Contract. Contractor's duty to

defend, hold harmless and indemnify the Owner, its agents, representatives, officers, directors, officials and employees shall arise in connection with the 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 resulting therefrom, caused by any acts, errors, mistakes, omissions, work or services in the performance of this Contract including any employee of the Contractor or any tier of subcontractor or any other person for whose acts, errors, mistakes, omissions, work or services the Contractor may be legally liable. The amount and type of insurance coverage requirements set forth in the Contract (Section 103.6 of Exhibit A) will in no way be construed as limiting the scope of the indemnity in this paragraph.

17. Non Appropriation. In the event that no funds or insufficient funds are appropriated and budgeted in any fiscal period of the Owner to meet the Owner's obligations under this Contract, the Owner will notify Contractor in writing of such occurrence, and this Contract will terminate on the earlier of the last day of the fiscal period for which sufficient appropriation was made or whenever the funds appropriated for payment under this Contract are exhausted. No payments shall be made or due to the other party under this Contract beyond these amounts appropriated and budgeted by the Owner to fund the Owner's obligations under this Contract.

18. Amendment of Contract. This Agreement may not be modified or altered except in writing and signed by duly authorized representatives of the parties.

19. Subcontracts. Contractor shall not enter into any subcontract, or issue any purchase order for the completed work, or any substantial part of the work, unless in each instance, prior written approval shall have been given by the Owner. Contractor shall be fully responsible to the Owner for acts and omissions of Contractor's subcontractors and all persons either directly or indirectly employed by them.

20. Cancellation for Conflict of Interest. This Contract is subject to the cancellation provisions of A.R.S. § 38-511.

21. Compliance with All Laws. Contractor shall comply with all applicable laws, statutes, ordinances, regulations and governmental requirements in the performance of this Contract.

22. Employment of Aliens. Contractor shall comply with A.R.S. § 34-301, which provides that a person who is not a citizen or ward of the United States shall not be employed upon or in connection with any state, county or municipal public works project.

23. Compliance with Federal Immigration Laws and Regulations. Contractor warrants that it complies with all Federal Immigration laws and regulations that relate to its employees and complies with A.R.S. 23-214.A. Contractor acknowledges that pursuant to A.R.S. 41-4401 a breach of this warranty is a material breach of this contract subject to penalties up to and including termination of this contract, and that the City retains the legal right to inspect the papers of any employee who works on the contract to ensure compliance with this warranty.

24. Contractor's Warranty. Contractor warrants that it complies with all Federal Immigration laws and regulations that relate to its employees and complies with A.R.S. § 23-214.A, Verification of Employment Eligibility. Contractor shall not employ aliens in accordance with A.R.S. § 34-301, Employment of Aliens on Public Works Prohibited. Contractor acknowledges that pursuant to A.R.S. § 41-4401, Government Procurement; E-Verify Requirement; Definitions, a breach of this warranty is a material breach of this contract subject to penalties up to and including termination of this Contract, and that the Owner retains the legal right to inspect the papers of any employee who works on the Contract to ensure compliance with this warranty.

25. Jurisdiction and Venue. This Agreement shall be administered and interpreted under the laws of the State of Arizona. The Contractor hereby submits itself to the original jurisdiction of those courts located within Coconino County, Arizona.

26. Attorney's Fees. If suit or action is initiated in connection with any controversy arising out of this Agreement, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees, or in event of appeal as allowed by the appellate court.

27. Time is of the Essence. Contractor acknowledges that the completion of the Contract by the dates specified final completion is critical to the Owner, time being of the essence of this Contract.

28. No Third Party Beneficiaries. The parties acknowledge and agree that the terms, provisions, conditions, and obligations of this Contract are for the sole benefit of, and may be enforceable solely by, the Parties to this Contract, and none of the terms, provisions, conditions, and obligations of this Contract are for the benefit of, or may be enforced by, any person or entity not a party to this Contract.

29. Headings. The article and section headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provision of this Contract.

30. Severability. If any part of this Contract is determined by a court to be in conflict with any statute or constitution or to be unlawful for any reason, the parties intend that the remaining provisions of this Contract shall remain in full force and effect unless the stricken provision leaves the remaining Contract unenforceable.

IN WITNESS WHEREOF, the Owner and Contractor, by their duly authorized representatives, have executed this Contract as of the date written above.

(Please sign in blue ink. Submit original signatures – photocopies not accepted)

Owner, City of Flagstaff

Contractor

Kevin Burke, City Manager

Signature

Attest:

Printed Name

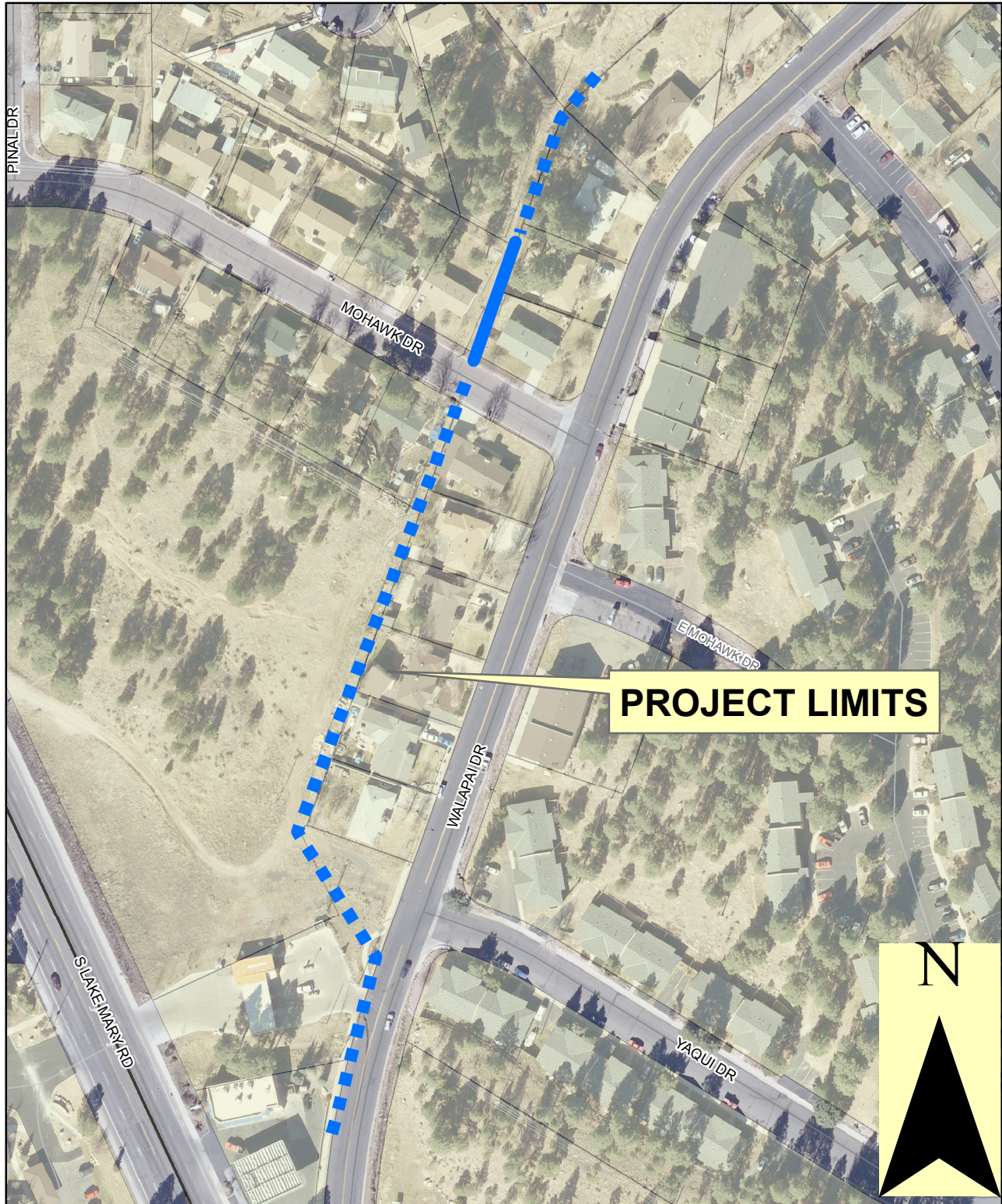
City Clerk

Title

Approved as to form:

City Attorney

WALAPAI ALLEY WATER PROJECT BASE BID SECTION



WATER MAIN IMPROVEMENT



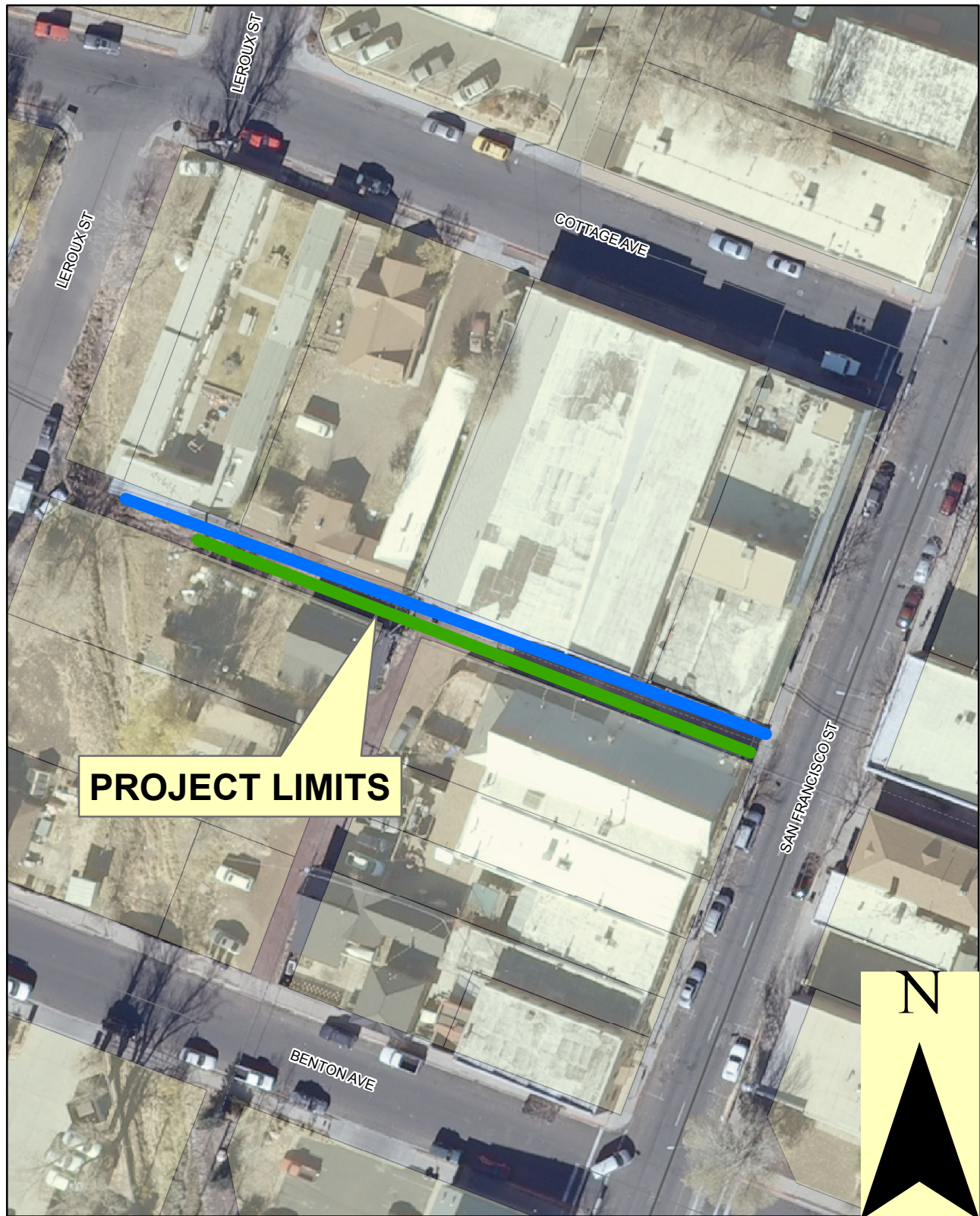
WATER SERVICE IMPROVEMENTS



th - May 2014

VICINTY MAP

SAN FRANCISCO ALLEY WATER/SEWER PROJECT ALTERNATE BID SECTION



VICINTY MAP

th - May 2014

CITY OF FLAGSTAFF BID TABULATION

DATE: 05/06/2014 BID/PROJECT NO: 2014-70 BID/PROJECT NAME: Walapai Alley/San Francisco Alley W & S Improvement

CONDUCTED BY: Patrick Brown ANTICIPATED COUNCIL AWARD DATE: _____

WITNESS: Di Ann Butkay ENGINEERS ESTIMATE: \$

[illegible]

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Christine Cameron, Project Manager II
Date: 05/28/2014
Meeting Date: 06/03/2014



TITLE:

Consideration and Approval of Grant: Arizona Department of Transportation Intergovernmental Agreement for the Frontage Road 40 Pavement Preservation Overlay Project, aka East Route 66 South of the Flagstaff Mall near Wildcat Waste Water Treatment Plant.

RECOMMENDED ACTION:

Consideration of approval of the Intergovernmental Agreement (IGA)/Joint Project Agreement (JPA) between the City and the Arizona Department of Transportation for State Surface Transportation Program (STP) grant funds in the amount of \$150,000 and City funds in the amount of \$8,550 for the design of the Frontage Road (FR) 40 Overlay Project.

Policy Decision or Reason for Action:

Approval of the IGA/JPA between ADOT and the City will allow the project to move forward with design of approximately 9,200 linear feet of asphalt mill and overlay roadway improvements on FR 40, in the vicinity of the Wildcat Waste Water Treatment Plant (see attached map).

Subsidiary Decisions Points: A subsequent IGA/JPA will be presented to City Council for the construction phase of the project.

Financial Impact:

The current total estimated cost of the project is \$1,442,805 and is detailed as follows:

DESIGN	CONSTRUCTION	TOTAL
\$158,550.00	\$1,284,255.00	\$1,442,805.00

This Council action will approve the funding for the design phase of the project in the amount of \$158,550, which includes \$8,550 of required City of Flagstaff contribution. The City is responsible for costs above the \$158,550 limit.

Connection to Council Goal:

Repair, replace, maintain infrastructure (Streets and Utilities).

Has There Been Previous Council Decision on This:

No specific Council action has been issued with this agreement.

Options and Alternatives:

- Approve the IGA/JPA to provide \$150,000 in STP funding and \$8,550 in City of Flagstaff funding.
- Reject the IGA/JPA, which would forfeit the STP funding and necessitate suspension or cancellation of the project.

Background/History:

The FR 40 Overlay Project area is located south of the Flagstaff Mall and extends from El Paso Flagstaff Road to a point 9,200 linear feet to the east. This frontage road is also a section of Historic Route 66. The roadway ownership was transferred from ADOT to the City of Flagstaff in 2008 as part of the construction agreement for the East Flagstaff Traffic Interchange. At that time, it became the maintenance responsibility of the City.

Key Considerations:

STP funding is provided through the State of Arizona and will be applied to the project's design and construction. The City of Flagstaff was granted self-administration for design and ADOT will administer construction of the project. This IGA/JPA outlines the terms and conditions of the agreement as well as the responsibilities of the City and ADOT during the design stage. The historic status of this section of Route 66 will be evaluated for impacts during the design phase.

Expanded Financial Considerations:

The total project (including design and construction) has approved STP funding in the amount of \$1,365,000. Funding for City staff administrative time in the amount of \$80,000 is included in the STP funding. The City will be responsible for paying a 5.7% funding match in the amount of \$8,550 for design and \$69,255 for construction, and will be obligated to pay for any project overruns. Funding is anticipated to be budgeted in FY 15 in the amount of \$190,800 in the Transportation fund account number 040-05-112-3303-6 to cover project expenses. Funding will be rolled forward to cover the City's share of construction costs in FY16 and any remaining balance at the end of the project will be returned to the Transportation fund.

Community Benefits and Considerations:

This section of FR 40 is currently a deteriorated roadway surface that has large cracks and potholes. It currently has an Overall Condition Index (OCI) rating of 28.4 out of 100. This project will provide an improved roadway surface for the traveling public. This STP funding reduces the City's overall estimate for future improvements as referenced in the Road Repair & Street Safety Initiative.

Community Involvement:

Community involvement related to this grant has been coordinated between the City of Flagstaff and ADOT.

Attachments: [FR 40 IGA/JPA](#)
 [FR 40 Vicinity Map](#)

ADOT CAR No.: IGA/JPA 14-0004009-I
AG Contract No.: P0012014000979
Project: System Preservation
Section: Frontage Road 40 (Old 66) El-
Paso Flagstaff Road
Federal-aid No.: FLA0(219)T
ADOT Project No.:SZ123 02D
TIP/STIP No.: F3 1603
CFDA No.: 20.205 - Highway Planning
and Construction
Budget Source Item No.: n/a

INTERGOVERNMENTAL AGREEMENT

BETWEEN
THE STATE OF ARIZONA
AND
THE CITY OF FLAGSTAFF

THIS AGREEMENT is entered into this date _____, 2014, pursuant to the Arizona Revised Statutes §§ 11-951 through 11-954, as amended, between the STATE OF ARIZONA, acting by and through its DEPARTMENT OF TRANSPORTATION (the "State" or "ADOT") and the CITY OF FLAGSTAFF, acting by and through its MAYOR and CITY COUNCIL (the "City"). The State and the City are collectively referred to as "Parties."

I. RECITALS

1. The State is empowered by Arizona Revised Statutes § 28-401 to enter into this Agreement and has delegated to the undersigned the authority to execute this Agreement on behalf of the State.
 2. The City is empowered by Arizona Revised Statutes § 48-572 to enter into this Agreement and has by resolution, a copy of which is attached hereto and made a part hereof, resolved to enter into this Agreement and has authorized the undersigned to execute this Agreement on behalf of the City.
 3. The work proposed under this Agreement consists of scoping and design of a new roadway surface by asphalt milling and overlay of the roadway and shoulder area, patching and crack seal and roadway striping, as shown on Exhibit A, hereinafter referred to as the "Project". The City will administer the design using an ADOT on-call consultant for the Project. The plans, estimates and specifications for the Project will be prepared and, as required, submitted to the State and Federal Highway Administration (FHWA) for its approval.
 4. The interest of the State in this Project is the acquisition of federal funds for the use and benefit of the City and to authorize such federal funds for the Project pursuant to federal law and regulations. The State shall be the designated agent for the City.
 5. The Parties shall perform their responsibilities consistent with this Agreement and any change or modification to the Project will only occur with the mutual written consent of both Parties.
-

6. The federal funds will be used for scoping and design of the Project. The estimated scoping/design and PMDR costs are as follows:

SZ123 02D (Scoping/Design):

Federal-aid funds @ 94.3% (capped)	\$ 150,000.00
City's match @ 5.7%	\$ <u>8,550.00</u>
Subtotal – Scoping/Design *	\$ 158,550.00
Total Estimated City Funds	\$ 8,550.00
Total Federal Funds	\$ <u>150,000.00</u>
Estimated Total Scoping/Design and PMDR costs*	\$ 158,550.00

*(Includes ADOT Project Management & Design Review (PMDR) costs)

The Parties acknowledge that the final Project design costs may exceed the initial estimate(s) shown above, and in such case, the City is responsible for, and agrees to pay, any and all eventual, actual costs exceeding the initial estimate. If the final Project preliminary engineering, scoping and design costs estimate is less than the initial estimate, the difference between the final scoping/design and PMDR costs estimate and the initial estimate will be de-obligated or otherwise released from the Project. The City acknowledges it remains responsible for, and agrees to pay according to the terms of this Agreement, any and all eventual, actual costs exceeding the estimated Project preliminary engineering, scoping and design costs amount.

THEREFORE, in consideration of the mutual Agreements expressed herein, it is agreed as follows:

II. SCOPE OF WORK

1. The State will:

a. Upon execution of this Agreement, be the designated agent for the City, if this project is approved by FHWA and project funds are available.

b. Upon execution of this Agreement, and prior to performing or authorizing any work, invoice the City the City's share of the Project design costs, currently estimated at **\$8,550.00**. Once the Project costs have been finalized, the State will either invoice or reimburse the City for the difference between estimated and actual costs.

c. Upon receipt of the City's estimated share of the Project scoping/design costs, on behalf and with consent of the City, select and contract with one of the State's on-call consultants ("Consultant") to prepare all pertaining documents for the scoping/design of the Project, incorporating the City's comments as appropriate. Such documents may consist of, but are not specifically limited to, environmental documents, including the preparation of the analysis requirements for documentation of environmental categorical exclusion determinations; review of reports, design plans, maps, and specifications; geologic materials testing and analysis; right-of-way requirements and activities and such other related tasks essential to the achievement of the objectives of this Agreement.

d. Issue the right-of-way clearance after review and acceptance of the Consultant's right-of-way submittal.

e. Submit all documentation required to FHWA containing the above-mentioned Project with the recommendation that funding be approved for scoping/design. Request the maximum programmed federal funds for the scoping/design of this Project. The Project will be performed, completed, accepted and paid for in accordance with the requirements of Project plans and specifications.

f. Be granted, without cost requirements, the right to enter City rights-of-way as required to conduct any and all pre-construction related activities for said Project, including without limitation, temporary construction easements or temporary rights of entry onto and over said rights-of-way of the City.

g. Enter into an agreement with the design consultant which states that the design consultant shall provide professional post-design services as required and requested throughout and upon completion of the construction phase of the Project. Upon completion of the construction phase of the Project, require its consultant to provide an electronic version of the as-built plans to the City.

2. The City will:

a. Upon execution of this Agreement, designate the State as authorized agent for the City.

b. Upon execution of this Agreement, prior to performing or authorizing any work, and within thirty (30) days of receipt of an invoice from the State pay the City's Project design costs, currently estimated at **\$8,550.00**. Be responsible for any difference between the estimated and actual scoping and design costs.

c. Allow the State to enter into an agreement with the selected Consultant to provide services as required and requested throughout the design and post-design of the Project. Review the design plans, specifications and other such documents and services required for the construction bidding and construction of the Project, including scoping/design plans and documents required by FHWA to qualify projects for and to receive federal funds. Provide design review comments to the State as appropriate.

d. Provide the submittals required by the Self-Administration Consideration Request for Design to ADOT for review and acceptance according to the following timelines:

- 1) Stage 1, 15% Scoping/Design
- 2) Stage 2, 60% Scoping/Design
- 3) Stage 3, 100% Scoping/Design Completion

e. Monitor, and as required be involved with, all right-of-way activities and functions performed by the Consultant, including, but not specifically limited to, right-of-way survey, delineation, appraisal, review appraisal, acquisition, relocation and property management, as applicable.

f. Be responsible for all costs incurred in performing and accomplishing the work as set forth under this Agreement, not covered by federal funding. Should costs be deemed ineligible or exceed the maximum federal funds available, it is understood and agreed that the City is responsible for these costs, and payment for these costs shall be made within thirty (30) days of receipt of an invoice from the State.

g. Certify that all necessary rights-of-way have been or will be acquired prior to advertisement for bid and also certify that all obstructions or unauthorized encroachments of whatever nature, either above or below the surface of the Project area, shall be removed from the proposed right-of-way, or will be removed prior to the start of construction, in accordance with The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended; 49 CFR 24.102 Basic Acquisition Policies; 49 CFR 24.4 Assurances, Monitoring and Corrective Action, parts (a) & (b) and ADOT ROW Manual: 8.02 Responsibilities, 8.03 Prime Functions, 9.07 Monitoring Process and 9.08 Certification of Compliance.

Coordinate with the appropriate State's Right-of-Way personnel during any right-of-way process performed by the City, if applicable.

h. Not permit or allow any encroachments upon or private use of the right-of-way, except those authorized by permit. In the event of any unauthorized encroachment or improper use, the City shall take all necessary steps to remove or prevent any such encroachment or use.

i. Grant the State, its agents and/or contractors, without cost, the right to enter City rights-of-way, as required, to conduct any and all preconstruction related activities, including without limitation, temporary construction easements or temporary rights of entry to accomplish among other things, soil and foundation investigations.

j. Be obligated to incur any expenditure should unforeseen conditions or circumstances increase the cost of said work required by a change in the extent of scope of the work requested by the City, such changes require the prior approval of the State and FHWA. Be responsible for any consultant claims for additional compensation caused by Project delays attributable to the City, payment for these costs shall be made within thirty (30) days of receipt of an invoice from the State.

III. MISCELLANEOUS PROVISIONS

1. The terms, conditions and provisions of this Agreement shall remain in full force and effect until completion of the Project and related deposits or reimbursement, except any provisions for maintenance shall be perpetual, unless assumed by another competent entity. Further, this Agreement may be cancelled at any time prior to the award of the Project construction contract, upon thirty (30) days written notice to the other Party. It is understood and agreed that, in the event the City terminates this Agreement, the City will be responsible for all costs incurred by the State up to the time of termination. It is further understood and agreed that, in the event the City terminates this Agreement, the State shall in no way be obligated to maintain or complete the Project.

2. The State assumes no financial obligation or liability under this Agreement, or for any resulting construction Project. The City, in regard to the City's relationship with the State only, assumes full responsibility for the design, plans, specifications, reports, the engineering in connection therewith and the construction of the improvements contemplated, cost over-runs and construction claims. It is understood and agreed that the State's participation is confined solely to securing federal aid on behalf of the City and the fulfillment of any other responsibilities of the State as specifically set forth herein; that any damages arising from carrying out, in any respect, the terms of this Agreement or any modification thereof shall be solely the liability of the City and that to the extent permitted by law, the City hereby agrees to save and hold harmless, defend and indemnify from loss the State, any of its departments, agencies, officers or employees from any and all costs and/or damage incurred by any of the above and from any other damage to any person or property whatsoever, which is caused by any activity, condition, misrepresentation, directives, instruction or event arising out of the performance or nonperformance of any provisions of this Agreement by the State, any of its departments, agencies, officers and employees, or its independent contractors, the City, any of its agents, officers and employees, or its independent contractors. Costs incurred by the State, any of its departments, agencies, officers or employees shall include in the event of any action, court costs, and expenses of litigation and attorneys' fees.

3. The cost of scoping, design, and preliminary engineering work under this Agreement is to be covered by the federal funds set aside for this Project, up to the maximum available. The City acknowledges that the eventual actual costs may exceed the maximum available amount of federal funds, or that certain costs may not be accepted by the federal government as eligible for federal funds. Therefore, the City agrees to furnish and provide the difference between actual costs of the Project and the federal funds received.

4. Should the federal funding related to this Project be terminated or reduced by the federal government, or Congress rescinds, fails to renew, or otherwise reduces apportionments or obligation authority, the State shall in no way be obligated for funding or liable for any past, current or future expenses under this Agreement.

5. The cost of the project under this Agreement includes indirect costs approved by the FHWA, as applicable.

6. The Parties warrant compliance with the Federal Funding Accountability and Transparency Act of 2006 and associated 2008 Amendments (the "Act"). Additionally, in a timely manner, the City will provide information that is requested by the State to enable the State to comply with the requirements of the Act, as may be applicable.

7. The City acknowledges compliance with federal laws and regulations and may be subject to the Office of Management and Budget (OMB), Single Audit, Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations). Entities that expend \$500,000.00 or more (prior to 12/26/14) and \$750,000.00 or more (on or after 12/26/14) of federal assistance (federal funds, federal grants, or federal awards) are required to comply by having an independent audit. Either an electronic or hardcopy of the Single Audit is to be sent to Arizona Department of Transportation Financial Management Services.

ADOT – FMS
Attn: Cost Accounting Administrator
206 S 17th Ave. Mail Drop 204B
Phoenix, AZ 85007
SingleAudit@azdot.gov

8. This Agreement shall become effective upon signing and dating of the Determination Letter by the State's Attorney General.

9. This Agreement may be cancelled in accordance with Arizona Revised Statutes § 38-511.

10. To the extent applicable under law, the provisions set forth in Arizona Revised Statutes §§ 35-214 and 35-215 shall apply to this Agreement.

11. This Agreement is subject to all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations under the Act, including 28 CFR Parts 35 and 36. The parties to this Agreement shall comply with Executive Order Number 2009-09 issued by the Governor of the State of Arizona and incorporated herein by reference regarding "Non-Discrimination".

12. Non-Availability of Funds: Every obligation of the State under this Agreement is conditioned upon the availability of funds appropriated or allocated for the fulfillment of such obligations. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the State at the end of the period for which the funds are available. No liability shall accrue to the State in the event this provision is exercised, and the State shall not be obligated or liable for any future payments as a result of termination under this paragraph.

13. In the event of any controversy, which may arise out of this Agreement, the Parties hereto agree to abide by required arbitration as is set forth for public works contracts in Arizona Revised Statutes § 12-1518.

14. The Parties shall comply with the applicable requirements of Arizona Revised Statutes § 41-4401.

15. The Parties hereto shall comply with all applicable laws, rules, regulations and ordinances, as may be amended.

16. All notices or demands upon any party to this Agreement shall be in writing and shall be delivered in person or sent by mail, addressed as follows:

Arizona Department of Transportation
Joint Project Administration
205 S. 17th Avenue, Mail Drop 637E
Phoenix, Arizona 85007
(602) 712-7124
(602) 712-3132 Fax

City of Flagstaff
Stacey Brechler-Knaggs
211 West Aspen Avenue
Flagstaff, Arizona 86001
928-213-2227
928-779-7696

For Notices or Demands:

City of Flagstaff
Christine Cameron
211 West Aspen Avenue
Flagstaff, Arizona 86001
928-213-2682
ccameron@flagstaffaz.gov

17. In accordance with Arizona Revised Statutes § 11-952 (D) attached hereto and incorporated herein is the written determination of each party's legal counsel and that the Parties are authorized under the laws of this State to enter into this Agreement and that the Agreement is in proper form.

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year first above written.

CITY OF FLAGSTAFF

STATE OF ARIZONA

Department of Transportation

By _____
JERRY NABOURS
Mayor

By _____
DALLAS HAMMIT, P.E.
Senior Deputy State Engineer, Development

ATTEST:

By _____
ELIZABETH A. BURKE
City Clerk

ATTORNEY APPROVAL FORM FOR THE CITY OF FLAGSTAFF

I have reviewed the above referenced Intergovernmental Agreement between the State of Arizona, acting by and through its DEPARTMENT OF TRANSPORTATION, and the **CITY OF FLAGSTAFF**, an agreement among public agencies which, has been reviewed pursuant to Arizona Revised Statutes §§ 11-951 through 11-954 and declare this Agreement to be in proper form and within the powers and authority granted to the City under the laws of the State of Arizona.

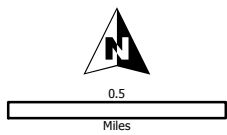
No opinion is expressed as to the authority of the State to enter into this Agreement.

DATED this _____ day of _____, 2014.

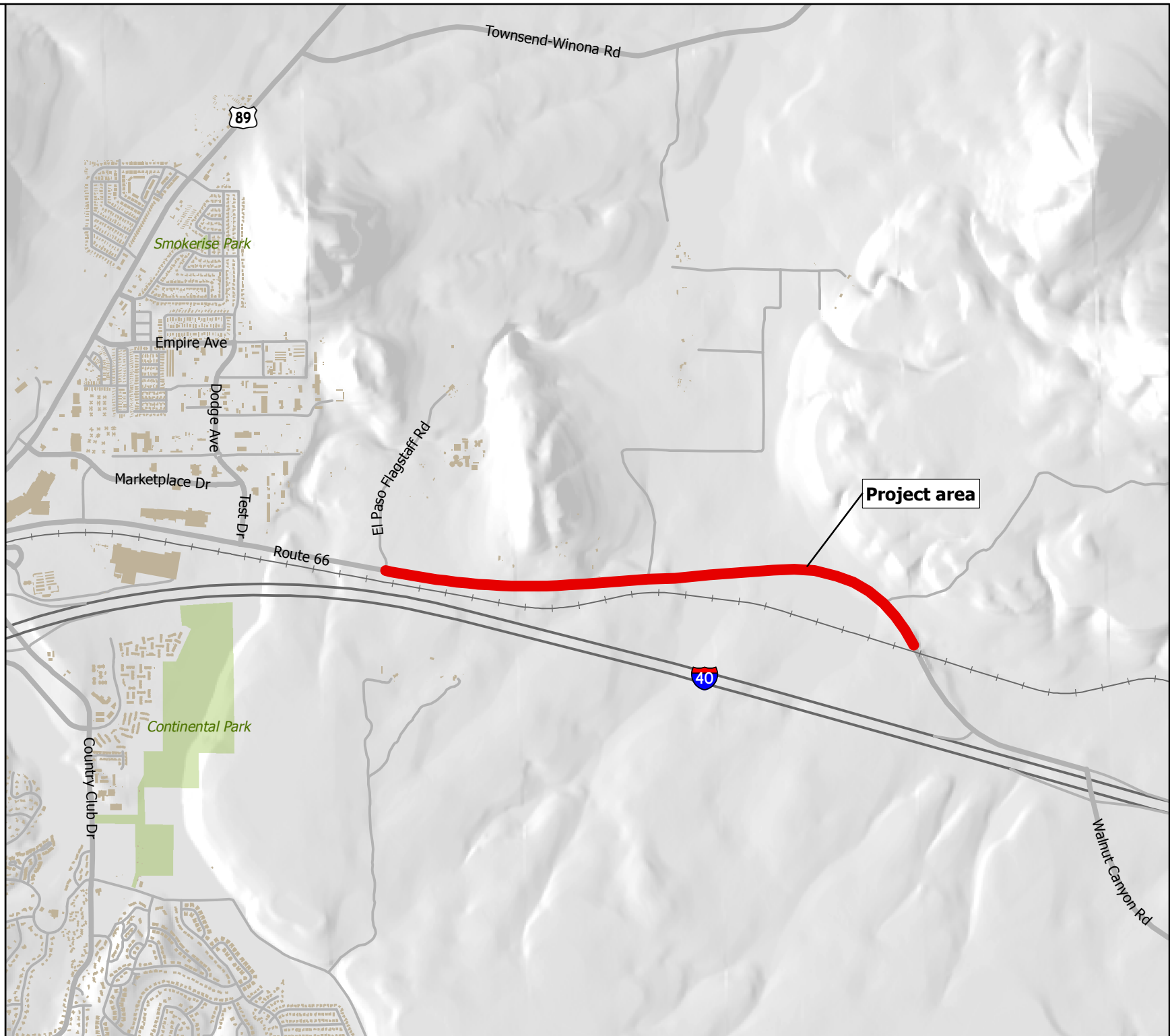
City Attorney



B40 Pavement Preservation Project



City of Flagstaff
19 December 2013



CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Elizabeth A. Burke, City Clerk
Date: 05/28/2014
Meeting Date: 06/03/2014



TITLE:

Consideration and Adoption of Resolution No. 2014-22: A resolution of the Mayor and Council of the City of Flagstaff, Coconino County, Arizona, declaring official and adopting the results of the Special Election held on May 20, 2014

RECOMMENDED ACTION:

- 1) Read Resolution No. 2014-22 by title only
- 2) City Clerk reads Resolution No. 2014-22 by title only (if approved above)
- 2) Adopt Resolution No. 2014-22

Policy Decision or Reason for Action:

Arizona Revised Statutes §16-542A requires *"the governing body holding an election...meet and canvass the election not less than six days nor more than twenty days following the election."*

Financial Impact:

There is no financial cost associated with this specific action which has been folded into the overall cost of the election.

Connection to Council Goal:

Effective governance.

Has There Been Previous Council Decision on This:

The City Council did consider and adopt Resolution No. 2014-02 on January 14, 2014, calling for the Special Election to be held on May 20, 2014, and approving the ballot language.

Options and Alternatives:

Because this action is legally prescribed, there are no other options.

Background/History:

On January 14, 2014, the City Council adopted Resolution No. 2014-22 which authorized the Special Election to be held on May 20, 2014, and approved the ballot language. The City contracted with Coconino County Elections to conduct this election as a Mail Ballot election.

QUESTION NO. 1 - Ratification of the *Flagstaff Area Regional Plan 2030: Place Matters*

YES	5,338	75.52%
NO	1,730	24.48%
TOTAL	7,068	

Key Considerations:

Required by state law to ratify by the voters' adoption of the Regional Plan.

Expanded Financial Considerations:

Advances the democratic process

Community Benefits and Considerations:

Empower

Attachments: Res 2014-22

RESOLUTION NO. 2014-22

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF FLAGSTAFF, COCONINO COUNTY, ARIZONA, DECLARING OFFICIAL AND ADOPTING THE RESULTS OF THE SPECIAL ELECTION HELD ON MAY 20, 2014

RECITALS:

WHEREAS, ARS §16-642 requires that the City Council canvass the returns of a Special Election no earlier than six (6) nor later than twenty (20) days following the election; and

WHEREAS, the Special Election returns have been presented to and have been canvassed by the Flagstaff City Council.

ENACTMENTS:

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

SECTION 1. That the total number of ballots cast at said Special Election, as shown by the Election Summary Report provided by the Coconino County Elections Department was 7,079, Exhibit A attached hereto and made a part hereof. The total number of ballots rejected for the Special Election of the City of Flagstaff are not segregated by those precincts within the City limits; however, the summary numbers of Rejected/Undeliverable ballots for Coconino County have been provided by the Coconino County Elections Department and are indicated in Exhibit B, attached hereto and made a part hereof.

SECTION 2. That the following results of the May 20, 2014, Special Election are hereby declared official:

BALLOT QUESTION NO. 1 – Ratification of the *Flagstaff Area Regional Plan 2030: Place Matters* as the new General Plan for the City of Flagstaff.

<u>PRECINCTS</u>	<u>YES</u>	<u>NO</u>
Flagstaff – Overall	5,338	1,730
Flagstaff – Precinct No. 1	317	79
Flagstaff – Precinct No. 2	265	67
Flagstaff – Precinct No. 3	155	36
Flagstaff – Precinct No. 4	392	114
Flagstaff – Precinct No. 5	400	87
Flagstaff – Precinct No. 6	127	49
Flagstaff – Precinct No. 7	152	52
Flagstaff – Precinct No. 8	208	63
Flagstaff – Precinct No. 9	91	25
Flagstaff – Precinct No. 10	3	0
Flagstaff – Precinct No. 11	71	39

Flagstaff – Precinct No. 12	68	36
Flagstaff – Precinct No. 13	14	4
Flagstaff – Precinct No. 14	78	19
Flagstaff – Precinct No. 15	281	135
Flagstaff – Precinct No. 16	338	147
Flagstaff – Precinct No. 17	94	37
Flagstaff – Precinct No. 18	79	38
Flagstaff – Precinct No. 19	238	102
Flagstaff – Precinct No. 20	17	2
Flagstaff – Precinct No. 21	413	130
Flagstaff – Precinct No. 22	397	103
Flagstaff – Precinct No. 23	145	37
Flagstaff – Precinct No. 24	494	178
Flagstaff – Precinct No. 25	413	102
Flagstaff – Precinct No. 26	88	49

Total Ballots Voted for Question No. 1	7,079
--	--------------

PASSED AND ADOPTED by the Mayor and Council of the City of Flagstaff, this 3rd day of June, 2014.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM

CITY ATTORNEY

EXHIBIT 'A'

MAY 20, 2014 SPECIAL ELECTION

CITY OF FLAGSTAFF - QUESTION NO. 1

OFFICIAL TITLE: RATIFICATION BY THE VOTERS OF THE FLAGSTAFF REGIONAL PLAN 2030: PLACE MATTERS AS THE NEW GENERAL PLAN OF THE CITY OF FLAGSTAFF, ARIZONA

PRECINCT	YES	NO	BALLOTS CAST	REGISTERED VOTERS
Flagstaff 1	317	79	399	1,240
Flagstaff 2	265	67	332	1,071
Flagstaff 3	155	36	192	760
Flagstaff 4	392	114	506	1,365
Flagstaff 5	400	87	488	1,545
Flagstaff 6	127	49	178	840
Flagstaff 7	152	52	204	875
Flagstaff 8	208	63	272	794
Flagstaff 9	91	25	116	964
Flagstaff 10	3	0	3	109
Flagstaff 11	71	39	110	736
Flagstaff 12	68	36	104	797
Flagstaff 13	14	4	18	265
Flagstaff 14	78	19	97	732
Flagstaff 15	281	135	418	2,107
Flagstaff 16	338	147	485	1,608
Flagstaff 17	94	37	131	574
Flagstaff 18	79	38	117	636
Flagstaff 19	238	102	340	1,305
Flagstaff 20	17	2	19	319
Flagstaff 21	413	130	543	1,759
Flagstaff 22	397	103	500	2,241
Flagstaff 23	145	37	182	864
Flagstaff 24	494	178	673	2,169
Flagstaff 25	413	102	515	1,577
Flagstaff 26	88	49	137	817
TOTALS	5,338	1,730	7,079	28,069

Election Summary Report

SPECIAL ELECTION

May 20, 2014

Summary For Jurisdiction Wide, All Counters, All Races

FINAL RESULTS

Date:05/21/14

Time:11:30:54

Page:1 of 1

Registered Voters 28069 - Cards Cast 7079 25.22%

Num. Report Precinct 26 - Num. Reporting 26 100.00%

QUESTION NO. 1

	Total	
Number of Precincts	26	
Precincts Reporting	26	100.0 %
Times Counted	7079/28069	25.2 %
Total Votes	7068	
YES	5338	75.52%
NO	1730	24.48%

Election Summary Report
SPECIAL ELECTION
May 20, 2014

Date:05/21/14
Time:11:28:41
Page:1 of 1

Summary For Flagstaff 1, All Counters, All Races
FINAL RESULTS

Registered Voters 1240 - Cards Cast 399 32.18%

Num. Report Precinct 1 - Num. Reporting 1 100.00%

QUESTION NO. 1

	Total	
Number of Precincts	1	
Precincts Reporting	1	100.0 %
Times Counted	399/1240	32.2 %
Total Votes	396	
YES	317	80.05%
NO	79	19.95%

Election Summary Report

SPECIAL ELECTION

May 20, 2014

Summary For Flagstaff 2, All Counters, All Races

FINAL RESULTS

Date:05/21/14

Time:11:28:42

Page:1 of 1

Registered Voters 1071 - Cards Cast 332 31.00%

Num. Report Precinct 1 - Num. Reporting 1 100.00%

QUESTION NO. 1

	Total	
Number of Precincts	1	
Precincts Reporting	1	100.0 %
Times Counted	332/1071	31.0 %
Total Votes	332	
YES	265	79.82%
NO	67	20.18%

Election Summary Report
SPECIAL ELECTION

May 20, 2014

Summary For Flagstaff 3, All Counters, All Races
FINAL RESULTS

Date:05/21/14

Time:11:28:42

Page:1 of 1

Registered Voters 760 - Cards Cast 192 25.26%

Num. Report Precinct 1 - Num. Reporting 1 100.00%

QUESTION NO. 1		Total	
Number of Precincts		1	
Precincts Reporting		1	100.0 %
Times Counted	192/760		25.3 %
Total Votes		191	
YES		155	81.15%
NO		36	18.85%

Election Summary Report

SPECIAL ELECTION

May 20, 2014

Summary For Flagstaff 4, All Counters, All Races

FINAL RESULTS

Date:05/21/14

Time:11:28:42

Page:1 of 1

Registered Voters 1365 - Cards Cast 506 37.07%

Num. Report Precinct 1 - Num. Reporting 1 100.00%

QUESTION NO. 1

	Total	
Number of Precincts	1	
Precincts Reporting	1	100.0 %
Times Counted	506/1365	37.1 %
Total Votes	506	
YES	392	77.47%
NO	114	22.53%

Election Summary Report
SPECIAL ELECTION
May 20, 2014

Date:05/21/14
Time:11:28:42
Page:1 of 1

Summary For Flagstaff 5, All Counters, All Races
FINAL RESULTS

Registered Voters 1545 - Cards Cast 488 31.59%

Num. Report Precinct 1 - Num. Reporting 1 100.00%

QUESTION NO. 1		
	Total	
Number of Precincts	1	
Precincts Reporting	1	100.0 %
Times Counted	488/1545	31.6 %
Total Votes	487	
YES	400	82.14%
NO	87	17.86%

Election Summary Report
SPECIAL ELECTION
May 20, 2014

Date:05/21/14
Time:11:28:42
Page:1 of 1

Summary For Flagstaff 6, All Counters, All Races
FINAL RESULTS

Registered Voters 840 - Cards Cast 178 21.19%

Num. Report Precinct 1 - Num. Reporting 1 100.00%

QUESTION NO. 1

	Total	
Number of Precincts	1	
Precincts Reporting	1	100.0 %
Times Counted	178/840	21.2 %
Total Votes	176	
YES	127	72.16%
NO	49	27.84%

Election Summary Report
SPECIAL ELECTION
May 20, 2014

Date:05/21/14
Time:11:28:42
Page:1 of 1

Summary For Flagstaff 7, All Counters, All Races
FINAL RESULTS

Registered Voters 875 - Cards Cast 204 23.31%

Num. Report Precinct 1 - Num. Reporting 1 100.00%

QUESTION NO. 1

	Total	
Number of Precincts	1	
Precincts Reporting	1	100.0 %
Times Counted	204/875	23.3 %
Total Votes	204	
YES	152	74.51%
NO	52	25.49%

Election Summary Report

SPECIAL ELECTION

May 20, 2014

Summary For Flagstaff 8, All Counters, All Races

FINAL RESULTS

Date:05/21/14

Time:11:28:43

Page:1 of 1

Registered Voters 794 - Cards Cast 272 34.26%

Num. Report Precinct 1 - Num. Reporting 1 100.00%

QUESTION NO. 1

	Total	
Number of Precincts	1	
Precincts Reporting	1	100.0 %
Times Counted	272/794	34.3 %
Total Votes	271	
YES	208	76.75%
NO	63	23.25%

Election Summary Report

SPECIAL ELECTION

May 20, 2014

Summary For Flagstaff 9, All Counters, All Races

FINAL RESULTS

Date:05/21/14

Time:11:28:43

Page:1 of 1

Registered Voters 964 - Cards Cast 116 12.03%

Num. Report Precinct 1 - Num. Reporting 1 100.00%

QUESTION NO. 1

	Total	
Number of Precincts	1	
Precincts Reporting	1	100.0 %
Times Counted	116/964	12.0 %
Total Votes	116	
YES	91	78.45%
NO	25	21.55%

Election Summary Report

SPECIAL ELECTION

May 20, 2014

Summary For Flagstaff 10, All Counters, All Races

FINAL RESULTS

Date:05/21/14

Time:11:28:43

Page:1 of 1

Registered Voters 109 - Cards Cast 3 2.75%

Num. Report Precinct 1 - Num. Reporting 1 100.00%

QUESTION NO. 1			
	Total		
Number of Precincts	1		
Precincts Reporting	1	100.0 %	
Times Counted	3/109	2.8 %	
Total Votes	3		
YES	3	100.00%	
NO	0	0.00%	

Election Summary Report
SPECIAL ELECTION

Date:05/21/14

Time:11:28:43

Page:1 of 1

May 20, 2014

Summary For Flagstaff 11, All Counters, All Races

FINAL RESULTS

Registered Voters 736 - Cards Cast 110 14.95%

Num. Report Precinct 1 - Num. Reporting 1 100.00%

QUESTION NO. 1

	Total	
Number of Precincts	1	
Precincts Reporting	1	100.0 %
Times Counted	110/736	14.9 %
Total Votes	110	
YES	71	64.55%
NO	39	35.45%

Election Summary Report
SPECIAL ELECTION
May 20, 2014

Date:05/21/14
Time:11:28:43
Page:1 of 1

Summary For Flagstaff 12, All Counters, All Races
FINAL RESULTS

Registered Voters 797 - Cards Cast 104 13.05%

Num. Report Precinct 1 - Num. Reporting 1 100.00%

QUESTION NO. 1		
	Total	
Number of Precincts	1	
Precincts Reporting	1	100.0 %
Times Counted	104/797	13.0 %
Total Votes	104	
YES	68	65.38%
NO	36	34.62%

Election Summary Report
SPECIAL ELECTION
May 20, 2014

Date:05/21/14
Time:11:28:43
Page:1 of 1

Summary For Flagstaff 13, All Counters, All Races
FINAL RESULTS

Registered Voters 265 - Cards Cast 18 6.79%

Num. Report Precinct 1 - Num. Reporting 1 100.00%

QUESTION NO. 1		
	Total	
Number of Precincts	1	
Precincts Reporting	1	100.0 %
Times Counted	18/265	6.8 %
Total Votes	18	
YES	14	77.78%
NO	4	22.22%

Election Summary Report
SPECIAL ELECTION

Date:05/21/14

Time:11:28:43

Page:1 of 1

May 20, 2014

Summary For Flagstaff 14, All Counters, All Races

FINAL RESULTS

Registered Voters 732 - Cards Cast 97 13.25%

Num. Report Precinct 1 - Num. Reporting 1 100.00%

QUESTION NO. 1

	Total	
Number of Precincts	1	
Precincts Reporting	1	100.0 %
Times Counted	97/732	13.3 %
Total Votes	97	
YES	78	80.41%
NO	19	19.59%

Election Summary Report

SPECIAL ELECTION

May 20, 2014

Summary For Flagstaff 15, All Counters, All Races

FINAL RESULTS

Date:05/21/14

Time:11:28:44

Page:1 of 1

Registered Voters 2107 - Cards Cast 418 19.84%

Num. Report Precinct 1 - Num. Reporting 1 100.00%

QUESTION NO. 1

	Total	
Number of Precincts	1	
Precincts Reporting	1	100.0 %
Times Counted	418/2107	19.8 %
Total Votes	416	
YES	281	67.55%
NO	135	32.45%

Election Summary Report
SPECIAL ELECTION

Date:05/21/14

Time:11:28:44

Page:1 of 1

May 20, 2014

Summary For Flagstaff 16, All Counters, All Races

FINAL RESULTS

Registered Voters 1608 - Cards Cast 485 30.16%

Num. Report Precinct 1 - Num. Reporting 1 100.00%

QUESTION NO. 1

	Total	
Number of Precincts	1	
Precincts Reporting	1	100.0 %
Times Counted	485/1608	30.2 %
Total Votes	485	
YES	338	69.69%
NO	147	30.31%

Election Summary Report
SPECIAL ELECTION
May 20, 2014

Date:05/21/14
Time:11:28:44
Page:1 of 1

Summary For Flagstaff 17, All Counters, All Races
FINAL RESULTS

Registered Voters 574 - Cards Cast 131 22.82%

Num. Report Precinct 1 - Num. Reporting 1 100.00%

QUESTION NO. 1		
	Total	
Number of Precincts	1	
Precincts Reporting	1	100.0 %
Times Counted	131/574	22.8 %
Total Votes	131	
YES	94	71.76%
NO	37	28.24%

Election Summary Report

SPECIAL ELECTION

May 20, 2014

Summary For Flagstaff 18, All Counters, All Races

FINAL RESULTS

Date:05/21/14

Time:11:28:44

Page:1 of 1

Registered Voters 636 - Cards Cast 117 18.40%

Num. Report Precinct 1 - Num. Reporting 1 100.00%

QUESTION NO. 1

	Total	
Number of Precincts	1	
Precincts Reporting	1	100.0 %
Times Counted	117/636	18.4 %
Total Votes	117	
YES	79	67.52%
NO	38	32.48%

Election Summary Report

SPECIAL ELECTION

May 20, 2014

Summary For Flagstaff 19, All Counters, All Races

FINAL RESULTS

Date:05/21/14

Time:11:28:44

Page:1 of 1

Registered Voters 1305 - Cards Cast 340 26.05%

Num. Report Precinct 1 - Num. Reporting 1 100.00%

QUESTION NO. 1

	Total	
Number of Precincts	1	
Precincts Reporting	1	100.0 %
Times Counted	340/1305	26.1 %
Total Votes	340	
YES	238	70.00%
NO	102	30.00%

Election Summary Report
SPECIAL ELECTION
May 20, 2014

Date:05/21/14
Time:11:28:44
Page:1 of 1

Summary For Flagstaff 20, All Counters, All Races
FINAL RESULTS

Registered Voters 319 - Cards Cast 19 5.96%

Num. Report Precinct 1 - Num. Reporting 1 100.00%

QUESTION NO. 1

	Total	
Number of Precincts	1	
Precincts Reporting	1	100.0 %
Times Counted	19/319	6.0 %
Total Votes	19	
YES	17	89.47%
NO	2	10.53%

Election Summary Report
SPECIAL ELECTION

Date:05/21/14

Time:11:28:45

Page:1 of 1

May 20, 2014

Summary For Flagstaff 21, All Counters, All Races

FINAL RESULTS

Registered Voters 1759 - Cards Cast 543 30.87%

Num. Report Precinct 1 - Num. Reporting 1 100.00%

QUESTION NO. 1

	Total	
Number of Precincts	1	
Precincts Reporting	1	100.0 %
Times Counted	543/1759	30.9 %
Total Votes	543	
YES	413	76.06%
NO	130	23.94%

Election Summary Report

SPECIAL ELECTION

May 20, 2014

Summary For Flagstaff 22, All Counters, All Races

FINAL RESULTS

Date:05/21/14

Time:11:28:45

Page:1 of 1

Registered Voters 2241 - Cards Cast 500 22.31%

Num. Report Precinct 1 - Num. Reporting 1 100.00%

QUESTION NO. 1

	Total	
Number of Precincts	1	
Precincts Reporting	1	100.0 %
Times Counted	500/2241	22.3 %
Total Votes	500	
YES	397	79.40%
NO	103	20.60%

Election Summary Report
SPECIAL ELECTION

Date:05/21/14
Time:11:28:45
Page:1 of 1

May 20, 2014

Summary For Flagstaff 23, All Counters, All Races
FINAL RESULTS

Registered Voters 864 - Cards Cast 182 21.06%

Num. Report Precinct 1 - Num. Reporting 1 100.00%

QUESTION NO. 1

	Total	
Number of Precincts	1	
Precincts Reporting	1	100.0 %
Times Counted	182/864	21.1 %
Total Votes	182	
YES	145	79.67%
NO	37	20.33%

Election Summary Report

SPECIAL ELECTION

May 20, 2014

Summary For Flagstaff 24, All Counters, All Races

FINAL RESULTS

Date:05/21/14

Time:11:28:45

Page:1 of 1

Registered Voters 2169 - Cards Cast 673 31.03%

Num. Report Precinct 1 - Num. Reporting 1 100.00%

QUESTION NO. 1

	Total	
Number of Precincts	1	
Precincts Reporting	1	100.0 %
Times Counted	673/2169	31.0 %
Total Votes	672	
YES	494	73.51%
NO	178	26.49%

Election Summary Report

SPECIAL ELECTION

May 20, 2014

Summary For Flagstaff 25, All Counters, All Races

FINAL RESULTS

Date:05/21/14

Time:11:28:45

Page:1 of 1

Registered Voters 1577 - Cards Cast 515 32.66%

Num. Report Precinct 1 - Num. Reporting 1 100.00%

QUESTION NO. 1

	Total	
Number of Precincts	1	
Precincts Reporting	1	100.0 %
Times Counted	515/1577	32.7 %
Total Votes	515	
YES	413	80.19%
NO	102	19.81%

Election Summary Report
SPECIAL ELECTION
May 20, 2014

Date:05/21/14
Time:11:28:45
Page:1 of 1

Summary For Flagstaff 26, All Counters, All Races
FINAL RESULTS

Registered Voters 817 - Cards Cast 137 16.77%

Num. Report Precinct 1 - Num. Reporting 1 100.00%

QUESTION NO. 1

	Total	
Number of Precincts	1	
Precincts Reporting	1	100.0 %
Times Counted	137/817	16.8 %
Total Votes	137	
YES	88	64.23%
NO	49	35.77%

EXHIBIT 'B'

REJECTED – SIGNATURE DIFFERENT:	34
REJECTED – SIGNATURE MISSING:	28
REJECTED – VOTER BECAME INELIGIBLE (FELON)	1
REJECTED – BALLOT RECEIVED TOO LATE:	138
BALLOTS RETURNED UNDELIVERABLE:	935

Memorandum

10. C.

CITY OF FLAGSTAFF



To: The Honorable Mayor and Council
From: Jerene Watson, Deputy City Manager
Date: 05/28/2014
Meeting Date: 06/03/2014

TITLE:

City position on proposed 2015 resolutions for submission to the League of Arizona Cities and Towns.

DESIRED OUTCOME:

Council to review and discuss the proposed eight resolutions coming from other cities, members of the Council or staff. The goal at the end of the discussion is to provide direction to staff on whether to support, stay neutral or not forward the respective resolutions. Additionally, this is the last opportunity for new resolutions not presented here to move forward that you would like proposed.

INFORMATION:

Each year the Arizona League of Cities and Towns conducts a Resolutions Process to determine what key issues cities would like the League to follow during the upcoming State Legislative Session (Attachment 1). A Resolutions Committee is seated during the summer to guide the process, with a culmination of the work voted upon at the annual conference, scheduled for the last week of August this year. The Mayor has been appointed to the Resolutions Subcommittee that will convene this summer and will represent the City at the League's annual conference, meeting during the Tuesday afternoon of the conference to determine the final resolutions to be supported. These will shape the League's 2015 legislative lobbying priorities and resources.

Cities are asked to draft resolutions broadly enough to be applicable to all cities and towns across the state, advancing common municipal goals. The League's philosophy is that a focused, strategic policy agenda will yield more results for cities at the Legislature. It is common for the League to take the top five priority resolutions to focus the majority of their resources lobbying on behalf during the Session. As a result, they ask that cities only propose those resolutions they feel are of urgency or high need to make for a smoother process in determining the legislative agenda and increase the likelihood of passage. For issues that have more of a single-city impact, the League encourages cities to lobby for those issues uniquely with their own city resources.

Discussion

It takes two cities to support a resolution in order for it to be considered. The deadline for resolution submission this year is Friday, June 6th. We have been approached to support four resolutions from other cities and have developed four our own (see Attachment 2).

CONCLUSION

Staff will prepare any additional resolutions desired and will advise other cities of any Council-determined support, per your direction this evening.

Attachments: Resolutions Timeline & Process
 Resolutions.Matrix
 Resolutions.Text



1820 W. Washington · Phoenix, AZ 85007 · Phone: (602) 258-5786 · Fax: (602) 253-3874
Email: league@azleague.org · Web site: www.azleague.org

April 25, 2014

Dear Mayor:

It is my privilege to appoint you to the 2014 Resolutions Committee of the League of Arizona Cities and Towns. Lake Havasu City Mayor Mark Nexsen of the League's Executive Committee has agreed to serve as the Chairman of this year's Resolutions Committee.

The Committee is responsible for recommending items for the League's legislative program based upon a review of all resolutions submitted by Arizona's cities and towns. The adopted resolutions are outlined in the annual Municipal Policy Statement which serves as the principal guide for the League's legislative program for the upcoming session.

In addition to serving on the committee, you are respectfully requested to begin the process of formulating this year's resolutions. **Resolutions are due to the League no later than June 6.** As you develop your resolutions, please keep in mind that they should be broadly applicable to all cities and towns across the state and should advance our common municipal goals. A focused, strategic policy agenda will provide us an opportunity to make the greatest impact at the Legislature.

Attached you will find:

- Resolutions Committee Calendar
- Resolutions Committee Procedures
- Resolutions Tip Sheet
- Resolutions Format Sheet (Due June 6)
- RSVP Form (Due June 6)

The Resolutions Committee will meet on Tuesday, August 19, 2014 at 1:30 p.m. as part of the League Annual Conference at the Sheraton Downtown Hotel in Phoenix. Lunch will be provided before the meeting. The resolutions will be formally adopted at the League's Annual Business Meeting on **Thursday August 21, 2014** at 4:00 p.m.

Please officially accept your appointment or designate a council representative to serve your city/town on the 2014 Resolutions Committee, and submit your resolutions by emailing your responses to: resolutions@azleague.org or by faxing the enclosed RSVP form and resolutions format sheet to the League at 602-253-3874 no later than June 6, 2014.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Doug Von Gausig".

Doug Von Gausig, President
Mayor of Clarkdale

Enclosures

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

2014 Resolutions Committee Calendar

- April:** Mayor Nexsen appointed as 2014 Resolutions Chairman.
- April 25:** Letters sent to all Arizona city and town Mayors appointing them to serve on the Resolutions Committee.
- June 6:** Deadline for Mayors to officially accept appointment or designate a council representative to serve on the Resolutions Committee.
- June 6:** **Deadline for resolutions to be submitted to the League Office by 5:00 pm.**
- Late June:** Resolutions Subcommittee meeting.
- July 8:** League to send out resolutions agenda packets to Resolutions Committee members.
- August 19:** Resolutions Committee meeting at the Annual Conference in Phoenix.
- August 21:** Resolutions ratified at the Annual Business Meeting.

LEAGUE OF ARIZONA CITIES AND TOWNS RESOLUTIONS COMMITTEE PROCEDURES

1. Resolutions Committee Appointment

The President shall appoint, at least ninety days before each Annual Conference, the Chairman and members of the Resolutions Committee. Only one elected official from each city or town shall be appointed to the Committee.

2. Duties

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

3. Submission of Resolutions

- A. All resolutions, including resolutions of courtesy, commendation or appreciation, may be considered by the Committee provided such resolutions are submitted in proper form to the Chairman of the Committee or to the League office by the published deadline. Each resolution submitted shall be sponsored by at least two cities and/or towns. League staff shall review and, where appropriate, provide additional information on the impact of the resolution.
- B. All resolutions submitted by the deadline specified in subsection A of this section along with fact sheets shall be mailed to Committee members at least six weeks prior to the meeting.
- C. Except in the case of emergency as determined by the chair of the committee, no resolutions submitted after the deadline specified in subsection A of this section may be considered.

4. Resolutions Committee Process

- A. The Committee shall hold a meeting at the Annual Conference for consideration of resolutions. Notice shall be given to each member at least six weeks in advance of the meeting.
- B. Prior to the meeting, the chair of the Resolutions Committee will appoint and convene a Subcommittee of the Resolutions Committee to review and evaluate the submitted resolutions for municipal relevancy, duplication and completeness. The subcommittee may make minor editing changes for clarity, and may place submitted resolutions into the following categories: *Recommend for Adoption*, *Not Recommended for Passage* or any other categories at the discretion of the Subcommittee. The Subcommittee will report its recommendations at the Resolutions Committee meeting.
- C. Resolutions shall be amended according to the process established by the Chairman of the Committee.

5. Final Report

After the Resolutions Committee meeting, the Chairman of the Committee or a designee shall report to the entire league membership at the Annual Business Meeting those resolutions adopted by the Committee. Resolutions adopted by the Committee shall be formally adopted by the membership at the Annual Business Meeting and become the basis for the annual Municipal Policy Statement.

TIPS FOR A SUCCESSFUL RESOLUTION SUBMISSION

***Resolutions are statements of policy that, once adopted by the Resolutions Committee, are used to form the League's municipal policy goals for the upcoming legislative session. A successful policy agenda will be focused and strategic; please consider how your resolution will impact the overall goals.**

*** There are two types of resolutions:**

- 1) Statements requesting a specific action, such as requesting that the Legislature enact a statute relating to graffiti abatement.
- 2) Statements of general policy direction, such as supporting increases for transportation funding.

1. Resolutions should be broadly applicable and advance our municipal goals.

- Please take note, the resolutions process is designed for issues that impact a broad cross section of cities and towns. Submitted resolutions that impact only a single city/town or limited number of cities and towns are not generally part of the League's overall agenda. If your city/town has an issue(s) that just impacts your community, please notify League staff and we will assist you with this issue during the legislative session.

2. Resolutions must be sponsored by at least 2 municipalities.

- Some communities require council action to support a resolution. Take this timing into consideration when finding co-sponsors.
- Each sponsoring municipality must provide the League with written confirmation of their support.

3. Resolutions must be submitted to the League no later than 5:00 pm June 6, 2014.

- Electronic submission is preferable. Please email your resolution(s) to Dale Wiebusch at resolutions@azleague.org or fax to (602) 253-3874.

4. Resolutions must be correctly formatted with all blanks adequately filled in.

- Other cities and towns rely on your information to decide whether or not to support a resolution. Clear, concise and complete information is essential.
- Do not write in all caps or modify the format provided.

If you have questions, contact Dale Wiebusch at the League office, resolutions@azleague.org or 602-258-5786.

**LEAGUE OF ARIZONA CITIES & TOWNS
RESOLUTION FORMAT**

Text of Resolution *(Insert one or two concise sentences describing what action or policy you are proposing.)*

Submitted by: *(List the municipalities sponsoring this Resolution – there must be at least two.)*

* * * * *

A. Purpose and Effect of Resolution *(Explain your proposal and provide any relevant background information.)*

B. Relevance to Municipal Policy *(Explain how the resolution impacts cities/towns throughout the state.)*

C. Fiscal Impact to Cities and Towns *(Explain the potential fiscal impact, if any, to cities/towns. Include any cost estimates if possible.)*

D. Fiscal Impact to the State *(Identify possible state or federal funding sources and if the impact to the state would be an appropriation of monies or a tax credit, exemption, etc.)*

E. Contact Information

Name: _____ Title: _____

Phone: _____ Email: _____

2014 Resolution Committee Member RSVP

____ I will serve as a member of the 2014 Resolutions Committee

____ I will not serve as a member of the Resolutions Committee, but have designated the following councilmember to represent our city/town:

Name of designee_____

____ Our city/town will not be represented on the Resolutions Committee

Name_____

City/Town_____

Please print, scan and email this form to resolutions@azleague.org or fax this form to (602) 253-3874 no later than 5:00 p.m. Friday, June 6, 2014.

NO.	DRAFT 2015 PROPOSED LEAGUE OF CITIES & TOWNS RESOLUTION SUMMARIES	SPONSOR	CO-SPONSOR	FLAGSTAFF STAFF COMMENT
1	HURF REVENUE STUDY COMMITTEE: Urges the Legislature to find a sustainable revenue collection system that will increase revenue into the Highway User Revenue Fund. The purpose of this Resolution is to recommend the formation of a HURF revenue study committee to work together to analyze transportation funding challenges, explore revenue options and make recommendations for an up to date alternative revenue collection system necessary to expand and maintain Arizona's transportation network now and into the future.	City of Kingman		SUPPORT: May yield permanent funding directed to the City's street pavement management program -- Jerene Watson, Mike O'Connor I think this proposal is very well written and hope it moves forward. – Barbara Goodrich
2	PUBLIC RECORDS: Urges the Legislature to amend A.R.S. § 39-121.01 to allow cities and towns to place reasonable balances of public record requests that are overbroad or abusive and on the frequency on requests. Such limitations may include placing reasonable limitations on the number of requests from individuals or groups within a specified, reasonable period of time.	City of Yuma		SUPPORT: The public records resolution is definitely “on point” and badly needed. The emphasis seems to be strongly on disclosure and making public records available; what would be most helpful is if public records law allowed agencies to charge for research time – that’s the big black hole for staff time and resources; less need to limit the number of requests someone can submit in a period time. – Susan Alden SUPPORT: Flagstaff PD has experienced the “shotgun” approach on public records requests described in this initiative; seeing an increase of requests from public defender’s office/other attorney’s offices—appears as a “fishing expedition” in an attempt to discredit the testimony or credibility of officers. Additionally, these types of requests on the rise from special interest groups who attempt to formulate a hypothesis on a topic only after receiving a large volume of records; activities are costly and time consuming for our employees. – Kevin Treadway
3	RESTORATION OF AZ STATE PARK HERITAGE FUNDS: Urges the authorization of expenditure and full appropriations to restore the Arizona State Park Heritage Funds through the reenactment of repealed ARS 41-501, 503 and 504.	City of Sedona		SUPPORT: Heritage preservation through our state parks can recycle entire buildings, reducing reliance on new materials and re-using the embodied energy of existing buildings. It can promote architectural diversity and provide spaces for artists, artisans and other cultural groups to practice their crafts while sustaining our local cultural life. Can foster community revitalization, encourage tourism and creates jobs, adding to a strong sense of place for all ages, preserving and creating focal points for important community events. – Karl Eberhard

				<p>If reinstated and administered as was done in the past, smaller communities with limited funding sources would be able to complete projects that were planned and then sidelined because of the termination of the program. Many past investments in parks would not have been possible without the matching funds from the Heritage Fund. These funds allowed communities to increased their investment in parks and improve the quality of life for their citizens. – Steve Zimmerman</p>
4	<p>DETENTION & RETENTION DISTRICTS: Amends A.R.S. § 48-574 to authorize retention and detention basin improvement districts to levy and expend money to operate, maintain, repair and improve retention and detention basins within a municipality.</p>	City of Yuma		<p>NEUTRAL: Malcolm and I talked about this and at this time Flagstaff does not have a need for this given what Mark said that we have a Stormwater utility. – Brad Hill</p> <p>I don't see the need to sign on to this one. The Statutes clearly allow retention/detention basins to be constructed so long as they are on publicly dedicated land. This bill really is about levying and ID assessment for the maintenance of them. I see this as being very confusing in Flagstaff given that we've already got a Stormwater Utility for that function. – Mark Landsiedel</p> <p>I like this one. – Michelle D'Andrea</p>
5	<p>PUBLIC SAFETY PENSION REFORM: Adopt further improvements to Arizona's public safety retirement system that will promote affordability for taxpayers while providing for the benefit promised to workers. These improvements should include a plan to effectively deal with the problem of unfunded liability, bringing a balance within a reasonable period of time while ensuring that Arizona remains competitive in its ability recruit and retain talented public safety employees.</p>	City of Flagstaff	Town of Paradise Valley	<p>SUPPORT: The disparate fiscal impact on each of the municipalities varies widely and creates challenges in budgeting and planning for the future. The current unfunded liability and increasing contribution rates for the public employee retirement systems are not financially sustainable and create a heavy burden on local governments to continue to fund pensions. – Josh Copley, Jerene Watson</p>
6	<p>PARTNERSHIP TO OPERATE STATE PARKS: Urges the Legislature and the Governor to partner with cities and towns for the operation and maintenance of Arizona State Parks (ASP) under long term leases, for a nominal amount, and to participate financially by providing for a dedicated funding mechanism to share a portion of the costs.</p>	City of Yuma		<p>NEUTRAL: There are currently no state parks within the City that we provide operation or maintenance expenses for. Formerly we did provide maintenance at Riordan Mansion when it was operated by State Parks. – Steve Zimmerman</p>

7	REDISTRIBUTION OF PROPERTY TAX FOR PUBLIC SAFETY EXPENSES: Amends the state laws on property tax to allow a city and a developer to hold title to property where developer pays an excise tax equal to, but in lieu of, the property tax with 40% distributed to the city for public safety expenses.	City of Flagstaff		As a Police Chief, I endorse the resolution proposing an option to re-distribute property tax for public safety expenses. As I understand this proposal, with certain properties this initiative may allow municipalities to collect revenue that will specifically be applied toward public safety in lieu of property tax collection. It is my experience that some properties (large multi housing complexes for instance) can create a significant burden for local law enforcement. The ability to collect revenue from these properties so that this revenue is entirely placed toward this increased burden is therefore appealing, insuring that local law enforcement can meet the increased demands certain properties create. – Kevin Treadway
8	RESTORE ARIZONA HOUSING TRUST FUND. Created in 1988 as a flexible funding source to assist low-income households in Arizona, it was funded from the sale of unclaimed property, such as stocks or savings accounts abandoned by the owner, often due to a death without a will. Prior years the Fund received over \$30 million annually but was capped in 2010 at \$2.5 million.	City of Flagstaff	Town of Prescott Valley Town of Chino Valley	Municipalities and non-profits are eligible to apply to receive an allocation of the Housing Trust Fund to further housing objectives within their communities. Restoration of funding to the Trust Fund will enable a greater number of grant applications to be funded as well as other funding leveraged. – Sarah Darr
9	ENERGY & CONSERVATION FINANCING DISTRICTS: Request and encourage the Arizona State Legislature to establish a mechanism enabling local government to establish renewable energy and conservation financing districts. In addition, encourage the Arizona State Legislature to identify and define energy efficiency, renewable energy and water conservation as a public benefit that enhances the public good and promotes the health, safety, prosperity, security, and general welfare of the community.	City of Flagstaff	City of Tucson	Requested by the League for Flagstaff and Tucson to re-submit this resolution now focused on the commercial properties. – Jerene Watson Rebecca Sayers, Nicole Woodman

LEAGUE OF ARIZONA CITIES & TOWNS

PROPOSED RESOLUTION #1

Urges the Legislature to find a sustainable revenue collection system that will increase revenue into the Highway User Revenue Fund. The purpose of this Resolution is to recommend the formation of a HURF revenue study committee to work together to analyze transportation funding challenges, explore revenue options and make recommendations for an up to date alternative revenue collection system necessary to expand and maintain Arizona's transportation network now and into the future.

Submitted by: *(List the municipalities sponsoring this Resolution – there must be at least two.)*

City of Kingman

* * * * *

A. Purpose and Effect of Resolution *(Explain your proposal and provide any relevant background information.)*

Investment in our transportation system is absolutely vital for Arizona's economic expansion and the safety of our traveling public. The quality of Arizona's transportation infrastructure directly affects the quality of life of Arizonans through mobility, safety, and jobs. To be successful, commerce, economic development and international trade depend on quality transportation systems. Good quality roads are an integral part of tourism, one of Arizona's top economic drivers. Infrastructure enhances accessibility of tourists to different parts of our state, more specifically transportation is an essential component of successful tourism development in that it creates an impression of our state, induces the creation of attractions and the growth of existing ones.

The quality of Arizona's transportation infrastructure continues to deteriorate. Revenue going into the Highway User Revenue Fund (HURF) has decreased substantially and over the past several years, hundreds of millions of dollars have been diverted from the already declining HURF fund. Arizona's transportation funding levels, while once average, now ranks 42nd in the nation. Modernization of how we pay for infrastructure needs to be reviewed to secure adequate and sustainable funding. Transferring of HURF revenues to pay for other government programs needs to stop. Arizona cannot afford to slip further behind.

- Transportation revenue collection continues to decline. Gasoline tax has lost its value over the past decade. And gas and fuel tax revenues will continue to decrease over time due to the increased fuel efficiency of the fleet. With more fuel efficient fleet, increasing the gasoline tax may not be a viable solution to sustain our current and future infrastructure needs. HURF revenues for 2013 of nearly \$1.2 billion were \$200 million less than 2007 and even less when compared to 2004.
- According to ADOT's numbers, fuel tax revenues collected in FY 2013 totaled \$647.9 million. In FY 2004 \$642.5 million in fuel taxes were collected – that's less than a percent difference over a span of 10 years, yet the rate of inflation over this period of time is 23.9%.
- Due to our state's critical transportation funding gap, highway construction has become increasingly reliant on Washington. However, federal transportation dollars are drying up as well; it is expected that there will be no federal funding for new projects in fiscal year 2015 and beyond. Arizona currently receives roughly \$675 million in federal highway funding, continuation of receiving federal assistance remains highly volatile.
- Americans pump less gas these days, have a greater dependence on mass transit, and live in walkable communities where they walk to services, schools, and jobs. With continued high gas prices, fuel efficient cars like hybrids and electric cars are important factors for consumers. According to the University of Michigan, vehicles manufactured in the month of February 2014 averaged 25.2 mpg, a drastic improvement compared to 16.9 mpg in 1991 – the last time AZ gas taxes were addressed.
- The 2013 ASCE report card for Arizona's infrastructure reflects 52% of Arizona roads were rated in poor to mediocre condition, and driving on these poor roads costs Arizona motorists almost \$887 million per

year in vehicle repair and operating costs. Additionally the report reflects 3.2% of Arizona bridges are structurally deficient and 9.2% are functionally obsolete.

Arizona's HURF revenue collection system is clearly out dated, running a budget based on a 1991 tax. The purpose of this Resolution is to recommend the formation of a HURF revenue study committee to work together to analyze transportation funding challenges, explore revenue options and make recommendations for an up to date alternative revenue collection system necessary to expand and maintain Arizona's transportation network now and into the future. **Examples** of possible alternative revenue sources the committee can explore include, but are not limited to:

- Increase to the current taxing rates.
- Implementing some sort of indexing mechanism.
- Move to a vehicle miles traveled tax.
- Implement a transportation-targeted state and local sales tax.
- Permit cities and towns to collect their own gas tax

Example of possible study committee composition can include a 19 member team representing all regions of Arizona and from the following groups: state, county and local government officials, League staff, business, labor, and advocates for motorists to name a few.

Our recommended time line is for the study committee be appointed in the 2015 legislative session, with a report of its findings and recommendations to the Governor and the legislature on or before December 1, 2015.

B. Relevance to Municipal Policy (*Explain how the resolution impacts cities/towns throughout the state.*)

Arizona is at a crucial decision point for transportation funding; our transportation system is in trouble. Allowing our roads to crumble, losing jobs and tourists and endangering the public is a disastrous plan, when we could secure adequate, sustainable transportation funding. Cities and towns across our state are struggling with a backlog of pavement preservation projects and dwindling transportation revenues.

Arizona's gasoline tax has stood at 18 cents per gallon for nearly 23 years. Over those years, the average rate of inflation is 2.63 percent making that 18 cents now worth what a dime was in 1991. Had the rate of inflation been kept up, that 18 cents tax would be .33 cents today. The buying power to construct new transportation improvements and maintain the existing transportation infrastructure has diminished due to inflation. Growth, changes to fuel saving automotive technology and driving habits are resulting in less revenue to repair our crumbling transportation infrastructure. Infrastructure is deteriorating on a yearly basis resulting in escalating and unaffordable costs for repair; it's reached a tipping point!

Fundamental responsibility for transportation decision-making should be at the local level. Municipalities should have the ability to set their own priorities in transportation investment that satisfy local needs and objectives. Maintaining and expanding our vital transportation infrastructure is critical for economic growth in our communities. With the overwhelming amount of economic activity that occurs in cities and towns, investing in infrastructure at the local level will create jobs, encourage tourism, and attract out-of-state businesses and to keep local businesses in our communities.

C. Fiscal Impact to Cities and Towns (*Explain the potential fiscal impact, if any, to cities/towns. Include any cost estimates if possible.*)

Streets, roads and bridges are critical assets for local government. HURF revenues are our primary source of street funding.

While we appreciate the inclusion of some restored HURF revenue in the recently adopted state budget, over the past decade, more than \$200 million in city and town HURF funds have been transferred to DPS. These legislative sweeps have been devastating to local governments. Sweeps need to stop and be redirected back to their intended use.

Local roads comprise over 75% of the nation's pavement. Roughly half of all HURF revenues are directed to county and municipal road programs. Mohave County alone has seen its HURF dollars reduced by 20%, losing \$5.9

million which has contributed to 80% of its road network reaching or surpassing its pavement service life.

Declining revenues and HURF sweeps have greatly affected the City of Kingman's transportation infrastructure program:

- Kingman has an increasing backlog of annual maintenance needs with a current estimated shortfall of approximately \$11 million.
- A funding gap of \$26.5 million is required to complete Kingman's much needed short term transportation projects.
- Kingman's 20 year Long Range Transportation Projects, which considers such factors as pavement conditions, congestion levels and safety performance, are estimated to have a \$365.9 million funding gap between needs and revenues.

Appointment of a HURF revenue study committee can review approaches to implement a set of revenue measures that address the transportation infrastructure funding shortfalls experienced by cities and towns across Arizona.

D. Fiscal Impact to the State (*Identify possible state or federal funding sources and if the impact to the state would be an appropriation of monies or a tax credit, exemption, etc.*)

Economic development and job growth continue to be cited as top priorities of public, local and state government officials, legislators and the Governor. Both are dependent on quality and capacity of our transportation infrastructure.

Infrastructure investment means higher economic activity for the construction industry. During the recession, Arizona construction jobs were slashed from 250, 000 to 120,000.

Maintenance in the state's transportation infrastructure already in place is not being adequately addressed. Last year's five-year program update provided \$150 million per year for maintenance while ADOT's pavement preservation staff estimate they need roughly \$260 million. ADOT estimates its system has \$18.4 billion worth of assets that would cost over \$100 billion to replace.

Due to declining transportation revenues, last year's ADOT five-year plan update required \$350 million in previously planned highway construction and maintenance activity. ADOT has had to cut or defer \$537 million in needed infrastructure projects, current revenue collection is woefully deficient.

The state's 25-year Long Range Transportation Plan, which considers such factors as pavement conditions, congestion levels and safety performance, projects a \$63 billion gap between needs and revenues.

Appointment of a HURF revenue study committee can review approaches to implement a set of revenue measures that address the transportation infrastructure funding shortfalls experienced by the state to properly fund vital infrastructure.

E. Contact Information

Name: Jackie Walker Title: Intergov & Human Resources/Risk Mgt Director

Phone: 928-753-8107 Email: jwalker@cityofkingman.gov

LEAGUE OF ARIZONA CITIES & TOWNS

PROPOSED RESOLUTION #2

Urges the Legislature to amend A.R.S. § 39-121.01 to allow cities and towns to place reasonable balances of public record requests that are overbroad or abusive and on the frequency on requests. Such limitations may include placing reasonable limitations on the number of requests from individuals or groups within a specified, reasonable period of time.

Submitted by:

City of Yuma

* * * * *

A. Purpose and Effect of Resolution

This Resolution seeks amendments to public records access laws that will allow cities and towns to facilitate and maintain timely and complete citizen's access to public records while discouraging frequent, overbroad, or abusive requests.¹

Municipalities receive and process thousands of requests for public records each year. Most of these requests are reasonable, coming from the media and persons who may or may not make other requests but who seek specific and limited information. However, there are times when filling these requests is delayed because of frequent, extensive, or excessive numbers of requests of other persons. Requests from these few individuals require a significant and disproportionate amount of staff time to locate, review, redact, and prepare voluminous amounts of documents or materials from multiple departments for inspection and/or copying. In some cases the requesting party doesn't review the records after having been notified that they are available for inspection. This creates unnecessary work for employees, delays other important work (including filling public records requests from other persons), and drains the public coffers.

Some requests by these individuals are overbroad, such as requests for "All documents, e-mail, memoranda, etc. pertaining to the city action" These documents can cover many years, require production of hundreds or thousands of documents, and involve research and review by several City departments. Again, after spending many hours locating, assembling, redacting, and copying these records, some are never inspected by the requestor.

Municipalities also receive and process numerous requests for public records from only a few individuals. As an example, Yuma received 46 requests in 44 business days from a single individual, including nine filed in one day, while 25 other filled requests of the same individual waited to be reviewed. A single individual is responsible for the following statistics:

<u>Year</u>	<u>Number of requests</u>
2008	114
2009	120

¹ Nothing in this Resolution is intended to limit media access to public records.

2010	85
2011	155
2012	81
2013	163
2014 (as of May 7)	36

This resolution requests amendment of Title 39 to give municipalities the ability, in limited instances, to place reasonable restrictions on the number or frequency of requests made by a single individual and to limit certain requests such as those with a broad scope or that cover an extensive time period and where the individual is unwilling to narrow the request. Such restrictions will allow cities to both comply with the spirit and intent of public records laws while discouraging the frequent, numerous, overbroad, or abusive requests. These limited restrictions will discourage abusive requests while maintaining public records access for all citizens. We believe a reasonable restriction to be 5 requests per month. Those individuals making frequent, numerous or overbroad requests may be limited in the number of requests accepted within a specified time and have new requests held until all previous requests have been inspected. Additional requests beyond these numbers would still be filled, however the taxpayer would not have to continue bear costs of over-burdensome requests.

B. Relevance to Municipal Policy

Transparency is an essential component of a responsive, representative government. Cities endeavor at all times to be open, accessible and responsive to their citizens. Making records available for inspection by the public and the media is important to maintaining transparency and trust in government. Most citizens and the media are conscientious and purposeful in their requests. However, requests by a few individuals that are overbroad or abusive and require disproportionate amounts of city-wide staff time do not further the goal of transparency and will hurt citizen access to, and the availability of, public records. A copy of the proposed legislation is attached.

C. Fiscal Impact to Cities and Towns

Cities will still respond to public records requests in the spirit of transparency and openness in government. Allowing cities some relief from abusive public records requests or to identify potentially abusive practices will free staff to perform other governmental functions.

D. Fiscal Impact to the State

There will be no fiscal impact to the State. However an amendment could include public records requests of the State, which will result in savings.

E. Contact Information

Name: Steven W. Moore	Title: City Attorney
Phone: (928) 373-5050	Email: Steve.Moore@YumaAZ.gov

39-121.02. Action on denial of access; costs and attorney fees; damages; burdensome requests

A. Any person who has requested to examine or copy public records pursuant to this article, and who has been denied access to or the right to copy such records, may appeal the denial through a special action in the superior court, pursuant to the rules of procedure for special actions against the officer or public body.

B. The court may award attorney fees and other legal costs that are reasonably incurred in any action under this article if the person seeking public records has substantially prevailed. ~~Nothing in~~ ~~¶~~ This subsection shall does not limit the rights of any party to recover attorney fees, expenses and double damages pursuant to section 12-349.

C. Any person who is wrongfully denied access to public records pursuant to this article has a cause of action against the officer or public body for any damages resulting from the denial.

~~D. It is a defense to any action under this article that the request for access to public records is unduly burdensome or harassing.~~

**LEAGUE OF ARIZONA CITIES & TOWNS
RESOLUTION FORMAT**

Text of Resolution (Insert one or two concise sentences describing what action or policy you are proposing.)

Urges the authorization of expenditure and full appropriations through the reenactment of repealed ARS 41-501, 503 and 504 to restore the Arizona State Park Heritage Funds.

Submitted by: (List the municipalities sponsoring this Resolution – there must be at least two.)

City of Sedona

* * * * *

A. Purpose and Effect of Resolution (Explain your proposal and provide any relevant background information.)

The Arizona State Parks (ASP) Board Heritage Fund was established in November 1990 by voter initiative, provides up to \$10 million annually to Arizona State Parks from Arizona Lottery proceeds (A.R.S. §41-503). There were three competitive grant programs offered annually from the Heritage Fund dollars to provide opportunities for the public to enjoy parks and outdoor recreation, and to help preserve natural and cultural resources. Seventeen percent of the State Parks Heritage Fund revenues were available annually (up to \$1.7 million) through the Historic Preservation (HP) Grant Program. Thirty-five percent of the revenues (up to \$3.5 million) were available through the Local, Regional and State Parks (LRSP) Grant Program, and five percent of the revenues (up to \$500,000) went to the Trails Heritage Fund, of which 95% was available through the competitive grant program.

Since 2009, sweeps of the Heritage Fund resulted in the discontinuation of the Heritage Fund Grant Programs due to lack of funding. The Heritage Fund Grant Programs were an important source of funding, through the LRSP in particular, to Cities and Towns for their ability to enhance and expand local park sites. The sweep of Heritage Funds directly impacts the ability of Cities and Towns to provide funds to conserve our state's natural, cultural, and historic resources and shifts costs to Cities and Towns that are the burden of the State, and which benefit the state.

Not only were the remaining Heritage Funds eliminated – funds that were used for Capital Improvements to the Arizona State Parks – but the Legislature fully repealed the funding mechanism for Heritage Funds through the repeal of authorizing statutes A.R.S. 41-501, 41-503, and 41-504 effective on July 1, 2011. The FY 12 State Budget swept the remaining \$2,090,000 of the Enhancement Fund, which eliminated the amount available for Capital Programs and left ASP with no capital funds available to repair structural emergencies. Without reauthorization of the related statutes, there is no vehicle to appropriate funds, and the future of not only local funding but the entirety of Arizona State Parks hangs in the balance. The inability to fund needed Capital Improvements, and even emergency repairs puts ASP at a dangerous financial precipice.

B. Relevance to Municipal Policy (Explain how the resolution impacts cities/towns throughout the state.)

Approval of this resolution and resulting policy changes would provide a vehicle for funding to continue municipalities and the states' ability to provide and enhance the conservation of our state's natural, cultural, and historic resources. It would shift the responsibility for these programs back to the State and reinforce the voter approved initiative that originally placed the burden on the State

C. Fiscal Impact to Cities and Towns (Explain the potential fiscal impact, if any, to cities/towns. Include any cost estimates if possible.)

Reenactment of Arizona Heritage Fund appropriations would have a significant positive impact on recreational opportunities, environmental education for the K-12 curriculum and enrichment for educators, grants and research, and response to and help with ameliorating human-wildlife conflicts in urban areas. It also positively impacts the viability of State Parks as the sweep of funds has left ASP without funds for capital improvements or for any structural emergency. The loss of Heritage Funds has a direct impact on Cities and Towns due to the

economic impact of State Parks as evidenced in the "The Economic Impact of Arizona State Parks 2007" study prepared by The Arizona Hospitality Research & Resource Center, Center for Business Outreach and The W. A. Franke College of Business, Northern Arizona University in February 2009.

D. Fiscal Impact to the State (*Identify possible state or federal funding sources and if the impact to the state would be an appropriation of monies or a tax credit, exemption, etc.*)

The restoration of Arizona Heritage Fund dollars to pre-2009 levels would require \$10 million, which previously had been authorized from Arizona Lottery proceeds per A.R.S. §41-503.

E. Contact Information

Name: Nicholas R Gioello Title: Assistant to the City Manager & Government Relations Manager

Phone: 928-203-5100 Email: ngioello@sedonaaz.gov

LEAGUE OF ARIZONA CITIES & TOWNS

PROPOSED RESOLUTION #4

Amends A.R.S. § 48-574 to authorize retention and detention basin improvement districts to levy and expend money to operate, maintain, repair and improve retention and detention basins within a municipality.

Submitted by: City of Yuma

A. Purpose and Effect of Resolution

A.R.S. § 48-574 currently authorizes improvement districts for the operation, maintenance, repair and improvement of pedestrian malls, off-street parking facilities and parkings and parkways. The proposed statutory change makes retention and detention basins eligible for operation and maintenance cost payment through an improvement district.

Under current state law, improvement districts are not specifically authorized to maintain retention and detention basins. As a result, off-site retention, which benefits only a small, localized area, is often subsidized by landowners outside of the area receiving the benefit (and who may already bear the burden of on-site retention on their parcel). Alternatively, under current law, a municipality could require the formation of a homeowner's or neighborhood association to maintain basins. Permitting a developer the flexibility to form an improvement district would allocate such costs directly to and in proportion to the benefit without the requirement of a homeowner's or neighborhood association.

The proposed legislation would allow operation, maintenance, improvement and repair costs for retention and detention basins to be included in the tax levy as part of a property owner's tax bill in accordance with assessed value or assessment of each lot within the improvement district in proportion to the benefit to each lot. The district would not have the authority to issue improvement bonds or to engage in any activity other than operation, maintenance, repair and improvement of the retention and/or detention basin.

B. Relevance to Municipal Policy

Improvement districts are prevalent across the state. A uniform process that allows cities and towns to more fairly distribute the perpetual maintenance costs of retention and detention basins will provide long-term cumulative savings to municipalities, provide developers with an alternative to homeowner's or neighborhood associations, and facilitate ease of payment for homeowners.

C. Fiscal Impact to Cities and Towns

Cities and towns that approve retention and detention basin improvement districts would realize savings that could be spent for other improvements or services.

A.R.S. § 48-574 Improvement districts for operation, maintenance, repair and improvement of pedestrian malls, off-street parking facilities, retention and detention basins, parkings and parkways

A. In addition to the purposes for which an improvement district may be formed under the provisions of § 48-572, an improvement district may be formed for the sole purpose of the operation, maintenance, repair and improvements of pedestrian malls, off-street parking facilities, retention and detention basins, parkings and parkways.

B. Subject to the powers granted and the limitations contained in this section, the powers and duties of the governing body of the municipality and the procedure to be followed shall be as provided in this article for other types of special improvement districts.

C. If a petition for the formation of an improvement district under the provisions of this section is presented to the governing body purporting to be signed by all of the real property owners in the proposed district, exclusive of mortgagees and other lienholders, the governing body, after verifying the property ownership and making a finding of that fact, shall adopt a resolution of intention to order the improvement pursuant to the provisions of § 48-576

D. The governing body shall make annual statements and estimates of the expenses of the district, which shall be provided for either:

1. By the levy and collection of ad valorem taxes upon the assessed value of all the real and personal property in the district.

2. By assessment of the total sum upon the several lots, each respectively in proportion to the benefits to be received by each lot.

E. If the expenses of the district are provided for by ad valorem taxes, the governing body shall publish notice, have hearings and adopt the taxes at the times and in the manners provided for incorporated cities and towns by the applicable portions of title 42, chapter 17, article 3.¹ The governing body, on or before the third Monday in August of each year, shall fix, levy and assess the amount to be raised by ad valorem taxes upon all of the property of the district. If the expenses of the district are assessed upon the several lots in proportion to the benefits received by each lot, the governing body shall follow the procedures established in § 48-575 for the assessment and collection of the assessments. All statutes providing for the levy and collection of general county taxes, including the collection of delinquent taxes and sale of property for nonpayment of taxes, shall be applicable to the district taxes provided for under this section.

F. An improvement district formed under the provisions of this section shall not be authorized to issue improvement bonds.

G. No improvement district formed under the provisions of this section shall be authorized to engage in any activity other than as provided in subsection A of this section. If the municipality is willing to participate in the cost of the district, the governing body may, by resolution, summarily order such participation.

H. The formation of an improvement district under the provisions of this section shall not prevent the subsequent establishment of improvement districts for any other purpose authorized by law.

I. If, in the opinion of the governing body, any portion of the territory of a district formed under this section is no longer benefited by being a part of the district, the governing body may, by resolution, summarily delete from the district formed under this section any area and may form a new district from the balance of the original district formed under this section.

J. If, in the opinion of the governing body, territory adjacent to a district formed under this section would benefit from being a part of the district, the governing body, by resolution, may include the territory in the district formed under this section if the following conditions are met:

1. Improvements that meet the standards and specifications established by the governing body have been constructed in the territory and will be used for the purposes of the district.

2. Any required public dedications of property have been made or will be made before the inclusion of the territory in the district.

3. Including the territory in the district will not adversely affect the district.

4. Notice of the proposed inclusion of the territory in the district has been published in five consecutive issues of a daily newspaper or two consecutive issues of a weekly or semiweekly newspaper of general circulation published in the municipality and a public hearing has been held to consider the inclusion of the territory in the district.

5. Notice has been sent by first class mail at least ten days prior to the hearing specified in paragraph 4 of this subsection with an accurate map of the territory proposed for inclusion in the district to each owner of real and personal property within the district and in the proposed area of inclusion as shown on the statement furnished pursuant to subsection K of this section that is now or would be subject to taxation by the district in the event of inclusion of the proposed area.

K. The county assessor and the department of revenue, respectively, shall furnish to the district within thirty days after a request a statement in writing showing the name and the address of each owner of real and personal property within the district and in the proposed area of inclusion that is now or that would be subject to taxation by the district in the event of inclusion of the proposed area.

L. Within ten days after the governing body adopts a resolution pursuant to subsection J of this section, the municipality shall record the resolution in the office of the county recorder in the county in which the district is located to give notice of the inclusion of the territory in the district to all property owners in the district. If, before the governing body adopts the resolution pursuant to subsection J of this section, a majority of the property owners, by area, of either the original district formed under this section or the territory proposed to be included in the district files with the governing board written objections to the proposed inclusion of the territory, the territory shall not be included in the district.

M. Within ten days after adoption of the resolution of intention to order the improvement pursuant to § 48-576, the municipality shall record the resolution in the office of the county recorder in the county in which the district is located to give notice of formation of the district to all property owners within the district.

N. For the purposes of this subsection, a property owner is an owner of real property, exclusive of mortgagees and other lienholders, that is within an improvement district that was formed as prescribed by this section. A property owner may petition the governing body to dissolve the district pursuant to the following procedures:

1. A property owner shall file with the clerk of the governing body in which the district is located a written notice of the property owner's intent to circulate a petition to dissolve the district. The notice shall include the name, address and telephone number of at least one property owner living within the district who intends to circulate the petition, the name, location and general purpose of the district

which is to be dissolved and a true and concise statement of two hundred words or less explaining the advantages of dissolving the district. A petition shall not be circulated for thirty days after the property owner files with the governing body the notice of intent to circulate a dissolution petition.

2. The governing body may provide a form of petition to be used to dissolve the district. Any petition shall include the statement provided in the notice of intent to circulate a petition regarding the advantages of dissolving the district.

3. The governing body may provide a true and concise written statement of two hundred words or less regarding the petition or dissolution of the district. If so provided, the property owner must circulate this statement affixed to the petition.

4. Property owners shall submit to the clerk of the governing body a petition for the dissolution of an improvement district formed under this section that purports to be signed by more than fifty per cent of the property owners in the district.

5. Within twenty days of receipt of the signed petition, the governing body shall verify that the petition is signed by more than fifty per cent of the property owners as set forth in paragraph 4 of this subsection.

6. If the governing body finds the petition contains valid signatures of more than fifty per cent of the property owners, the governing body shall set the date for dissolution of the district within ninety days. The district may continue to operate after dissolution only as needed to collect money and make payments on any outstanding district obligations.

7. Each property in the district with outstanding assessments or liens attached shall remain subject to those assessments or liens for payment of the existing obligations of the district, notwithstanding dissolution of the district.

8. If a district formed under this section subsequently dissolves as prescribed in this subsection, the governing body may not attempt to form any district for the same purpose for at least two years after the date the district is dissolved if the proposed district includes lands formerly located within the dissolved district.

O. Districts that are located in slum or blighted areas as defined in § 36-1471 are exempt from subsection N of this section.

E. Contact Information

Name: Steven W. Moore	Title: City Attorney
Phone: (928) 373-5050	Email: Steve.Moore@YumaAZ.gov

LEAGUE OF ARIZONA CITIES & TOWNS

Proposed Resolution #5

Urges the Legislature and the Governor to partner with cities and towns for the operation and maintenance of Arizona State Parks (ASP) under long term leases, for a nominal amount, and to participate financially by providing for a dedicated funding mechanism to share a portion of the costs.

Submitted by: City of Yuma,

* * * * *

A. Purpose and Effect of Resolution

When the State became unable to continue full support of its parks, local governments and non-profit groups in Arizona stepped up to the plate and entered into short term agreements to operate and maintain the parks in or near their jurisdictions (Alamo Lake, Boyce Thompson Arboretum, Fort Verde, Homolovi, Jerome, Lost Dutchman, Lyman Lake, McFarland, Picacho Peak, Red Rock, Riordan Mansion, Roper Lake, Tombstone Courthouse, Tonto Natural Bridge, Tubac Presidio, Yuma Territorial Prison State Historic Park, Yuma Quartermaster Depot State Historic Park) so Arizona residents and visitors alike could continue to enjoy the rich recreational experiences that state parks provide. These Agreements have proven to be successful. However, the State has been reluctant to enter into leases for longer than three years. In order to make the current partnerships between the State and local governments more viable over time and to encourage partnerships with both public and private non-profit organizations, longer term leases (such as 10 years) and a continuing, dedicated, and reliable funding stream from the State, local governments and non-profits will be needed.

Longer term leases and a dedicated funding stream will assure that Arizona's State Parks remain open to the public as a recreational, environmental, and cultural benefit that supports and generates tourism, and provides important revenue to not only local, but also to the regional and statewide, economies. In addition, the availability of the State Parks System will continue to provide a high quality of life for Arizona residents and serve as an attraction to new residents.

B. Relevance to Municipal Policy

State Parks are essential to the rural economies and people of Arizona, and the continued threat to their operation leaves a continued threat to the weakened local economies in rural Arizona. In addition, Arizona's natural environment, including access to the environment through availability of State Parks across the state draws millions of tourists to Arizona, benefiting every entity that relies on tourism as part of its economy.

Increasingly, ASP is reliant on partnerships with local governments to make its state parks viable. This comes at a time when local resources are shrinking.

C. Fiscal Impact to Cities and Towns (Newer stats are not available)

Visitors' expenditures combined with their direct and induced impacts resulted in \$21,171,627 in Federal Government taxes and \$22,762,326 in state and local government taxes. The total tax impact of Arizona State Park visitors in 2007 was \$43,933,953.

D. Fiscal Impact to the State

The economic benefit of the State Park System is statewide. Calculated at the state level for FY07, the total economic impact of Arizona State Parks (direct, indirect and induced) on the state was \$266,436,582. This total state income resulted in 2,397 direct jobs and 950 indirect jobs for a total of 3,347 jobs statewide. The jobs provided were generated directly, through State Parks employment, but also indirectly, for the tourism industry that is supported and enhanced by the existence of State Parks.

Visitors' expenditures combined with their direct and induced impacts resulted in \$21,171,627 in Federal Government taxes and \$22,762,326 in state and local government taxes. The total tax impact of Arizona State Park visitors in 2007 was \$43,933,953.

(Economic figures cited are from "The Economic Impact of Arizona State Parks 2007" study prepared by The Arizona Hospitality Research & Resource Center, Center for Business Outreach and The W. A. Franke College of Business, Northern Arizona University in February 2009.)

E. Contact Information

Name: Steven W. Moore Title: City Attorney

Phone: (928) 373-5050 Email: Steve.Moore@YumaAZ.gov

LEAGUE OF ARIZONA CITIES & TOWNS

RESOLUTION #6

Adopt further improvements to Arizona’s public safety retirement system that will promote affordability for taxpayers while providing for the benefit promised to workers. These improvements should include a plan to effectively deal with the problem of unfunded liability, bringing a balance within a reasonable period of time while ensuring that Arizona remains competitive in its ability recruit and retain talented public safety employees.

Submitted by: *(List the municipalities sponsoring this Resolution – there must be at least two.)*

City of Flagstaff

Town of Paradise Valley

* * * * *

A. Purpose and Effect of Resolution *(Explain your proposal and provide any relevant background information.)*

Explore mechanisms to improve public safety pensions for both employer and employees that creates an economically sustainable retirement system that protects taxpayers.

B. Relevance to Municipal Policy *(Explain how the resolution impacts cities/towns throughout the state.)*

Need for sound financial planning and budgeting and use of the taxpayer dollars. How cities spend the taxpayers’ money is one of its most important responsibilities and a significant factor in garnering the trust of our citizens.

C. Fiscal Impact to Cities and Towns *(Explain the potential fiscal impact, if any, to cities/towns. Include any cost estimates if possible.)*

The disparate fiscal impact on each of the municipalities varies widely and creates challenges in budgeting and planning for the future. The current unfunded liability and increasing contribution rates for the public employee retirement systems are not financially sustainable and create a heavy burden on local governments to continue to fund pensions.

D. Fiscal Impact to the State *(Identify possible state or federal funding sources and if the impact to the state would be an appropriation of monies or a tax credit, exemption, etc.)*

Level the state contribution with a more uniform and therefore could be an impact to the State budget. The anticipated costs associated with decreasing unfunded liability will have a big impact on state and local budgets for years to come and is an essential component of any pension reform measure.

E. Contact Information

Name: Michelle D'Andrea / Jerene Watson Phone: 928-213-2044 / 928-213-2073
Title: City Attorney / Deputy City Manager

LEAGUE OF ARIZONA CITIES & TOWNS

PROPOSED RESOLUTION #7

Support the restoration of funding to the Arizona Housing Trust Fund.

Submitted by: *(List the municipalities sponsoring this Resolution – there must be at least two.)*

City of Flagstaff

Town of Prescott Valley

Town of Chino Valley

* * * * *

A. Purpose and Effect of Resolution *(Explain your proposal and provide any relevant background information.)*

Resolution to restore funding to the Arizona Housing Trust Fund.

Created in 1988 to provide a flexible funding source to assist in meeting the needs of low-income households in Arizona , the Housing Trust fund is funded from the sale of unclaimed property, such as stocks or savings accounts abandoned by the owner, often due to a death without a will. The Housing Trust Fund was initially funded by 35% of unclaimed property proceeds, and then increased over time to 55% to better address rural housing needs. Prior to the Great Recession, the Housing Trust Fund received over \$30 million annually. Due to state budgetary constraints, in 2010 the Housing Trust Fund was capped at \$2.5 million.

B. Relevance to Municipal Policy *(Explain how the resolution impacts cities/towns throughout the state.)*

Cities and towns, as well as non-profits, are eligible to apply to receive an allocation of the Housing Trust Fund to further housing objectives within their communities. Restoration of funding to the Trust Fund will enable a greater number of grant applications to be funded and other funding to be leveraged.

C. Fiscal Impact to Cities and Towns *(Explain the potential fiscal impact, if any, to cities/towns. Include any cost estimates if possible.)*

Funding from the Housing Trust Fund has the potential to bring much needed funding to communities to address housing needs, either through the city, town or a non-profit application for use to further local housing objectives.

D. Fiscal Impact to the State *(Identify possible state or federal funding sources and if the impact to the state would be an appropriation of monies or a tax credit, exemption, etc.)*

When the Housing Trust Fund was capped at \$2.5 million in 2010, the funding from the sale of unclaimed property was reallocated to other areas. Restoration of funding to the Trust Fund will potentially pull funding away from the areas to which it was reallocated.

E. Contact Information

Name: Sarah Darr Phone: (928) -213-2745
Title: Housing Manager

LEAGUE OF ARIZONA CITIES & TOWNS

PROPOSED RESOLUTION #8

A resolution to amend the state laws on property tax to allow a city and a developer to hold title to property in such a way that the developer pays on excise tax equal to, but in lieu of the property tax, and 40% of such tax would be distributed to the city for public safety expenses.

Submitted by: (List the municipalities sponsoring this Resolution – there must be at least two.)

City of Flagstaff

* * * * *

A. Purpose and Effect of Resolution *(Explain your proposal and provide any relevant background information.)*

Some development projects, notably university off-campus housing, put an increased public safety burden on the city. This proposal would allow a city to hold title to such a development and lease it to the developer. The developer would pay an excise tax instead of property tax. The excise tax would be divided among the usual taxing entities but in different proportions. The city would receive 40% instead of 7%.

B. Relevance to Municipal Policy *(Explain how the resolution impacts cities/towns throughout the state.)*

This policy would be more fair to cities because it would help fund direct expense incurred by the city in regard to specific projects.

C. Fiscal Impact to Cities and Towns *(Explain the potential fiscal impact, if any, to cities/towns. Include any cost estimates if possible.)*

Under this plan, a typical 150 unit (600 beds) high rise housing project would pay about \$200,000 per year to the city for public safety purposes.

D. Fiscal Impact to the State *(Identify possible state or federal funding sources and if the impact to the state would be an appropriation of monies or a tax credit, exemption, etc.)*

The funds shifted to the city would be coming from the funds ordinarily going to the public schools. The rationale is that some projects, like student housing, put more burden on public safety than they put on public schools.

E. Contact Information

Name: Michelle D'Andrea / Jerene Watson Phone: 928-213-2044 / 928-213-2073
Title: City Attorney / Deputy City Manager

LEAGUE OF ARIZONA CITIES & TOWNS

PROPOSED RESOLUTION #9

Request and encourage the Arizona State Legislature to establish a mechanism enabling local government to establish renewable energy and conservation financing districts. In addition, encourage the Arizona State Legislature to identify and define energy efficiency, renewable energy and water conservation as a public benefit that enhances the public good and promotes the health, safety, prosperity, security, and general welfare of the community.

Submitted by: *(List the municipalities sponsoring this Resolution – there must be at least two.)*

Flagstaff, Arizona

Tucson, Arizona

* * * * *

A. Purpose and Effect of Resolution *(Explain your proposal and provide any relevant background information.)*

Renewable energy and conservation financing district authority enables local government to create a financing mechanism to provide up front funds to commercial property owners for energy efficiency, renewable energy, and water conservation improvements. Property owners can opt in to finance energy efficiency improvements, renewable energy installation, and water conservation improvements on their property and repay financing through a property assessment.

Energy efficiency, renewable energy and water conservation create an opportunity to utilize our nation's resources wisely and secure reliable, clean, and safe energy. In the current economic climate the upfront financial commitment necessary to implement energy efficiency, renewable energy, and water conservation improvements is often a barrier for property owners. A voluntary renewable energy and conservation financing district can remove these barriers.

In Arizona, energy efficiency, water conservation and renewable energy financing programs have significant potential to stimulate the state's economy, create jobs and transition residents to sustainable energy use and production. Such programs can deliver benefits beyond energy independence, including new sources of workforce stabilization and development, increase value and comfort of buildings, provide protection from increasing energy costs and enhance community awareness.

Energy efficiency, water conservation and renewable energy financing programs have been developed in numerous communities across the nation. At least 30 states have passed enabling legislation that allows local government to establish property assessed energy efficiency, water conservation and renewable energy financing districts, defines energy efficiency, water conservation and renewable energy as a public benefit, and grants the authority to issue bonds.

The federal government currently encourages the installation and use of renewable energy through a series of federal tax incentives and credits. Arizona also has several tax incentive-based programs to encourage the production of renewable energy. These incentives collectively make renewable energy projects more affordable only after installation but do little to address the upfront financial commitment.

Improving the energy efficiency of existing structures and deploying renewable energy installations supports adopted Arizona House Bill 2638 (2007), which requires towns, cities, and counties with a

population greater than 150,000 to adopt an energy element to their planning policies that will encourage and provide incentives for the efficient use of energy and requires that community general plans contain an assessment that identifies policies and practices that will provide for the greater use of renewable energy sources.

This resolution also supports Arizona regulated utilities' efforts to meet the Arizona Corporation Commission's Renewable Energy Standard that requires 15% of their energy generation to come from renewable resources by 2025.

B. Relevance to Municipal Policy (*Explain how the resolution impacts cities/towns throughout the state.*)

This resolution would support municipalities that choose to promote energy efficiency, renewable energy and water conservation practices within their communities. Many Arizona communities are working to improve the efficiency of existing building stock in the residential and commercial sectors to promote sustainability and help protect community members from rising energy costs.

C. Fiscal Impact to Cities and Towns (*Explain the potential fiscal impact, if any, to cities/towns. Include any cost estimates if possible.*)

Renewable energy and conservation financing district authority would allow local governments to proactively provide a mechanism for property owners to decrease their fossil fuel use and increase energy cost savings. Energy efficiency, renewable energy and water conservation financing programs can remove upfront financial barriers for property owners that would like to develop energy efficiency, renewable energy and water conservation projects. With enabling legislation, local governments could voluntarily elect to establish an energy efficiency, renewable energy and water conservation financing program and participation in the program would be completely voluntary for interested property owners. There would be no fiscal impact on the city or town.

D. Fiscal Impact to the State (*Identify possible state or federal funding sources and if the impact to the state would be an appropriation of monies or a tax credit, exemption, etc.*)

There are no fiscal impacts to the State. Energy district authority would allow for opt-in energy efficiency and renewable energy financing programs at the fiscal responsibility of the property owner.

E. Contact Information

Name: Nicole Woodman / Jerene Watson

Phone: 928-213-2149 / 98-213-2073

Title: Sustainability Manager / Deputy City Manager

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Brandi Suda, Finance Manager
Co-Submitter: Rick Tadder, Finance Director
Date: 05/28/2014
Meeting Date: 06/03/2014



TITLE:

Consideration and Adoption of Resolution No. 2014-19: A resolution of the Council of the City of Flagstaff, Arizona adopting the tentative estimates of the amounts required for the public expense for the City of Flagstaff for Fiscal Year 2014-2015; adopting a Tentative Budget; setting forth the receipts and expenditures; the amount proposed to be raised by direct property taxation; giving notice of the time for hearing taxpayers, for adopting of Budget and for fixing the tax levies.

RECOMMENDED ACTION:

- 1) Read Resolution No. 2014-19 by title only
- 2) City Clerk reads Resolution No. 2014-19 by title only (if approved above)
- 3) Adopt Resolution No. 2014-19

Policy Decision or Reason for Action:

Arizona State Statutes (ARS. 42-17101, 42-17102, and 42-17105) require that each municipality adopt and publish, in a specified format, a tentative budget. The adoption of the tentative budget has the effect of establishing an amount that cannot be exceeded in the final adoption of the budget. Furthermore, the adoption of the tentative budget sets into motion a legally mandated time sequence of actions to which the Council must adhere to adopt a final budget and to levy property taxes.

Financial Impact:

The tentative budget must be adopted to set the appropriate sequence of events in place for final budget adoption.

Connection to Council Goal:

Effective governance
Repair, replace, maintain infrastructure (streets & utilities)

Has There Been Previous Council Decision on This:

- December Budget Retreat on December 4, 2013
- Mini Budget Retreat on January 23, 2014
- February Budget Retreat on February 10, 2014
- Council Budget Meetings on April 23, 24 and 25, 2014.

Options and Alternatives:

The City could delay the tentative budget adoption until no later than the 3rd Monday in July. While the City would be able to continue operations through a Continuing Disclosure resolution, the City would not be able to commit to any expenditure directly related to the FY 2014-2015 budget.

Background/History:

The budget is generally presented for tentative adoption in late May or early June to assure funding is appropriated within Council goals and objectives at the beginning of the fiscal year.

At the December 2013 budget retreat, Council concluded that the priorities for the FY2015 budget include: employee compensation, staffing and infrastructure.

During the February 2014 budget retreat, Council provided direction to prepare a budget that addresses employee compensation and some staffing using available ongoing funding and infrastructure needs and staffing using available one time funding. Specifically related to infrastructure, Council directed to prioritize one-time funding to the areas of facilities and information technology. The City Manager presented a budget in April that provided \$1.0 million ongoing and \$450,000 one time funding to address employee compensation, \$500,000 ongoing and \$580,000 one time funding for staffing needs, and \$580,000 ongoing and \$4.6 million one time funding for infrastructure needs.

During the April budget retreat, Council provided additional adjustments and they are included in the budget. After the April budget retreat divisions provided revised year end estimates and carryover of funding primarily for capital projects. Divisions are provided this opportunity as the previous estimates they provided were in January.

Key Considerations:

The adoption of the tentative budget sets into motion a legally mandated time sequence of actions to which the Council must adhere to adopt a final budget and to levy property taxes. If this time sequence is not met as required by statute, the tentative adoption, final adoption of the budget and property tax levy actions, and related publications must be started over.

The process is prescribed through Arizona State Statute. The tentative budget must be adopted no later than the 3rd Monday in July. The schedules for Council budget and property tax levy actions are as follows:

June 3, 2014	Tentative adoption of budget by Council
June 17, 2014	Proposed budget and property tax levy hearing
June 17, 2014	Final budget adoption (done in a Special Meeting)
June 17, 2014	First reading property tax ordinance
July 1, 2014	Final reading and adoption of property tax ordinance

Expanded Financial Considerations:

Funds must be appropriated to allow for expenditures to occur. The tentative budget must be adopted to set the appropriate sequence of events in place for final budget adoption.

Community Benefits and Considerations:

The Community has the opportunity to present any questions or concerns regarding the budget before the final budget adoption occurs in June.

Community Involvement:

Inform and Involve: The Community has the opportunity to be involved at the public hearing held in conjunction with final adoption. Citizens are welcome to attend Council Budget Retreats. The City Manager's recommended budget was discussed during the Council Budget Retreat on April 23, 24, and 25, 2014. Public participation was available.

Attachments: RES 2014-19
 Legal Schedules

RESOLUTION NO. 2014-19

A RESOLUTION OF THE COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA ADOPTING THE TENTATIVE ESTIMATES OF THE AMOUNTS REQUIRED FOR THE PUBLIC EXPENSE FOR THE CITY OF FLAGSTAFF FOR THE FISCAL YEAR 2014-2015; ADOPTING A TENTATIVE BUDGET; SETTING FORTH THE RECEIPTS AND EXPENDITURES; THE AMOUNT PROPOSED TO BE RAISED BY DIRECT PROPERTY TAXATION; GIVING NOTICE OF THE TIME FOR HEARING TAXPAYERS, FOR ADOPTING OF BUDGET AND FOR FIXING THE TAX LEVIES

ENACTMENTS:

BE IT RESOLVED by the Council of the City of Flagstaff as follows:

SECTION 1. That the accompanying statements and exhibits attached to this Resolution as Schedules A, B, C, D, E, F and G are incorporated herein by this reference, and are hereby adopted as the tentative budget for the City of Flagstaff for the fiscal year 2014-2015.

SECTION 2. That the City Clerk be, and she hereby is, authorized and directed to publish in the manner prescribed by law the estimates of expenditures as set forth in Schedules A, B, C, D, E, F and G together with a notice that the Council will meet on June 17, 2014, for the purpose of final hearing of taxpayers and for adoption of the 2014-2015 Annual Budget for the City of Flagstaff with the final reading and adoption of the property tax ordinance on the 1st day of July, 2014, at the hour of 6:00 p.m. in the Council Chambers at 211 West Aspen, Flagstaff, Arizona.

SECTION 3. Upon the recommendation by the Manager and with the approval of the Council, expenditures may be made from the appropriation for contingencies. The transfers of any sums within any specific appropriation may be made only upon the approval of the Council.

SECTION 4. Money from any fund may be used for any of these appropriations, except money specifically restricted by State Law or by City Ordinance or Resolution.

PASSED AND ADOPTED by the City Council and approved by the Mayor of the City of Flagstaff this 3rd day of June, 2014.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

OFFICIAL BUDGET FORMS

CITY OF FLAGSTAFF

Fiscal Year 2015

CITY OF FLAGSTAFF
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CITY OF FLAGSTAFF
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2015

THE FINAL OPPORTUNITY FOR PUBLIC INPUT ON THE CITY OF FLAGSTAFF FISCAL YEAR 2014-2015 BUDGET WILL OCCUR
ON JUNE 17, 2014 AT 6:00 P.M. IN THE CITY COUNCIL CHAMBERS, 211 W. ASPEN AVENUE, FLAGSTAFF, AZ
The budget may be reviewed at the City of Flagstaff in the City Clerks Office, 211 W. Aspen Avenue, Flagstaff AZ 86001
Or the Flagstaff City-County Public Library, 300 W. Aspen Avenue, Flagstaff AZ 86001
Or the East Flagstaff Community Library, 3000 N. 4th Street, Flagstaff, AZ 86004 or the official website "flagstaff.az.gov"

FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES* 2014	ACTUAL EXPENDITURES/ EXPENSES** 2014	FUND BALANCE/ NET POSITION*** July 1, 2014**	PROPERTY TAX REVENUES 2015	ESTIMATED REVENUES OTHER THAN PROPERTY TAXES 2015	OTHER FINANCING 2015		INTERFUND TRANSFERS 2015		TOTAL FINANCIAL RESOURCES AVAILABLE 2015	BUDGETED EXPENDITURES/ EXPENSES 2015
						SOURCES	<USES>	IN	<OUT>		
1. General Fund	\$ 60,218,681	\$ 54,722,923	\$ 22,596,412	Primary: \$ 5,435,325	\$ 46,826,595	\$	\$	\$ 3,524,656	\$ 9,798,047	\$ 68,584,941	\$ 57,416,299
2. Special Revenue Funds	46,803,904	28,031,970	25,790,653	Secondary:	35,990,692			12,118,077	11,713,175	62,186,247	51,433,188
3. Debt Service Funds Available	8,365,725	7,947,975	7,621,366	5,611,045	798,880			7,496,194	7,496,194	14,031,291	8,237,044
4. Less: Amounts for Future Debt Retirement											
5. Total Debt Service Funds	8,365,725	7,947,975	7,621,366	5,611,045	798,880			7,496,194	7,496,194	14,031,291	8,237,044
6. Capital Projects Funds	62,277,283	18,755,749	2,888,630		14,652,049	23,662,500		7,370,896		48,574,075	47,203,426
7. Permanent Funds			243,244		24,833					268,077	
8. Enterprise Funds Available	65,807,213	46,662,153	26,427,249		58,972,703	3,930,000		4,621,496	6,123,903	87,827,545	73,894,445
9. Less: Amounts for Future Debt Retirement											
10. Total Enterprise Funds	65,807,213	46,662,153	26,427,249		58,972,703	3,930,000		4,621,496	6,123,903	87,827,545	73,894,445
11. Internal Service Funds											
12. TOTAL ALL FUNDS	\$ 243,472,806	\$ 156,120,770	\$ 85,567,554	\$ 11,046,370	\$ 157,265,752	\$ 27,592,500	\$	\$ 35,131,319	\$ 35,131,319	\$ 281,472,176	\$ 238,184,402

EXPENDITURE LIMITATION COMPARISON

1. Budgeted expenditures/expenses
2. Add/subtract: estimated net reconciling items
3. Budgeted expenditures/expenses adjusted for reconciling items
4. Less: estimated exclusions
5. Amount subject to the expenditure limitation
6. EEC or voter-approved alternative expenditure limitation

2014	2015
\$ 243,472,806	\$ 238,184,402
3,053,590	3,219,659
246,526,396	241,404,061
123,950,928	109,152,239
\$ 122,575,468	\$ 132,251,822
\$ 133,177,482	\$ 134,251,861

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

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

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

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

CITY OF FLAGSTAFF
EXPENDITURE LIMITATION
AND
TAX LEVY INFORMATION
FISCAL YEAR 2014-2015

	ESTIMATED FY 2013-2014	FY 2014-2015
Expenditure Limitation [Economic Estimates Commission]		\$ 133,177,482
Total Estimated Expenditures Subject to Expenditure Limitation		
1. Maximum Allowable Primary Property Tax Levy [ARS 42-17051.A] rev 6/06 HB 2876	\$ 5,742,768	\$ 5,901,999
2. Amount Received from Primary Property Taxation in FY 2011-2012 in Excess of the Sum of that Year's Maximum Allowable Primary Property Tax Levy [ARS 42-17102.A.18]	\$ -	
3. Property Tax Levy Amounts		
A. Primary Property Taxes	\$ 5,520,173	\$ 5,561,740
B. Secondary Property Taxes	5,530,453	5,611,045
C. Total Property Tax Levy Amount	\$ 11,050,626	\$ 11,172,785
4. Property Taxes Collected (Estimated)		
A. Primary Property Taxes:		
(1) FY 2013-2014 Levy	\$ 5,355,000	
(2) Prior Years' Levies	100,000	
(3) Total Primary Property Taxes Collected	5,455,000	
B. Secondary Property Taxes:		
(1) FY 2013-2014 Levy	5,530,453	
(2) Total Secondary Property Taxes Collected	5,530,453	
C. Total Property Taxes Collected	\$ 10,985,453	
5. Property Tax Rates		
A. City of Flagstaff Tax Rate:		
(1) Primary Property Tax Rate	0.8429	0.8418
(2) Secondary Property Tax Rate	0.8366	0.8366
(3) Total City Tax Rate	1.6795	1.6784
B. Special Assessment District Tax Rates:		

As of the date of the proposed budget, the city was operating one special assessment district for which secondary property taxes are levied. For information pertaining to this districts and its' tax rates, please contact the City Finance Department.

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

CITY OF FLAGSTAFF
SUMMARY BY FUND OF REVENUES OTHER THAN PROPERTY TAXES
FISCAL YEARS 2014 AND 2015
(WITH ACTUALS FOR FISCAL YEAR 2013)

SOURCE OF REVENUES	ACTUAL REVENUES 2012-2013	BUDGETED REVENUES 2013-2014	ESTIMATED ACTUAL REVENUES 2013-2014	BUDGETED REVENUES 2014-2015	CHANGE (BDGT-BDGT)	% CHANGE
GENERAL FUND						
Local taxes						
City Sales Tax	\$ 15,744,648	15,850,368	15,915,500	16,350,601	500,233	3.16%
Franchise Tax	2,302,643	2,345,338	2,415,000	2,462,093	116,755	4.98%
Licenses and permits						
Business Licenses	20,015	33,000	33,000	33,000	-	0.00%
Building Permits	1,309,720	1,119,250	1,119,250	1,141,075	21,825	1.95%
Other Licenses and permits	326,400	157,930	247,930	218,930	61,000	38.62%
Intergovernmental revenues						
State Income Tax Sharing	6,728,479	7,300,000	7,348,797	7,920,000	620,000	8.49%
State Shared Sales Tax	5,391,580	5,418,188	5,650,000	5,760,175	341,987	6.31%
Vehicle License Tax	2,510,832	2,543,750	2,500,000	2,548,750	5,000	0.20%
Federal Grants	1,317,140	2,113,654	2,088,568	1,596,446	(517,208)	-24.47%
State Grants	1,000,199	1,592,827	846,827	1,853,381	260,554	16.36%
Local Intergovernmental Agreements	863,622	850,000	850,000	860,000	10,000	1.18%
Charges for services						
General Government	238,031	366,100	405,300	255,300	(110,800)	-30.26%
Parks & Recreation	1,372,629	1,578,830	1,568,730	1,646,730	67,900	4.30%
Public Safety	1,264,540	910,863	908,015	957,100	46,237	5.08%
Cemetery	135,135	135,340	135,340	135,000	(340)	-0.25%
Fines and forfeits	1,540,987	1,115,151	1,115,151	1,154,462	39,311	3.53%
Interest on investments	226,353	207,500	213,000	216,000	8,500	4.10%
Miscellaneous revenues	1,519,862	2,810,642	2,326,787	1,717,552	(1,093,090)	-38.89%
Total General Fund	43,812,815	46,448,731	45,687,195	46,826,595	377,864	0.81%
SPECIAL REVENUE FUNDS						
LIBRARY FUND						
Intergovernmental revenues						
State Grants	53,882	25,000	25,000	79,000	54,000	216.00%
Library District Taxes	3,843,643	6,116,924	4,406,534	5,501,560	(615,364)	-10.06%
Interest on investments	34,004	37,437	31,261	37,624	187	0.50%
Miscellaneous revenues	494,502	20,474	62,500	53,474	33,000	161.18%
Total Library Fund	4,426,031	6,199,835	4,525,295	5,671,658	(528,177)	-8.52%
HIGHWAY USER REVENUE FUND						
Intergovernmental revenues						
Federal Grants	-	36,000	3,838	179,924	143,924	399.79%
Highway User Tax	6,007,741	5,955,798	6,007,741	6,397,818	442,020	7.42%
Local Transportation Assistance Funds	-	200,000	-	-	(200,000)	-100.00%
Interest on investments	10,995	6,000	22,000	6,000	-	0.00%
Miscellaneous revenues	36,507	540,000	1,265,922	442,500	(97,500)	18.06%
Total Highway User Revenue Fund	6,055,243	6,737,798	7,299,501	7,026,242	385,944	5.73%
TRANSPORTATION FUND						
Transportation Tax	11,114,898	11,081,675	11,215,156	11,459,192	377,517	3.41%
Interest on Investments	89,879	89,000	90,000	53,000	(36,000)	-40.45%
Miscellaneous revenues	-	4,500,000	3,100,000	2,000,000	(2,500,000)	-55.56%
Total Transportation Fund	11,204,777	15,670,675	14,405,156	13,512,192	(2,158,483)	-13.77%

CITY OF FLAGSTAFF
SUMMARY BY FUND OF REVENUES OTHER THAN PROPERTY TAXES
FISCAL YEARS 2014 AND 2015
(WITH ACTUALS FOR FISCAL YEAR 2013)

SOURCE OF REVENUES	ACTUAL REVENUES 2012-2013	BUDGETED REVENUES 2013-2014	ESTIMATED ACTUAL REVENUES 2013-2014	BUDGETED REVENUES 2014-2015	CHANGE (BDGT-BDGT)	% CHANGE
FUTS FUND						
Intergovernmental revenues						
State Grants	\$ -	1,239,339	56,310	129,419	(1,109,920)	-89.56%
Interest on investments	-	-	-	6,640	6,640	0.00%
Total Beautification Fund	-	1,239,339	56,310	136,059	(1,103,280)	-89.02%
BEAUTIFICATION FUND						
Intergovernmental revenues						
State Grants	360,932	-	8,750	-	-	0.00%
BBB Tax	1,180,604	1,186,405	1,210,000	1,233,595	47,190	3.98%
Interest on investments	43,404	6,120	43,757	7,460	1,340	21.90%
Miscellaneous	8,349	-	-	-	-	0.00%
Total Beautification Fund	1,593,289	1,192,525	1,262,507	1,241,055	48,530	4.07%
ECONOMIC DEVELOPMENT FUND						
Intergovernmental revenues						
Federal Grants	102,128	-	-	-	-	0.00%
State Grants	-	100,000	65,000	35,000	(65,000)	-65.00%
BBB Tax	560,934	563,542	574,750	585,958	22,416	3.98%
Interest on investments	3,199	2,977	2,977	6,933	3,956	132.89%
Miscellaneous revenues	40,020	41,637	39,737	97,531	55,894	134.24%
Total Economic Development Fund	706,281	708,156	682,464	725,422	17,266	2.44%
TOURISM FUND						
BBB Tax	1,771,839	1,779,608	1,815,000	1,850,393	70,785	3.98%
Retail Sales	84,756	62,620	85,000	86,000	23,380	37.34%
Interest on investments	6,423	6,452	6,452	8,178	1,726	26.75%
Miscellaneous revenues	30,399	25,403	25,403	65,657	40,254	158.46%
Total Tourism Fund	1,893,416	1,874,083	1,931,855	2,010,228	136,145	7.26%
ARTS AND SCIENCE FUND						
BBB Tax	442,844	444,902	453,750	462,598	17,696	3.98%
Interest on investments	2,975	2,866	2,866	4,524	1,658	57.85%
Miscellaneous revenues	612	-	-	-	-	0.00%
Total Arts and Science Fund	446,431	447,768	456,616	467,122	19,354	4.32%
RECREATION-BBB FUND						
BBB Tax	1,927,444	1,957,568	1,996,500	2,035,432	77,864	3.98%
Interest on investments	12,566	7,000	12,000	15,300	8,300	118.57%
Miscellaneous revenues	2,692	-	-	-	-	0.00%
Total Recreation-BBB Fund	1,942,702	1,964,568	2,008,500	2,050,732	86,164	4.39%
HOUSING AND COMMUNITY SVCS FUND						
Intergovernmental revenues						
Federal Grants	383,389	912,174	368,054	1,192,034	279,860	30.68%
State Grants	153,708	660,000	186,832	803,168	143,168	21.69%
Interest on investments	7,809	-	8,830	-	-	0.00%
Miscellaneous revenues	693,929	650,000	360,418	-	(650,000)	-100.00%
Total Housing and Community Svcs Fund	1,238,835	2,222,174	924,134	1,995,202	(226,972)	-10.21%
METRO PLANNING ORGANIZATION FUND						
Intergovernmental revenues						
Federal Grants	273,244	660,071	345,227	897,579	237,508	35.98%
Miscellaneous revenues	8,980	255,000	5,000	255,000	-	0.00%
Total Metro Planning Organization Fund	282,224	915,071	350,227	1,152,579	237,508	25.96%

CITY OF FLAGSTAFF
SUMMARY BY FUND OF REVENUES OTHER THAN PROPERTY TAXES
FISCAL YEARS 2014 AND 2015
(WITH ACTUALS FOR FISCAL YEAR 2013)

SOURCE OF REVENUES	ACTUAL REVENUES 2012-2013	BUDGETED REVENUES 2013-2014	ESTIMATED ACTUAL REVENUES 2013-2014	BUDGETED REVENUES 2014-2015	CHANGE (BDGT-BDGT)	% CHANGE
EDA REVOLVING LOAN FUND						
Intergovernmental revenues						
Federal Grants	\$ -	220,000	220,000	-	(220,000)	-100.00%
Interest on investments	-	855	71	2,201	1,346	157.43%
Total EDA Revolving Loan Fund	-	220,855	220,071	2,201	(218,654)	-99.00%
TOTAL SPECIAL REVENUE FUNDS	29,789,229	39,392,847	34,122,636	35,990,692	(3,304,655)	-8.39%
DEBT SERVICE FUNDS						
SECONDARY PROPERTY TAX FUND						
Interest on investments	75,439	59,700	78,100	61,800	2,100	3.52%
Total Secondary Property Tax Fund	75,439	59,700	78,100	61,800	2,100	3.52%
SPECIAL ASSESSMENT BONDS						
Special Assessments	722,733	902,000	902,000	735,250	(166,750)	-18.49%
Interest on investments	2,627	3,100	2,646	1,830	(1,270)	-40.97%
Total Special Assessment Bonds	725,360	905,100	904,646	737,080	(168,020)	-18.56%
TOTAL DEBT SERVICE FUNDS	800,799	964,800	982,746	798,880	(165,920)	-17.20%
CAPITAL PROJECTS FUNDS						
G.O. BONDS PROJECTS						
Intergovernmental revenues						
Federal Grants	2,389,000	6,000,000	6,000,000	-	(6,000,000)	-100.00%
Interest on investments	16,908	10,355	9,216	1,880	(8,475)	-81.84%
Miscellaneous Revenue	-	9,711,092	91,106	9,620,000	(91,092)	-0.94%
Total G.O. Bonds Projects	2,405,908	15,721,447	6,100,322	9,621,880	(6,099,567)	-38.80%
MUNICIPAL FACILITIES CORP						
Intergovernmental revenues						
Grant Revenues	20,025	4,600,000	301,111	4,394,303	(205,697)	-4.47%
Miscellaneous Revenue	-	8,024,000	-	635,866	(7,388,134)	-92.08%
Total Municipal Facilities Corp	20,025	12,624,000	301,111	5,030,169	(7,593,831)	
TOTAL CAPITAL PROJECTS FUNDS	2,425,933	28,345,447	6,401,433	14,652,049	(13,693,398)	-48.31%
PERMANENT FUNDS						
PERPETUAL CARE FUND						
Contributions	23,935	20,306	22,300	22,746	2,440	12.02%
Interest on investments	1,743	2,067	1,948	2,087	20	0.97%
Total Perpetual Care Fund	25,678	22,373	24,248	24,833	2,460	11.00%
TOTAL PERMANENT FUNDS	25,678	22,373	24,248	24,833	2,460	11.00%
ENTERPRISE FUNDS						
WATER AND WASTEWATER FUND						
OPERATING FUND						
Intergovernmental revenues						
State Grants	321,894	290,500	30,000	60,000	(230,500)	-79.35%
Federal Grants	1,266,975	300,000	220,500	370,000	70,000	23.33%
Water Revenues	13,160,007	16,410,270	15,652,438	18,116,191	1,705,921	10.40%
Wastewater Revenues	8,772,026	8,945,972	9,171,360	9,463,434	517,462	5.78%
Interest on investments	109,599	95,950	115,000	116,150	20,200	21.05%
Miscellaneous revenues	218,325	91,000	91,000	-	(91,000)	-100.00%
Total Water and Wastewater Fund	23,848,826	26,133,692	25,280,298	28,125,775	1,992,083	7.62%

CITY OF FLAGSTAFF
SUMMARY BY FUND OF REVENUES OTHER THAN PROPERTY TAXES
FISCAL YEARS 2014 AND 2015
(WITH ACTUALS FOR FISCAL YEAR 2013)

SOURCE OF REVENUES	ACTUAL REVENUES 2012-2013	BUDGETED REVENUES 2013-2014	ESTIMATED ACTUAL REVENUES 2013-2014	BUDGETED REVENUES 2014-2015	CHANGE (BDGT-BDGT)	% CHANGE
AIRPORT FUND						
OPERATING FUND						
Intergovernmental revenues						
Federal Grants	\$ 749,375	7,211,173	3,391,985	7,256,464	45,291	0.63%
State Grants	415,961	466,102	417,608	263,210	(202,892)	-43.53%
Airport Revenues	1,664,579	1,726,440	1,659,193	1,656,120	(70,320)	-4.07%
Interest on investments	1,990	2,160	2,160	2,010	(150)	-6.94%
Miscellaneous revenues	81,380	328,520	232,117	239,410	(89,110)	-27.12%
Total Airport Fund	2,913,285	9,734,395	5,703,063	9,417,214	(317,181)	-3.26%
SOLID WASTE						
Intergovernmental revenues						
Federal Grants	120,004	-	-	-	-	0.00%
Solid Waste Revenues	12,190,788	11,384,327	11,306,570	11,788,712	404,385	3.55%
Interest on investments	66,001	47,044	66,496	66,500	19,456	41.36%
Miscellaneous revenues	30,817	-	-	-	-	0.00%
Total Environmental Services Fund	12,407,610	11,431,371	11,373,066	11,855,212	423,841	3.71%
SUSTAINABILITY AND ENVIRONMENTAL MGMT						
Intergovernmental revenues						
Federal Grants	120,004	-	-	-	-	0.00%
Environmental Services Revenues	990,465	1,001,509	1,001,509	1,002,819	1,310	0.13%
Interest on investments	-	-	128	-	-	0.00%
Miscellaneous revenues	22,573	23,600	50,000	50,140	26,540	112.46%
Total Environmental Services Fund	1,133,042	1,025,109	1,051,637	1,052,959	27,850	2.72%
STORMWATER UTILITY						
Intergovernmental revenues						
Federal Grants	-	25,000	25,000	200,000	175,000	700.00%
Stormwater Utility Revenues	1,458,358	1,471,171	1,460,888	1,507,789	36,618	2.49%
Interest on investments	7,834	4,338	7,328	1,424	(2,914)	-67.17%
Miscellaneous revenues	462	-	219	-	-	0.00%
Total Stormwater Utility Fund	1,466,654	1,500,509	1,493,435	1,709,213	208,704	13.91%
FLAGSTAFF HOUSING AUTHORITY FUNDS						
Intergovernmental revenues						
Federal Grants	4,411,539	5,542,089	4,449,574	5,332,047	(210,042)	-3.79%
Rents and Other Tenant Income	994,123	990,000	957,958	956,633	(33,367)	-3.37%
Miscellaneous revenues	190,711	548,045	433,053	523,650	(24,395)	-4.45%
Total Stormwater Utility Fund	5,596,373	7,080,134	5,840,585	6,812,330	(267,804)	-3.78%
TOTAL ENTERPRISE FUNDS	47,365,790	56,905,210	50,742,084	58,972,703	2,067,493	3.63%
TOTAL REVENUES	\$ 124,220,244	172,079,408	137,960,342	157,265,752	(14,716,156)	-8.55%

CITY OF FLAGSTAFF
SUMMARY BY FUNDING OF OTHER FINANCING SOURCES
AND INTERFUND TRANSFERS
FISCAL YEAR 2014-2015

FUND	PROCEEDS FROM OTHER FINANCING SOURCES	INTERFUND TRANSFERS	
		IN	OUT
GENERAL FUND	\$ -	3,524,656	9,798,047
SPECIAL REVENUE FUNDS			
Library Fund	-	1,663,951	289,196
Highway User Revenue Fund	-	9,630,626	20,701
Transportation Fund	-	-	8,659,285
FUTS Fund	-	550,000	-
Beautification Fund	-	-	426,139
Economic Development	-	251,000	-
Tourism Fund	-	-	140,907
Recreation-BBB Fund	-	-	2,024,447
Housing & Community Services	-	-	152,500
MPO	-	22,500	-
Total Special Revenue Funds	-	12,118,077	11,713,175
DEBT SERVICE FUNDS			
Secondary Property Tax Fund	-	-	7,496,194
G.O. Bond Fund	-	7,496,194	-
Total Debt Service Funds	-	7,496,194	7,496,194
CAPITAL PROJECTS FUNDS			
G.O. Bond Funded Projects	16,200,000	5,050,896	-
Municipal Facilities Corporation	7,462,500	2,320,000	-
Total Capital Projects Funds	23,662,500	7,370,896	-
ENTERPRISE FUNDS			
Water and Wastewater Fund	-	-	499,693
Stormwater Utility	-	3,538,796	396,613
Airport Fund	-	807,000	16,784
Solid Waste Fund	3,930,000	-	4,977,083
Sustainability and Environmental Mgmt	-	220,000	233,730
Flagstaff Housing Authority	-	55,700	-
Total Enterprise Funds	3,930,000	4,621,496	6,123,903
TOTAL ALL FUNDS	\$ 27,592,500	35,131,319	35,131,319

CITY OF FLAGSTAFF
SUMMARY BY DIVISION OF EXPENDITURES/EXPENSES WITHIN EACH FUND
COMPARISON OF FISCAL YEAR 2014 AND 2015
(WITH ACTUAL FOR FISCAL YEAR 2013)

FUND/DIVISION	ACTUAL EXPENDITURES/ EXPENSES 2012-2013	ADOPTED BUDGETED EXPENDITURE/ EXPENSE 2013-2014	ESTIMATED ACTUAL EXPENDITURES/ EXPENSES 2013-2014	PROPOSED BUDGETED EXPENDITURE/ EXPENSE 2014-2015	CHANGE (BDGT-BDGT)	% CHANGE
GENERAL FUND						
General Administration	\$ 7,645,383	8,470,643	8,161,891	9,115,681	645,038	7.6%
Community Development	3,717,118	4,293,997	4,275,997	4,350,389	56,392	1.3%
Management Services	3,040,627	3,171,917	3,169,917	3,357,893	185,976	5.9%
Fire	9,908,235	10,304,847	10,304,847	10,740,696	435,849	4.2%
Police	15,968,273	17,556,777	17,546,854	18,378,086	821,309	4.7%
Public Works	4,991,648	10,674,003	8,884,957	11,344,740	670,737	6.3%
Economic Vitality	171,783	612,978	612,978	464,303	(148,675)	(24.3%)
Community Enrichment	3,206,917	-	-	-	-	0.0%
Non-departmental	(2,319,701)	3,568,519	1,550,482	(1,810,489)	(5,379,008)	(150.7%)
Contingency	20,926	1,565,000	215,000	1,475,000	(90,000)	(5.8%)
Total General Fund	46,351,209	60,218,681	54,722,923	57,416,299	(2,802,382)	(4.7%)
SPECIAL REVENUE FUNDS						
LIBRARY FUND						
General Administration	150,716	148,678	148,678	176,085	27,407	18.4%
Management Services	134,552	7,025,781	5,073,267	7,182,596	156,815	2.2%
Public Works	87,664	81,044	81,044	68,965	(12,079)	(14.9%)
Economic Vitality	27,272	14,800	14,800	14,909	109	0.7%
Community Enrichment	4,976,235	-	-	-	-	0.0%
Non-departmental	93,095	89,293	89,293	77,765	(11,528)	(12.9%)
Contingency	258	222,000	-	100,000	(122,000)	(55.0%)
	5,469,792	7,581,596	5,407,082	7,620,320	38,724	0.5%
HIGHWAY USER REVENUE FUND						
General Administration	118,391	109,645	109,645	151,660	42,015	38.3%
Community Development	3,267,660	7,310,840	3,195,359	7,929,401	618,561	8.5%
Management Services	73,428	66,108	66,108	91,171	25,063	37.9%
Public Works	5,868,177	9,408,233	8,289,321	10,639,677	1,231,444	13.1%
Economic Vitality	24,888	13,892	13,892	14,496	604	4.3%
Non-departmental	85,536	88,851	88,851	116,557	27,706	31.2%
Contingency	-	100,000	-	100,000	-	0.0%
	9,438,080	17,097,569	11,763,176	19,042,962	1,945,393	11.4%
TRANSPORTATION FUND						
General Administration	52,014	41,592	41,592	39,239	(2,353)	(5.7%)
Management Services	215,009	251,419	251,419	265,318	13,899	5.5%
Public Works	-	-	-	12,822	12,822	0.0%
Economic Vitality	7,789	5,455	5,455	2,952	(2,503)	(45.9%)
Non-departmental	6,225,715	6,943,202	5,233,923	5,738,735	(1,204,467)	(17.3%)
Contingency	-	-	-	2,000,000	2,000,000	0.0%
	6,500,527	7,241,668	5,532,389	8,059,066	817,398	11.3%
FUTS FUND						
Community Development	-	3,446,341	321,526	2,871,134	(575,207)	(16.7%)
	-	3,446,341	321,526	2,871,134	(575,207)	(16.7%)
BEAUTIFICATION FUND						
Community Development	759,757	-	-	-	-	0.0%
Economic Vitality	776,837	2,794,669	586,485	3,168,036	373,367	13.4%
Reserve/Contingency	-	10,000	-	10,000	-	0.0%
	1,536,594	2,804,669	586,485	3,178,036	373,367	13.3%
ECONOMIC DEVELOPMENT FUND						
Economic Vitality	1,030,408	968,885	907,955	985,206	16,321	1.7%
Reserve/Contingency	7,033	45,000	-	170,070	125,070	277.9%
	1,037,441	1,013,885	907,955	1,155,276	141,391	13.9%

CITY OF FLAGSTAFF
SUMMARY BY DIVISION OF EXPENDITURES/EXPENSES WITHIN EACH FUND
COMPARISON OF FISCAL YEAR 2014 AND 2015
(WITH ACTUAL FOR FISCAL YEAR 2013)

FUND/DIVISION	ACTUAL EXPENDITURES/ EXPENSES 2012-2013	ADOPTED BUDGETED EXPENDITURE/ EXPENSE 2013-2014	ESTIMATED ACTUAL EXPENDITURES/ EXPENSES 2013-2014	PROPOSED BUDGETED EXPENDITURE/ EXPENSE 2014-2015	CHANGE (BDGT-BDGT)	% CHANGE
TOURISM FUND						
Economic Vitality	\$ 1,688,004	1,879,658	1,891,958	1,942,800	63,142	3.4%
Reserve/Contingency	19,420	50,000	-	50,000	-	0.0%
	<u>1,707,424</u>	<u>1,929,658</u>	<u>1,891,958</u>	<u>1,992,800</u>	<u>63,142</u>	<u>3.3%</u>
ARTS AND SCIENCE FUND						
Economic Vitality	395,587	642,206	408,806	621,023	(21,183)	(3.3%)
Reserve/Contingency	1,605	10,000	-	10,000	-	0.0%
	<u>397,192</u>	<u>652,206</u>	<u>408,806</u>	<u>631,023</u>	<u>(21,183)</u>	<u>(3.2%)</u>
RECREATION-BBB FUND						
Public Works	-	1,100,000	34,791	2,664,460	1,564,460	142.2%
HOUSING AND COMMUNITY SERVICES FUND						
Community Development	1,472,673	2,740,457	751,891	2,783,066	42,609	1.6%
Non-departmental	27,322	38,284	32,284	39,966	1,682	4.4%
	<u>1,499,995</u>	<u>2,778,741</u>	<u>784,175</u>	<u>2,823,032</u>	<u>44,291</u>	<u>1.6%</u>
METRO PLANNING ORG FUND						
Community Development	279,163	666,445	372,501	903,425	236,980	35.6%
Non-departmental	17,260	21,126	21,126	21,654	528	2.5%
Contingency	-	250,000	-	250,000	-	0.0%
	<u>296,423</u>	<u>937,571</u>	<u>393,627</u>	<u>1,175,079</u>	<u>237,508</u>	<u>25.3%</u>
EDA REVOLVING LOAN FUND						
Economic Vitality	-	220,000	-	220,000	-	0.0%
	<u>-</u>	<u>220,000</u>	<u>-</u>	<u>220,000</u>	<u>-</u>	<u>0.0%</u>
Total Special Revenue Funds	<u>27,883,468</u>	<u>46,803,904</u>	<u>28,031,970</u>	<u>51,433,188</u>	<u>4,629,284</u>	<u>9.9%</u>
DEBT SERVICE FUNDS						
GENERAL OBLIGATION BONDS FUND						
Non-departmental	4,289,412	7,460,125	7,045,125	7,496,194	36,069	0.5%
SPECIAL ASSESSMENT BONDS FUND						
Non-departmental	905,475	905,600	902,850	740,850	(164,750)	(18.2%)
Total Debt Service Funds	<u>5,194,887</u>	<u>8,365,725</u>	<u>7,947,975</u>	<u>8,237,044</u>	<u>(128,681)</u>	<u>(1.5%)</u>
CAPITAL PROJECT FUNDS						
G.O. BONDS FUNDED PROJECTS FUND						
Non-departmental	10,299,536	49,203,033	18,176,690	32,724,917	(16,478,116)	(33.5%)
MUNICIPAL FACILITIES CORP FUND						
Non-departmental	51,338	13,074,250	579,059	14,478,509	1,404,259	10.7%
Total Capital Projects Funds	<u>10,350,874</u>	<u>62,277,283</u>	<u>18,755,749</u>	<u>47,203,426</u>	<u>(15,073,857)</u>	<u>(24.2%)</u>
ENTERPRISE FUNDS						
WATER AND WASTEWATER FUND						
General Administration	626,188	621,261	621,261	644,370	23,109	3.7%
Management Services	915,248	857,869	857,869	967,305	109,436	12.8%
Public Works	59,122	48,039	48,039	36,925	(11,114)	(23.1%)
Economic Vitality	73,918	44,347	44,347	49,629	5,282	11.9%
Utilities	18,794,799	26,946,257	19,879,280	33,474,920	6,528,663	24.2%
Non-departmental	263,254	270,184	270,184	370,377	100,193	37.1%
Contingency	92,667	1,800,000	-	1,800,000	-	0.0%
	<u>20,825,196</u>	<u>30,587,957</u>	<u>21,720,980</u>	<u>37,343,526</u>	<u>6,755,569</u>	<u>22.1%</u>

CITY OF FLAGSTAFF
SUMMARY BY DIVISION OF EXPENDITURES/EXPENSES WITHIN EACH FUND
COMPARISON OF FISCAL YEAR 2014 AND 2015
(WITH ACTUAL FOR FISCAL YEAR 2013)

FUND/DIVISION	ACTUAL EXPENDITURES/ EXPENSES 2012-2013	ADOPTED BUDGETED EXPENDITURE/ EXPENSE 2013-2014	ESTIMATED ACTUAL EXPENDITURES/ EXPENSES 2013-2014	PROPOSED BUDGETED EXPENDITURE/ EXPENSE 2014-2015	CHANGE (BDGT-BDGT)	% CHANGE
AIRPORT FUND						
General Administration	\$ 62,750	61,759	61,759	55,329	(6,430)	(10.4%)
Management Services	119,449	94,151	94,151	81,024	(13,127)	(13.9%)
Public Works	125,633	105,195	105,195	52,146	(53,049)	(50.4%)
Economic Vitality	2,467,914	9,432,657	5,451,530	9,513,448	80,791	0.9%
Non-departmental	57,063	59,662	59,662	44,964	(14,698)	(24.6%)
Contingency	16,023	500,000	100,000	500,000	-	0.0%
	2,848,832	10,253,424	5,872,297	10,246,911	(6,513)	(0.1%)
SOLID WASTE						
General Administration	398,292	425,155	425,155	358,624	(66,531)	(15.6%)
Management Services	376,834	323,645	323,645	349,621	25,976	8.0%
Public Works	11,046,304	9,508,438	8,735,957	11,327,142	1,818,704	19.1%
Economic Vitality	61,828	44,291	44,291	35,471	(8,820)	(19.9%)
Non-departmental	244,599	282,110	282,110	272,975	(9,135)	(3.2%)
Contingency	53,769	612,000	-	612,000	-	0.0%
	12,181,626	11,195,639	9,811,158	12,955,833	1,760,194	15.7%
SUSTAINABILITY AND ENVIRONMENTAL MGMT						
General Administration	-	18,020	18,020	41,635	23,615	131.0%
Management Services	-	21,367	21,367	19,186	(2,181)	(10.2%)
Public Works	-	887,221	934,445	944,622	57,401	6.5%
Economic Vitality	-	4,628	4,628	1,735	(2,893)	(62.5%)
Non-departmental	-	18,560	18,560	10,905	(7,655)	(41.2%)
Contingency	-	-	-	30,000	30,000	0.0%
	-	949,796	997,020	1,048,083	98,287	10.3%
STORMWATER UTILITY FUND						
General Administration	38,734	37,905	37,905	38,614	709	1.9%
Community Development	-	-	-	-	-	0.0%
Management Services	50,435	53,860	53,860	42,471	(11,389)	(21.1%)
Public Works	10,921	9,626	9,626	11,663	2,037	21.2%
Economic Vitality	3,782	2,035	2,035	2,183	148	7.3%
Utilities	1,394,536	5,508,079	1,902,466	5,132,723	(375,356)	(6.8%)
Non-departmental	15,138	14,022	14,022	18,312	4,290	30.6%
Contingency	4,408	10,000	10,000	10,000	-	0.0%
	1,517,954	5,635,527	2,029,914	5,255,966	(379,561)	(6.7%)
FLAGSTAFF HOUSING AUTHORITY						
Community Development	5,675,976	6,183,620	6,230,784	6,042,876	(140,744)	(2.3%)
Contingency	-	1,001,250	-	1,001,250	-	0.0%
	5,675,976	7,184,870	6,230,784	7,044,126	(140,744)	
Total Enterprise Funds	43,049,584	65,807,213	46,662,153	73,894,445	8,087,232	12.3%
TOTAL ALL FUNDS	\$ 132,830,022	243,472,806	156,120,770	238,184,402	(5,288,404)	(2.2%)

CITY OF FLAGSTAFF
BUDGET SUMMARY BY DIVISION OF EXPENDITURES
COMPARISON OF FISCAL YEAR 2014 AND 2015
(WITH ACTUAL FOR FISCAL YEAR 2013)

DIVISION/FUND	ACTUAL EXPENDITURES/ EXPENSES 2012-2013	ADOPTED BUDGETED EXPENDITURE/ EXPENSE 2013-2014	ESTIMATED ACTUAL EXPENDITURES/ EXPENSES 2013-2014	PROPOSED BUDGETED EXPENDITURE/ EXPENSE * 2014-2015	CHANGE (BDGT-BDGT)	% CHANGE
GENERAL ADMINISTRATION						
General Fund	\$ 7,645,383	8,470,643	8,161,891	9,115,681	645,038	7.6%
Library Fund	150,716	148,678	148,678	176,085	27,407	18.4%
HURF Fund	118,391	109,645	109,645	151,660	42,015	38.3%
Transportation Fund	52,014	41,592	41,592	39,239	(2,353)	(5.7%)
Water and Wastewater Fund	626,188	621,261	621,261	644,370	23,109	3.7%
Airport	62,750	61,759	61,759	55,329	(6,430)	(10.4%)
Solid Waste Fund	398,292	425,155	425,155	358,624	(66,531)	(15.6%)
Sustainability & Environment Mgmt Fund	-	18,020	18,020	41,635	23,615	131.0%
Stormwater Utility Fund	38,734	37,905	37,905	38,614	709	1.9%
TOTAL	9,092,468	9,934,658	9,625,906	10,621,237	686,579	6.9%
COMMUNITY DEVELOPMENT						
General Fund	3,717,118	4,293,997	4,275,997	4,350,389	56,392	1.3%
HURF Fund	3,267,660	7,310,840	3,195,359	7,929,401	618,561	8.5%
FUTS Fund	-	3,446,341	321,526	2,871,134	(575,207)	(16.7%)
Beautification Fund	759,757	-	-	-	-	0.0%
Housing and Community Services Fund	1,472,673	2,740,457	751,891	2,783,066	42,609	1.6%
Metro Planning Organization Fund	279,163	666,445	372,501	903,425	236,980	35.6%
Flagstaff Housing Authority	5,675,976	6,183,620	6,230,784	6,042,876	(140,744)	(2.3%)
TOTAL	15,172,347	24,641,700	15,148,058	24,880,291	238,591	1.0%
MANAGEMENT SERVICES						
General Fund	3,040,627	3,171,917	3,169,917	3,357,893	185,976	5.9%
Library Fund	134,552	7,025,781	5,073,267	7,182,596	156,815	2.2%
HURF Fund	73,428	66,108	66,108	91,171	25,063	37.9%
Transportation Fund	215,009	251,419	251,419	265,318	13,899	5.5%
Water and Wastewater Fund	915,248	857,869	857,869	967,305	109,436	12.8%
Airport Fund	119,449	94,151	94,151	81,024	(13,127)	(13.9%)
Solid Waste Fund	376,834	323,645	323,645	349,621	25,976	8.0%
Sustainability & Environment Mgmt Fund	-	21,367	21,367	19,186	(2,181)	(10.2%)
Stormwater Utility Fund	50,435	53,860	53,860	42,471	(11,389)	(21.1%)
TOTAL	4,925,582	11,866,117	9,911,603	12,356,585	490,468	4.1%
FIRE						
General Fund	9,908,235	10,304,847	10,304,847	10,740,696	435,849	4.2%
TOTAL	9,908,235	10,304,847	10,304,847	10,740,696	435,849	4.2%
POLICE						
General Fund	15,968,273	17,556,777	17,546,854	18,378,086	821,309	4.7%
TOTAL	15,968,273	17,556,777	17,546,854	18,378,086	821,309	4.7%
PUBLIC WORKS						
General Fund	4,991,648	10,674,003	8,884,957	11,344,740	670,737	6.3%
Library Fund	87,664	81,044	81,044	68,965	(12,079)	(14.9%)
HURF Fund	5,868,177	9,408,233	8,289,321	10,639,677	1,231,444	13.1%
Transportation Fund	-	-	-	12,822	12,822	0.0%
Recreation-BBB Fund	-	1,100,000	34,791	2,664,460	1,564,460	142.2%
Water and Wastewater Fund	59,122	48,039	48,039	36,925	(11,114)	(23.1%)
Airport Fund	125,633	105,195	105,195	52,146	(53,049)	(50.4%)
Solid Waste Fund	11,046,304	9,508,438	8,735,957	11,327,142	1,818,704	19.1%
Sustainability & Environment Mgmt Fund	-	887,221	934,445	944,622	57,401	6.5%
Stormwater Utility Fund	10,921	9,626	9,626	11,663	2,037	21.2%
TOTAL	22,189,469	31,821,799	27,123,375	37,103,162	5,281,363	16.6%

CITY OF FLAGSTAFF
BUDGET SUMMARY BY DIVISION OF EXPENDITURES
COMPARISON OF FISCAL YEAR 2014 AND 2015
(WITH ACTUAL FOR FISCAL YEAR 2013)

DIVISION/FUND	ACTUAL EXPENDITURES/ EXPENSES 2012-2013	ADOPTED BUDGETED EXPENDITURE/ EXPENSE 2013-2014	ESTIMATED ACTUAL EXPENDITURES/ EXPENSES 2013-2014	PROPOSED BUDGETED EXPENDITURE/ EXPENSE * 2014-2015	CHANGE (BDGT-BDGT)	% CHANGE
ECONOMIC VITALITY						
General Fund	\$ 171,783	612,978	612,978	464,303	(148,675)	(24.3%)
Library Fund	27,272	14,800	14,800	14,909	109	0.7%
HURF Fund	24,888	13,892	13,892	14,496	604	4.3%
Transportation Fund	7,789	5,455	5,455	2,952	(2,503)	(45.9%)
Beautification Fund	776,837	2,794,669	586,485	3,168,036	373,367	13.4%
Economic Development Fund	1,030,408	968,885	907,955	985,206	16,321	1.7%
EDA Revolving Loan Fund	-	220,000	-	220,000	-	0.0%
Tourism Fund	1,688,004	1,879,658	1,891,958	1,942,800	63,142	3.4%
Arts and Science Fund	395,587	642,206	408,806	621,023	(21,183)	(3.3%)
Water and Wastewater Fund	73,918	44,347	44,347	49,629	5,282	11.9%
Airport Fund	2,467,914	9,432,657	5,451,530	9,513,448	80,791	0.9%
Solid Waste Fund	61,828	44,291	44,291	35,471	(8,820)	(19.9%)
Sustainability & Environment Mgmt Fund	-	4,628	4,628	1,735	(2,893)	(62.5%)
Stormwater Utility Fund	3,782	2,035	2,035	2,183	148	7.3%
TOTAL	6,730,010	16,680,501	9,989,160	17,036,191	355,690	2.1%
COMMUNITY ENRICHMENT						
General Fund	3,206,917	-	-	-	-	0.0%
Library Fund	4,976,235	-	-	-	-	0.0%
TOTAL	8,183,152	-	-	-	-	0.0%
UTILITIES						
Water and Wastewater Fund	18,794,799	26,946,257	19,879,280	33,474,920	6,528,663	24.2%
Stormwater Utility Fund	1,394,536	5,508,079	1,902,466	5,132,723	(375,356)	(6.8%)
TOTAL	20,189,335	32,454,336	21,781,746	38,607,643	6,153,307	19.0%
NON-DEPARTMENTAL						
General Fund	(2,319,701)	3,568,519	1,550,482	(1,810,489)	(5,379,008)	(150.7%)
Library Fund	93,095	89,293	89,293	77,765	(11,528)	(12.9%)
HURF Fund	85,536	88,851	88,851	116,557	27,706	31.2%
Transportation Fund	6,225,715	6,943,202	5,233,923	5,738,735	(1,204,467)	(17.3%)
Housing and Community Services Fund	27,322	38,284	32,284	39,966	1,682	4.4%
Metro Planning Organization Fund	17,260	21,126	21,126	21,654	528	2.5%
General Obligation Bonds Fund	4,289,412	7,460,125	7,045,125	7,496,194	36,069	0.5%
Special Assessment Bonds Fund	905,475	905,600	902,850	740,850	(164,750)	(18.2%)
G.O. Bonds Funded Projects Fund	10,299,536	49,203,033	18,176,690	32,724,917	(16,478,116)	(33.5%)
Municipal Facilities Corp Fund	51,338	13,074,250	579,059	14,478,509	1,404,259	10.7%
Water and Wastewater Fund	263,254	270,184	270,184	370,377	100,193	37.1%
Airport Fund	57,063	59,662	59,662	44,964	(14,698)	(24.6%)
Solid Waste Fund	244,599	282,110	282,110	272,975	(9,135)	(3.2%)
Sustainability & Environment Mgmt Fund	-	18,560	18,560	10,905	(7,655)	(41.2%)
Stormwater Utility Fund	15,138	14,022	14,022	18,312	4,290	30.6%
TOTAL	20,255,042	82,036,821	34,364,221	60,342,191	(21,694,630)	(26.4%)

CITY OF FLAGSTAFF
BUDGET SUMMARY BY DIVISION OF EXPENDITURES
COMPARISON OF FISCAL YEAR 2014 AND 2015
(WITH ACTUAL FOR FISCAL YEAR 2013)

DIVISION/FUND	ACTUAL EXPENDITURES/ EXPENSES 2012-2013	ADOPTED BUDGETED EXPENDITURE/ EXPENSE 2013-2014	ESTIMATED ACTUAL EXPENDITURES/ EXPENSES 2013-2014	PROPOSED BUDGETED EXPENDITURE/ EXPENSE * 2014-2015	CHANGE (BDGT-BDGT)	% CHANGE
RESERVES/CONTINGENCIES						
General Fund	\$ 20,926	1,565,000	215,000	1,475,000	(90,000)	(5.8%)
Library Fund	258	222,000	-	100,000	(122,000)	(55.0%)
HURF Fund	-	100,000	-	100,000	-	0.0%
Transportation Fund	-	-	-	2,000,000	2,000,000	0.0%
Beautification Fund	-	10,000	-	10,000	-	0.0%
Economic Development Fund	7,033	45,000	-	170,070	125,070	277.9%
Tourism Fund	19,420	50,000	-	50,000	-	0.0%
Arts and Science Fund	1,605	10,000	-	10,000	-	0.0%
Metro Planning Organization Fund	-	250,000	-	250,000	-	0.0%
Water and Wastewater Fund	92,667	1,800,000	-	1,800,000	-	0.0%
Airport Fund	16,023	500,000	100,000	500,000	-	0.0%
Solid Waste Fund	53,769	612,000	-	612,000	-	0.0%
Stormwater Utility Fund	4,408	10,000	10,000	10,000	-	0.0%
Sustainability & Environmental Mgmt Fund	-	-	-	30,000	30,000	0.0%
Flagstaff Housing Authority Fund	-	1,001,250	-	1,001,250	-	0.0%
TOTAL	216,109	6,175,250	325,000	8,118,320	1,943,070	31.5%
ALL FUNDS TOTAL	\$ 132,830,022	243,472,806	156,120,770	238,184,402	-5,288,404	(2.2%)

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

CITY OF FLAGSTAFF
FULL-TIME EMPLOYEE AND PERSONNEL COMPENSATION
FISCAL YEAR 2015

FUND	FULL-TIME EQUIVALENTS (FTE) 2014-2015	EMPLOYEE SALARIES AND HOURLY COSTS 2014-2015	RETIREMENT COSTS 2014-2015	HEALTHCARE COSTS 2014-2015	OTHER BENEFIT COSTS 2014-2015	TOTAL ESTIMATED PERSONNEL COMPENSATION 2014-2015
GENERAL FUND	530.77	\$ 30,851,780	\$ 6,544,141	\$ 3,404,527	\$ 2,585,095 =	\$ 43,385,543
SPECIAL REVENUE FUNDS						
Library	52.40	2,193,215	230,919	315,985	167,793 =	2,907,912
HURF	35.92	1,578,899	161,813	184,656	214,493	2,139,861
Beautification	1.25	104,843	12,108	9,694	8,018	134,663
Economic Development	2.25	171,592	19,931	16,379	13,754	221,656
Tourism	14.18	689,648	74,287	79,243	52,984	896,162
Housing and Comm Services	1.00	51,749	6,003	406	4,160	62,318
Metro Planning Organization	2.88	212,642	22,359	17,763	16,066	268,830
Total Special Revenue Funds	<u>109.88</u>	<u>5,002,588</u>	<u>527,420</u>	<u>624,126</u>	<u>477,268 =</u>	<u>6,631,402</u>
ENTERPRISE FUNDS						
Water & Wastewater	63.75	3,813,251	430,375	452,240	347,915 =	5,043,781
Airport	9.75	500,384	155,968	52,312	35,520	744,184
Stormwater	4.75	340,969	37,761	27,408	27,918	434,056
Solid Waste	47.05	2,319,025	260,999	315,666	264,201	3,159,891
Sustainability & Environmental Mgmt	8.00	421,819	48,696	56,538	36,059	563,112
Flagstaff Housing Authority	22.00	1,325,229	146,360	154,996	125,321	1,751,906
Total Enterprise Funds	<u>155.30</u>	<u>8,720,677</u>	<u>1,080,159</u>	<u>1,059,160</u>	<u>836,934 =</u>	<u>11,696,930</u>
CAPITAL PROJECTS FUNDS						
G.O. Bond Funded Projects	0.50	56,536	20,362	4,489	2,813 =	84,200
Total Special Revenue Funds	<u>0.50</u>	<u>56,536</u>	<u>20,362</u>	<u>4,489</u>	<u>2,813 =</u>	<u>84,200</u>
TOTAL ALL FUNDS	<u><u>796.45</u></u>	<u><u>\$ 44,631,581</u></u>	<u><u>\$ 8,172,082</u></u>	<u><u>\$ 5,092,302</u></u>	<u><u>\$ 3,902,110 =</u></u>	<u><u>\$ 61,798,075</u></u>

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Stephanie Smith, Assistant to City Manager
Co-Submitter: Kevin Burke, City Manager
Date: 05/28/2014
Meeting Date: 06/03/2014



TITLE:

Consideration and Approval of Agreement: With True Life Companies (TLC) D.B.A. Pine Canyon regarding a modification of an existing zoning condition and disposition of fees. ***(Approve the Agreement between TLC PC Infrastructure, LLC and the City of Flagstaff which requires final Council approval for General Condition 8 Amendment on or before September 1, 2014.)***

RECOMMENDED ACTION:

Approve the Agreement between TLC PC Infrastructure, LLC and the City of Flagstaff and authorize the Mayor to sign the Agreement and any other necessary and appropriate documents; authorize staff to take other actions as needed to further Council direction.

Policy Decision or Reason for Action:

Section 6 of this Agreement requires final Council approval for General Condition 8 Amendment on or before September 1, 2014. This is the only modification from the 2013 Pine Canyon Agreement approved by Council on October 15, 2013.

In late 2012, the new owners of Pine Canyon (TLC Partners) requested a change to a general condition related to Ordinance 2000-11 that states "all private roads within the Development remain open to the public and never gated." The agreement commits staff support to amend the rezoning ordinance to modify the gated provision during night time. The zoning amendment process must be proposed to the Planning and Zoning Commission and City Council through a public hearing process. The agreement commits the parties to the following:

The Agreement commits the City to erect and maintain a directional sign at the intersection of Lake Mary Road and John Wesley Powell.

The Agreement extends the developers transportation improvement contribution of \$1,855.55 per lot for 10 years within Pine Canyon. The funds will be utilized by the City for current or future transportation improvement associated with Pine Canyon. To date the City has collected approximately \$800,000.00

The Agreement returns the Regional Park Funds the City collected (approximately \$130,000) to TLC Partners from the previous expired Development Agreement with Pine Canyon per the terms in the original development agreement. These funds were to be used on a new regional park to be located on Forest Service property at Lake Mary and John Wesley Powell Blvd that was connected to the Ruskin land trade which was not approved by Congress.

If the Council approves this Agreement, TLC will file an application to amend the zoning condition, in an

effort to modify general condition 8 of Ordinance 2000-11.

Financial Impact:

This agreement will collect \$1,855.55, per lot, for 10 years for transportation improvement associated with Pine Canyon. The City will return approximately \$130,000 in funds collected for the Regional Park from the previous expired Development Agreement.

Connection to Council Goal:

11. Effective Governance

Has There Been Previous Council Decision on This:

This Council approved the 2013 Pine Canyon Agreement on October 15, 2013.

Options and Alternatives:

1. Adopt the agreement as presented.
2. Modify the agreement.

Community Involvement:

No community involvement is needed for this contract. Public hearings will be conducted with the zoning amendment application

.

Attachments: Pine Canyon Agreement

AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into as of this ____ day of _____, 2013 by and between: (i) the CITY OF FLAGSTAFF, an Arizona municipal corporation ("City"); and (ii) TLC PC INFRASTRUCTURE, L.L.C., an Arizona limited liability company ("TLC Infrastructure"), and TLC PC DEVELOPERS, LLC, an Arizona limited liability company ("TLC Developers"). TLC Infrastructure and TLC Developers are referred to collectively in this Agreement as "TLC," and the City and TLC are referred to collectively in this Agreement as the "Parties."

RECITALS

A. On June 5, 2000, the City Council of the City ("Council") adopted Ordinance No. 2000-11 ("Ordinance"), rezoning that certain real property then known as "Fairway Peaks," and now known as "Pine Canyon" ("Pine Canyon"), subject to the conditions set forth in the Ordinance. General Condition 8 of the Ordinance ("GC 8") provided that "all private roads within the Development remain open to the public and never be gated." The Ordinance was recorded on July 17, 2000, as Instrument No. 3056859 in the Official Records of Coconino County, Arizona ("County").

B. The City, Vanderbilt Farms, L.L.C., an Arizona limited liability company ("Original Developer"), and San Francisco Peaks Associates, LP, an Arizona limited partnership ("Original Owner"), then entered into the Development Agreement for Fairway Peaks dated September 5, 2000, and recorded on September 8, 2000, as Instrument No. 3063582 in the Official Records of the County, as amended by the Amendment to Development Agreement dated January 30, 2007, and recorded on January 31, 2007 as Instrument No. 3423547 in the Official Records of Coconino County (collectively, "Development Agreement").

C. On November 18, 2002, Lone Tree Investment Holdings, LLC, an Arizona limited liability company ("Original Beneficiary") established Trust No. B178 under the governing Trust Agreement dated as of November 18, 2002, as amended, administered by Fidelity National Title Insurance Company, as Trustee ("Trust").

D. Section 9(m) of the Development Agreement provided, among other things, for the collection and disbursement of Original Developer's "fair share contribution" to the construction of the Lone Tree and I-40 Interchange or, in the alternative, to the completion of a revised traffic impact analysis and mitigation of all measurable impacts, if any, created by the Pine Canyon development. Section 9(k) of the Development Agreement provided, among other things, for the collection and disbursement of Original Developer's regional park contributions. The Trust, among other things, provided for the collection and disbursement of Original Developer's obligations under Sections 9(k) and 9(m) of the Development Agreement.

E. The Development Agreement expired by its terms on or about September 8, 2010.

F. TLC Infrastructure is the successor in interest to Original Developer and Original Owner with respect to all existing and future roadways and associated access, utility and drainage easements and tracts located within Pine Canyon. TLC Developers is the successor to Original Beneficiary as “Beneficiary” under the Trust.

G. TLC and the City have entered into this Agreement in order to: (i) establish a mechanism that replaces Section 9(m) of the Development Agreement in order to provide for the collection and disbursement of Pine Canyon’s “fair share contribution” to current or future transportation infrastructure improvements associated with Pine Canyon’s impact on the regional transportation system; (ii) amend GC 8 in order to allow for the placement and operation of access control gates, with an associated keypad security; and (iii) evidence certain other related agreements between TLC and the City.

IN CONSIDERATION OF the mutual representations, warranties, covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. **Recitals.** The Recitals are true and correct and are incorporated in this Agreement.

2. **Amendment to Ordinance No. 2000-11.** City Staff agrees to support TLC’s application to amend GC 8 (“GC 8 Amendment”) for the limited purpose of permitting TLC Infrastructure to install, operate and maintain access control gates, with associated keypad security, at all points of public vehicular entry into Pine Canyon (collectively, “Access Gates”); provided, however the designated main site Access Gate will only be closed to public vehicular entry between the hours of 8:00 p.m. and 6:00 a.m. from May 1st to September 30th, and between the hours of 6:00 p.m. and 6:00 a.m. from October 1st to April 30th. All Access Gates shall be equipped with a means of opening the gate by fire and police department personnel for emergency access. The Flagstaff Fire Department shall approve emergency opening devices. TLC Infrastructure acknowledges the City desires to solicit public input regarding the Access Gates and will process the GC 8 Amendment as if it constituted a rezoning of the property upon which the Access Gates will be located and that the City will require, among other things, advertisement and notification of affected property owners otherwise consistent with the rezoning requirements set forth in the City’s 2011 Zoning Code (“2011 Zoning Code”). TLC Infrastructure further acknowledges the GC 8 Amendment will be subject to Council approval. The GC 8 Amendment will require that: (i) the Access Gates be located outside of the public rights-of-way and at the minimum setback distance required by the applicable zoning designation; (ii) TLC Infrastructure shall be responsible for the installation and maintenance of the Access Gates; and (iii) the Access Gates will not impair pedestrian passage. TLC Infrastructure will work with affected landowners to determine appropriate locations for the Access Gates. In connection with submitting the GC 8 Amendment for Council approval, TLC Infrastructure will pay all applicable fees

and otherwise comply with the City's municipal requirements; provided, however: (y) neither TLC Infrastructure nor any affiliate of TLC Infrastructure will be required to obtain any resource reports or impact studies as result of the GC 8 Amendment; and (z) other than the limited amendment to GC 8 permitting the installation, operation and maintenance of the Access Gates, no aspect of Pine Canyon's current zoning or entitlement will be impacted, amended or modified.

3. **Signage.** The City shall erect and maintain a directional sign within the City's right-of-way at the intersection of Lake Mary Road and John Wesley Powell Boulevard ("Directional Sign"). The Directional Sign shall indicate to the travelling public the entrance to Pine Canyon and shall conform to the standards for location, size, shape, material, color and design set forth in the Manual on Uniform Traffic Control Devices for Streets and Highways. The City agrees that it shall be its sole responsibility to obtain all required governmental approvals, if any, in connection with the erection of the Directional Sign.

4. **Transportation Infrastructure Improvement Funds.**

a. ***Existing Escrow Funds.*** Within five (5) business days following the Effective Date, TLC Developers will cause all funds currently held in the Escrow Account pursuant to Section 9(m) of the Development Agreement, together with any accrued interest (collectively, "Existing Transportation Funds"), to be transferred from the Escrow Account to the City for the funding of current or future transportation infrastructure improvements associated with Pine Canyon's impact on the regional transportation system. For purposes of this Agreement, "Escrow Account" shall have the same meaning and definition as set forth in Section 9(k) of the Development Agreement.

b. ***Future Payment Obligation.*** TLC further agrees, for a period of ten years from the Effective Date of this Agreement, to pay the City the sum of \$1,855.55 for each Lot in Pine Canyon owned by TLC as of the Effective Date (as defined below), with each payment being made on a Lot-by-Lot basis, as a condition precedent to the issuance of a final certificate of occupancy (collectively, "Future Transportation Funds"). The Future Transportation Funds shall constitute a lien in the amount of \$1,855.55 against each respective Lot until paid. These funds will be used solely for the funding of current or future transportation infrastructure improvements associated with Pine Canyon's impact on the regional transportation system. For purposes of this Agreement, "Pine Canyon" shall have the same meaning as "Project" in the Development Agreement, and "Lot" shall have the same meaning as in the Development Agreement.

c. ***Obligations Fully Satisfied.*** The City acknowledges and agrees that TLC (and its affiliates) are released from and are no longer obligated to perform or fulfill those duties and acts set forth in the Development Agreement (including, without limitation, Sections 9(k) and 9(m) of the Development Agreement). The City further acknowledges and agrees that payment of the Existing Transportation Funds and the Future Transportation Funds satisfies, in full, any obligation relating to current or future transportation infrastructure improvements arising from Pine Canyon's impact on the

regional transportation system. Upon payment of the Existing Transportation Funds to the City, the City waives and relinquishes any claim to, or rights in or under, either the Escrow Account or the Trust.

5. **Regional Park Funds.** All funds currently held in the Escrow Account pursuant to Section 9(k) of the Development Agreement, together with any accrued interest, shall be transferred from the Escrow Account to TLC Developers.

6. **Effective Date.** TLC will execute and deliver this Agreement to the City for the purpose of obtaining Council approval. This Agreement, however, will only become effective, and TLC will only be bound, upon Council's final approval of the GC 8 Amendment and City's execution of this Agreement ("Effective Date"). If final Council approval does not occur on or before September 1, 2014, TLC's execution and delivery of this Agreement will be null and void.

7. **Notices.** Any notice, demand, request, consent, approval or communication under this Agreement shall be in writing and either served personally or sent by prepaid, first-class mail to the address set forth below. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed given (a) upon personal delivery or (b) forty-eight (48) hours from deposit of such notice in the United States mail, postage prepaid.

To City:

City Manager
City of Flagstaff
211 West Aspen Avenue
Flagstaff, Arizona 86001

To TLC:

AVG Service Corporation
8777 N. Gainey Center Dr. #191
Scottsdale, Arizona 85258

and

Russ Schaeffer
Chief Operating Officer
The TLC Companies
2555 E. Camelback Rd. #770
Phoenix, Arizona 85016

8. **Representation and Warranties by the City.**

a. The City has the full right, power, and authorization from its City Council to enter into and perform this Agreement and each of the City's obligations, representations, covenants and undertakings under this Agreement. The City's execution,

delivery and performance of this Agreement has been duly authorized and agreed to in compliance with the requirements of the Flagstaff City Charter, the Flagstaff City Code and all applicable State and Federal law.

b. All consents and approval necessary to the execution, delivery and performance of this Agreement have been obtained, and the City will execute all documents and take all actions necessary to implement, evidence and enforce this Agreement.

c. The City knows of no litigation, proceeding, initiative, referendum, investigation or threat of any of the same contesting the powers of the City or its officials with respect to this Agreement.

9. **Representations and Warranties by TLC.**

a. TLC has the full right, power and authorization to enter into and perform this Agreement, and TLC's execution, delivery and performance of this Agreement has been duly authorized and agreed to in accordance with its organization documents, and upon this Agreement's Effective Date, it shall be binding and enforceable against TLC.

b. All consents and approvals necessary to the execution, delivery and performance of this Agreement have been obtained, and TLC will execute all documents and take all actions necessary to implement, evidence and enforce this Agreement.

c. TLC knows of no litigation, proceedings, investigation or threat of any of the same contesting the powers of TLC or its officials with respect to this Agreement.

d. The execution, delivery and performance of this Agreement by TLC is not prohibited by, and does not conflict with, any other agreements, laws, instruments or judgments to which TLC is a party or is otherwise subject.

e. TLC has been assisted by counsel of its own choosing, and has had the opportunity to discuss this Agreement and its consequences with its chosen legal counsel.

10. **General Provisions.**

a. This Agreement shall not be altered, modified or amended except by written agreement signed by the Parties.

b. This Agreement shall be governed, construed and enforced in accordance with the laws of the State of Arizona.

c. The City and TLC have had an opportunity to participate in the drafting of this Agreement, and no term or provision of this Agreement shall be construed against either party by virtue of its drafting the Agreement.

d. This Agreement is subject to, and may be terminated by, the City in accordance with the provisions of A.R.S. § 38-511, Arizona's conflict of interest statute.

e. This Agreement constitutes the entire agreement between the Parties. The City and TLC each acknowledge that they have not executed this Agreement in reliance on any promise, representation or warranty not contained herein.

f. Should any litigation be commenced between the Parties concerning the terms of this Agreement, or the rights and duties of TLC or the City under this Agreement, the prevailing party or parties in such proceeding or litigation shall be entitled, in addition to such other relief as may be granted, to payment of all of its costs, expenses (including, but not limited to, expert fees), and reasonable attorneys' fees incurred in connection with the dispute.

11. **Future Cooperation.** Each Party to this Agreement will reasonably cooperate and in good faith and diligently perform any further acts, deeds and things and execute and deliver any documents that may from time to time be reasonably necessary or otherwise reasonably required to consummate, evidence, confirm and/or carry out the intent and provisions of this Agreement, all without undue delay or expense and without further consideration.

12. **Effective Date.** This Agreement shall be deemed to be effective and fully enforceable as of the date of its approval by the Flagstaff City Council (the "Effective Date").

EXECUTED as of the Effective Date, by:

TLC PC INFRASTRUCTURE, L.L.C
an Arizona limited liability company

CITY OF FLAGSTAFF, an
Arizona municipal corporation

By: _____
Its: _____

Mayor

TLC PC DEVELOPERS, LLC, an Arizona
limited liability company

ATTEST:

By: _____
Its: _____

City Clerk

APPROVED AS TO FORM:

City Attorney

CITY OF FLAGSTAFF
STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Rebecca Sayers, Sustainability & Env. Svcs.
Director
Co-Submitter: Sergio Enriquez, Facilities Maintenance
Superintendent
Date: 05/28/2014
Meeting Date: 06/03/2014



TITLE

Review and discussion of roof replacement options for the Flagstaff Main Library.

RECOMMENDED ACTION:

Discuss and provide direction to staff.

INFORMATION

Staff will present three options for repair and replacement of the Main Library roof, which include:

1. Replace roof with metal
2. Replace roof with shingles
3. Replace roof with a combination of metal and shingles

Staff will provide renderings of what each option may look like, as well as provide pros and cons of each.

Attachments: [Library roof presentation](#)

Library Roof Replacement Project

Historical information

- ✓ Library built in 1987
- ✓ Roof square footage: ~20,000 Metal (aluminum), ~15,000 Single ply rubber (flat roof).

Roofing options and costs

- *Metal (steel) roof system: \$313,000*
- *Hybrid (metal and shingle) system: \$236,000*
- *Asphalt shingle system: \$161,000*

Note: All pricing includes \$30,000 for skylight replacement and \$15,000 to \$30,000 for contingency.



Metal roof



Metal roof



Hybrid roof



Shingle roof

Shingle roof



Discussion items

- *Council direction on the type of roof system to be installed.*

**CITY OF FLAGSTAFF
STAFF SUMMARY REPORT**

To: The Honorable Mayor and Council
From: James Duval, Sr. Project Manager
Date: 05/28/2014
Meeting Date: 06/03/2014



TITLE

Rio de Flag Flood Control Project - FEMA Flood Design Concept Report (DCR) Presentation and Discussion

RECOMMENDED ACTION:

Present the recommended alignment and discuss project specifics for the FEMA Flood alternatives to the US Army Corps of Engineers Project.

INFORMATION

The City has been involved in a contractual relationship with the US Army Corps of Engineers for the Rio de Flag Flood Control project since 2004. To date, there has been a significant lack of progress on the project.

The lack of progress can be traced to:

1. Lack of Federal funding
2. Federal process is too long and expensive
3. The benefit to cost ratio has been low making the project uncompetitive with other national projects

Staff received direction from City Council on April 2, 2013 to proceed with the procurement of a design professional and the preparation of the Design Concept Report. On December 3, 2013, Council approved the design contract to Michael Baker Jr. Inc.

Staff seeks to make a presentation to Council to outline the problem, provide sufficient background and history and to present the results of the DCR and foster discussion on the path forward.

The report may be accessed at <http://www.flagstaff.az.gov/DocumentCenter/View/44358>. It is a large document so please allow time for it to download.

Attachments: Power Point

Rio de Flag Flood Control

1

**COMMUNITY DEVELOPMENT
DIVISION**

JUNE 3, 2014

Background

2

1. **Lack of Progress with USACE**
 - Federal funding – not in USACE work program last 3 years
 - Schedule – too long
 - Cost – too expensive
2. **Staff Presentation to Council February 26, 2013**
 - Option #1 – Stay the Course
 - Option #2 – Self Administration
 - Option #3 – City Project
 - Option #4 – Terminate the Project
3. **Staff Presentation to Council April 2, 2013**
 - Council direction to prepare Design Concept Report (DCR)
4. **Council approval of Design Contract December 3, 2013**

Background

FEMA vs. USACE Flood Protection

3

➤ **USACE**

- Floodplains determined using 50 year build out with no mitigation

➤ **FEMA**

- Floodplains are from COF Flood Insurance Study and based on current conditions
- City of Flagstaff Storm Water requirements in place to mitigate future increases in flooding

➤ **Project Statement**

The project intent is to contain the 100 year event in the proposed flood control structures and eliminate the flood plain.

Purpose

4

Design Concept Report

- Preliminary Project Design
- Feasibility
- Costs

Determine Strategy for Future Project Delivery

- Continue Project With USACE
- City Delivery of Project

Rio de Flag

Flood Control Design Concept Project

5

SPONSORED BY CITY OF FLAGSTAFF

**PROJECT TEAM:
BAKER INTERNATIONAL
SHEPARD WESNITZER, INC.
HUNTER CONTRACTING CO.**

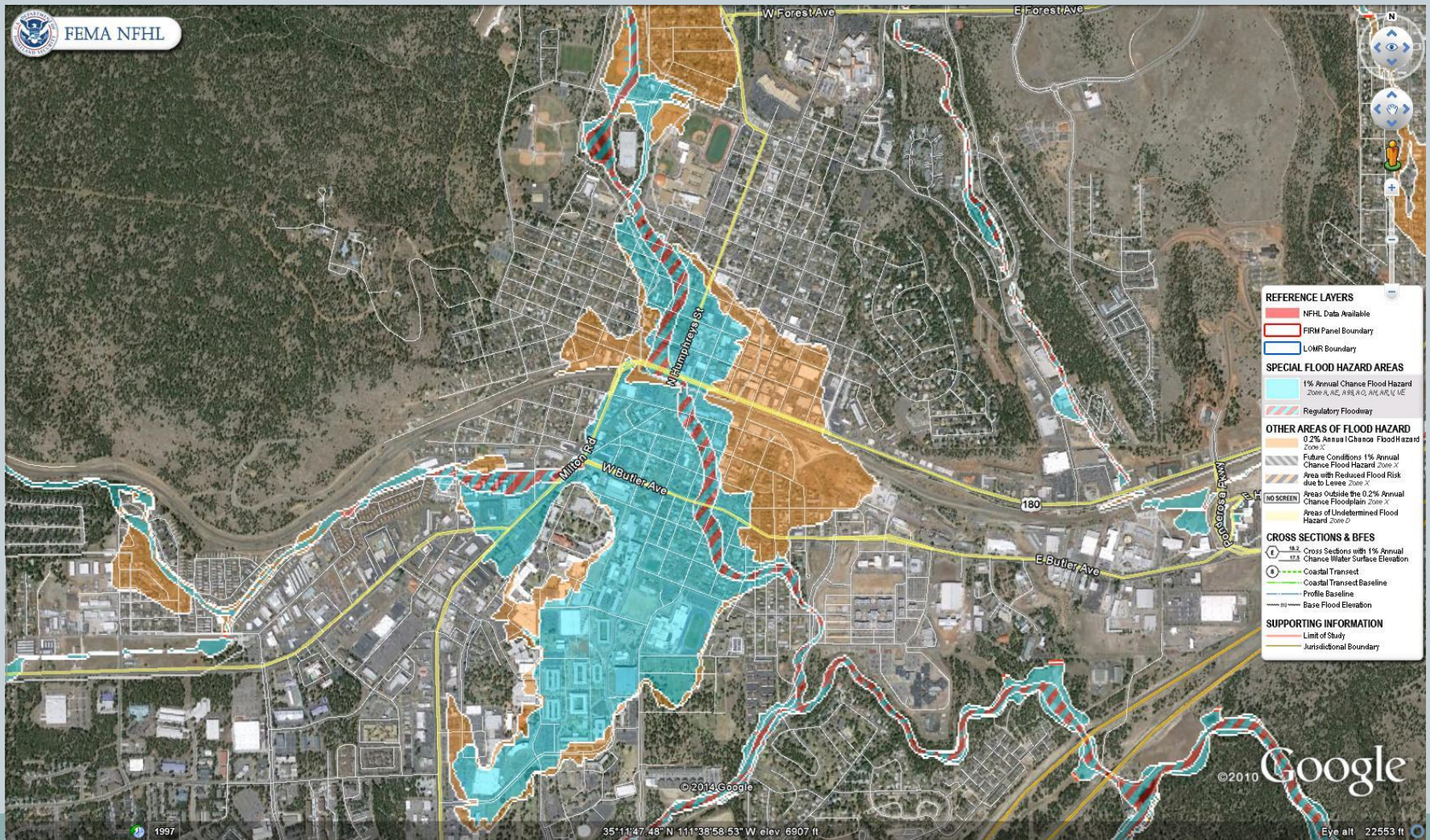
Project Purpose

6

Investigate feasibility and approximate cost of building flood control project using:

- FEMA 100-year flows vs. United States Army Corps of Engineers (USACE) 100-year flows
- Industry standard design and construction vs. USACE design and construction

7

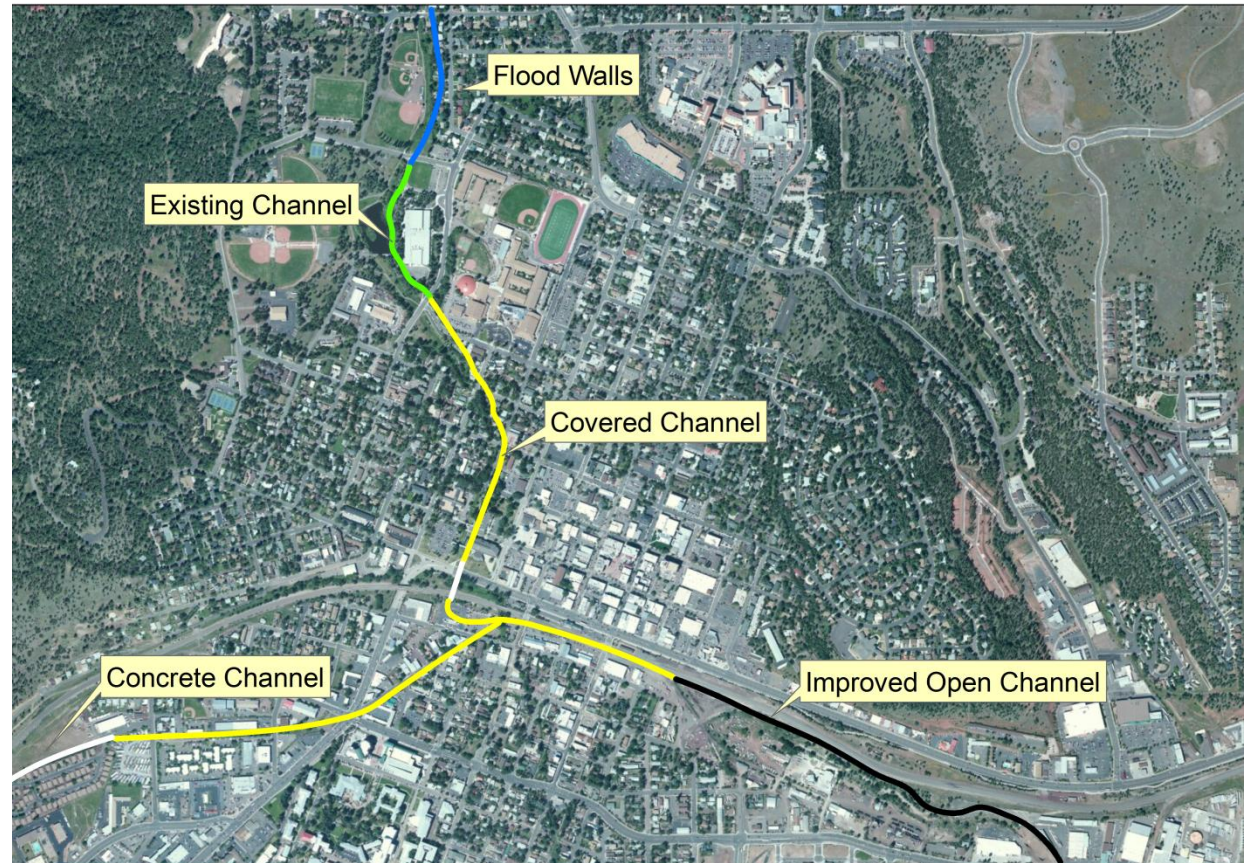


Rio de Flag:

- ❑ Flood Walls Beal Road to Thorpe Road
- ❑ Existing Open Channel Thorpe Road to Bonito Street
- ❑ Covered Concrete Channel Bonito Street to RT 66
- ❑ Concrete Rectangular Channel through RT 66 and Railroad
- ❑ Covered Concrete Channel Along Railroad to Existing Open Channel Near End of Phoenix Avenue
- ❑ Improved Open Channel to Butler Avenue

Clay Avenue Wash:

- ❑ Concrete Rectangular Channel to Chateau Drive
- ❑ Covered Concrete Channel to Confluence with Rio de Flag



USACE Project Summary

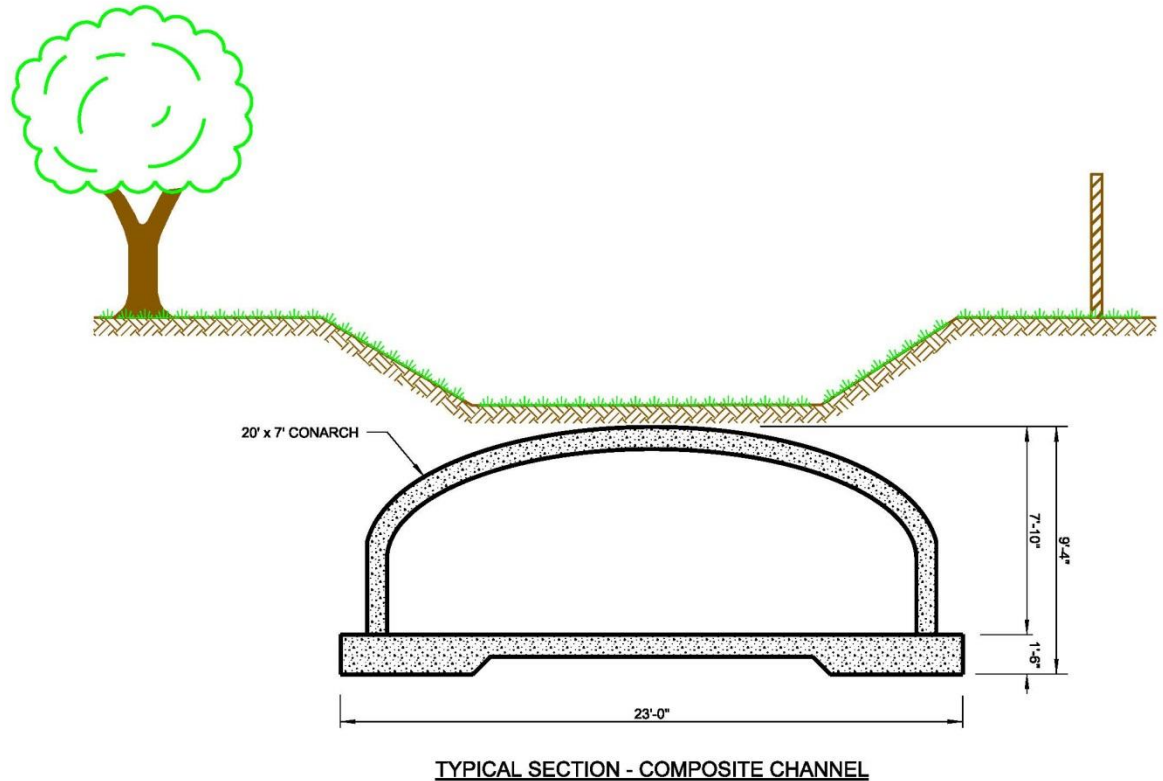
Flood Control Project Summary

Develop four alternatives to convey 100-year FEMA flows through downtown Flagstaff, and return to the historic Rio de Flag channel upstream of I-40

- Alt 1 – USACE alignment using lower FEMA flows
- Alt 2 – Using existing channel alignment through RT 66 and BNSF Railroad
- Alt 3 – Using existing culvert in Butler Road to reduce structure size in Mike's Pike
- Alt 4 – Combination of Alt 2 for Rio de Flag and concrete circular pipes for Clay Avenue Wash

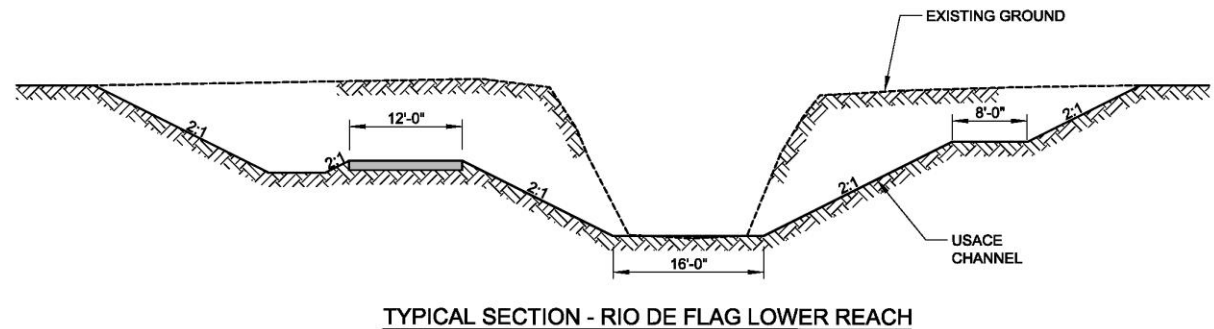
Composite Channel – All Alternatives

- Low flow open channel
- Flood flows underground
- Full open channel requires property acquisition and significant improvements (floodwalls, hardened channel banks) that would change the character of the Rio de Flag



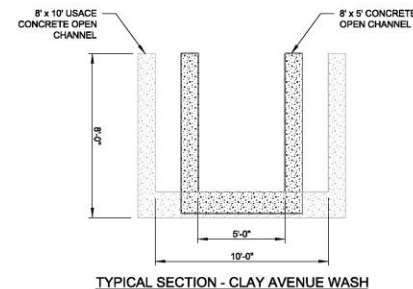
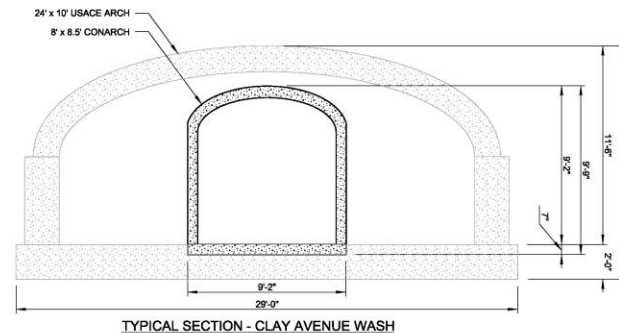
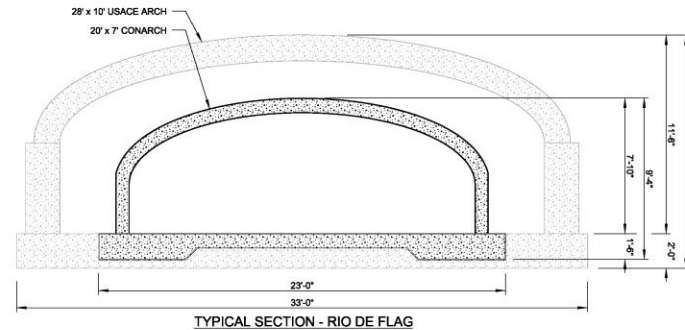
Rio de Flag Lower Reach – All Alternatives

- Utilize existing channel where feasible
- Some grading required to remove obstructions and daylight covered channel



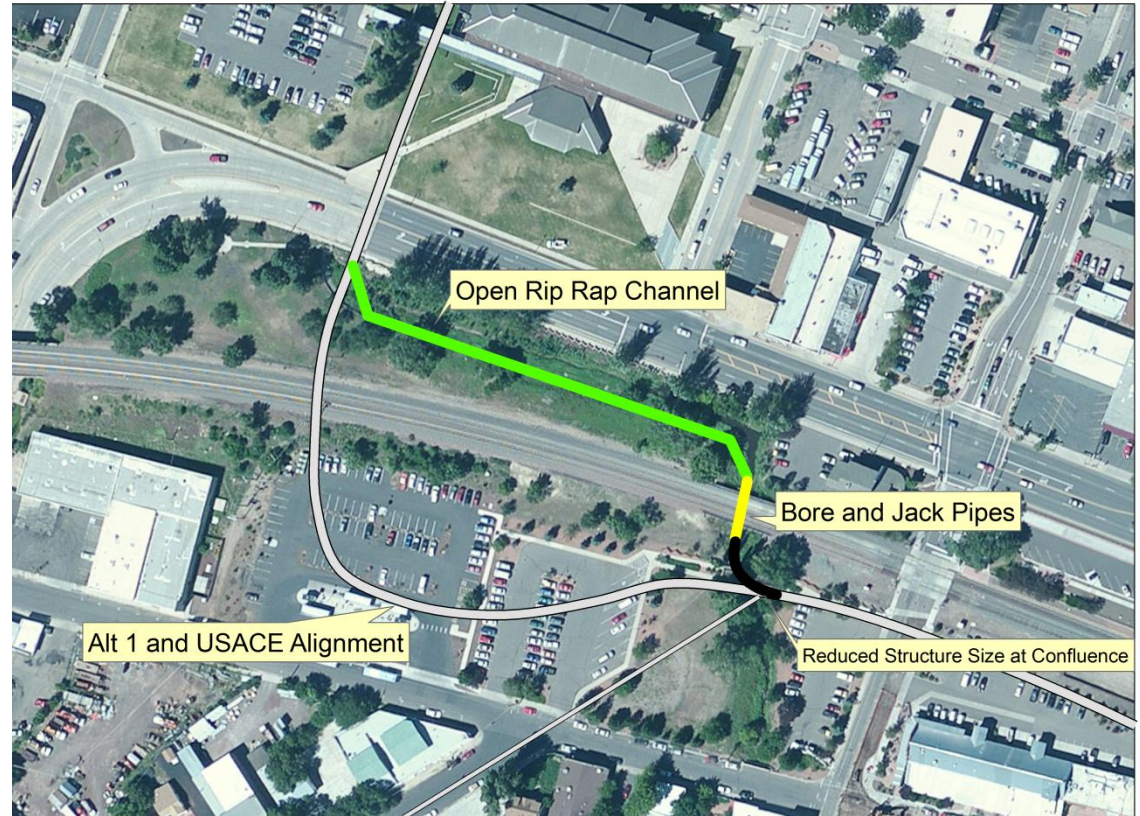
Alt 1 Structure Size Comparison (USACE vs. Project)

- 20'x7' arch culvert for Rio de Flag
- 5' wide concrete rectangular channel for Clay Avenue Wash Upper
- 8'x8.5' arch culvert for Clay Avenue Wash Lower
- Utilizing existing open channel sections where feasible
- Jack and bore pipes under RT66/BNSF and five points intersection
- **Cost savings ~\$40M**



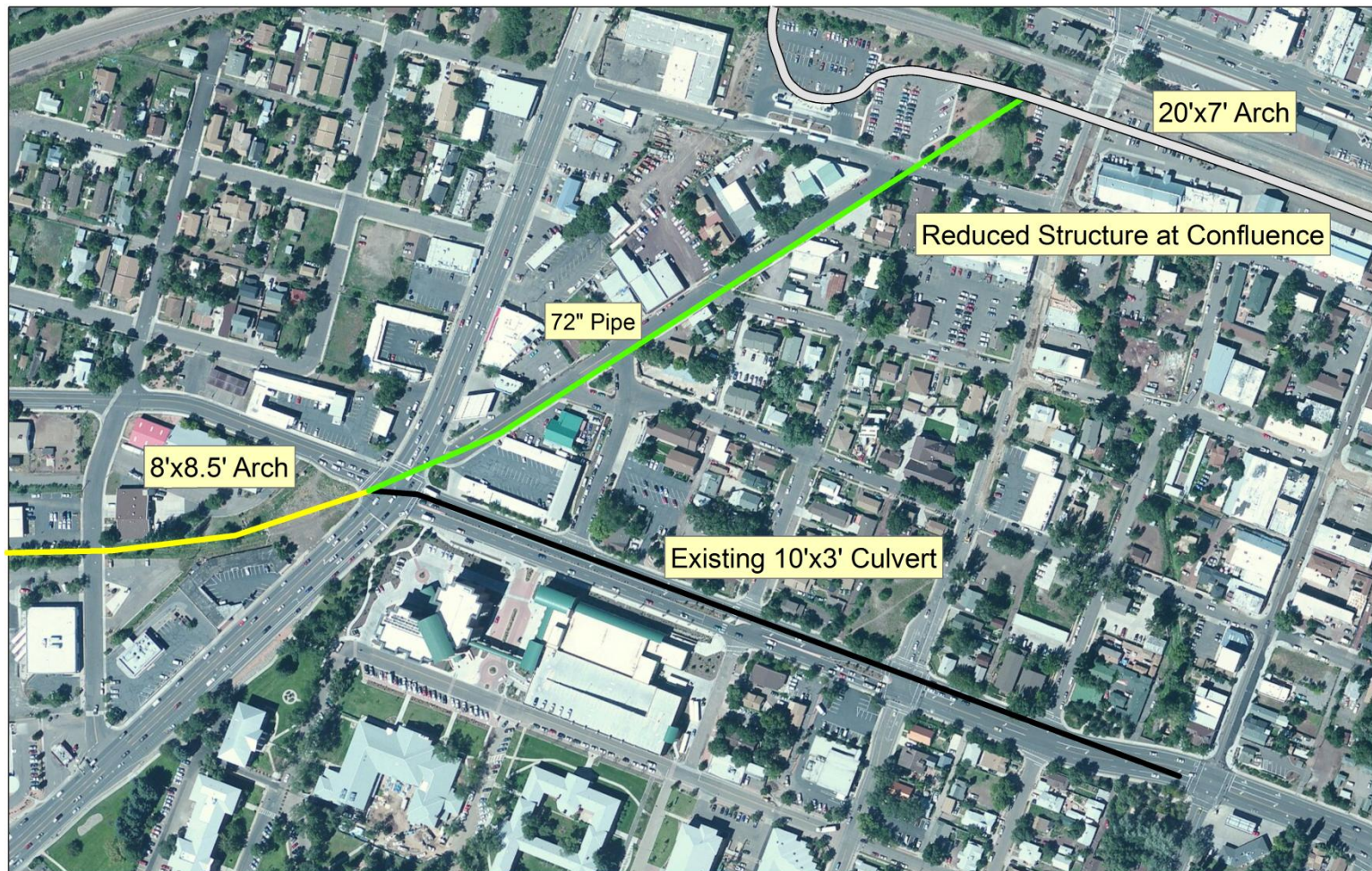
Alternative 2 Plan

- Arch culvert through RT66
- Open rip rap channel along current alignment
- Jack and bore pipes under railroad
- Return to arch culvert and USACE alignment
- Cost saving ~\$42M



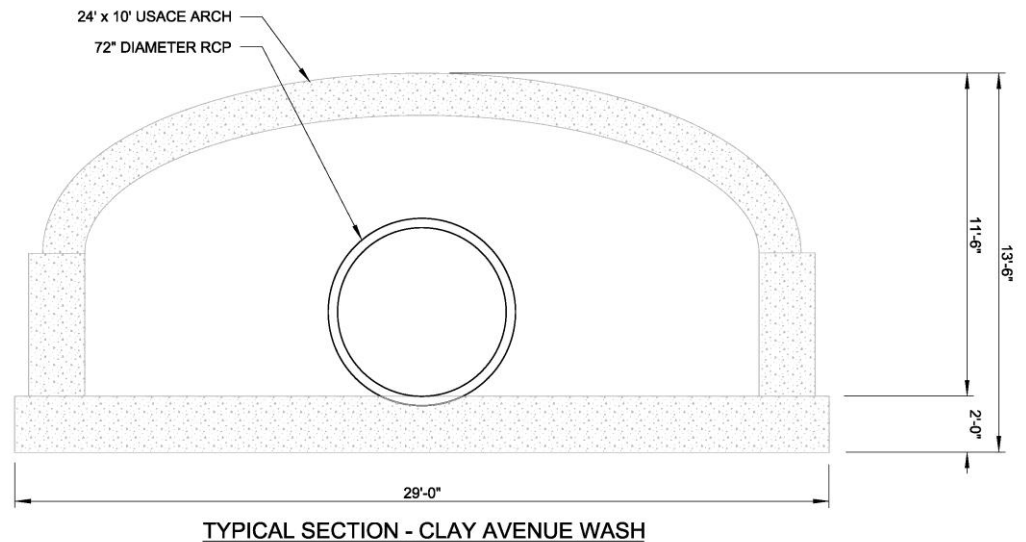
Alternative 3 Plan

14



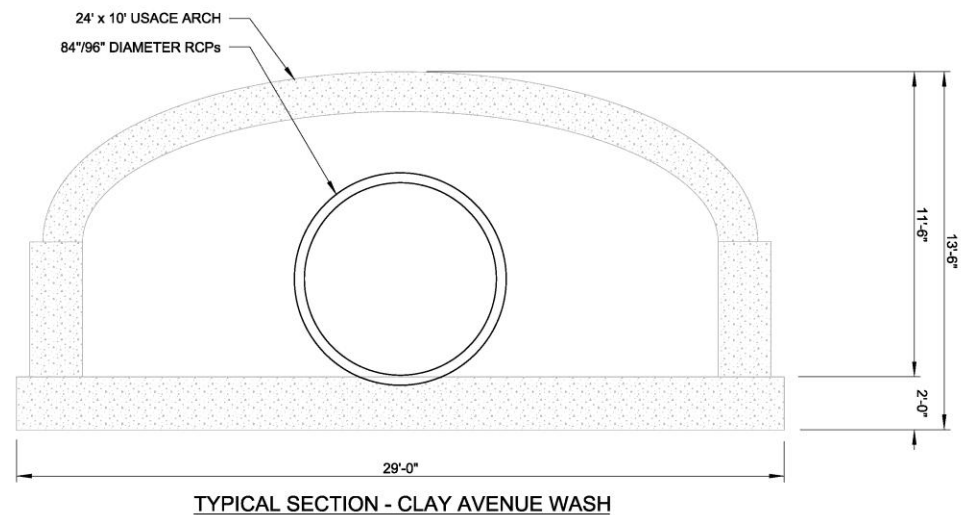
Alt 3 Structure Size Comparison (USACE vs. Project)

- 72" Pipe in Mike's Pike
- Channel downstream of Butler needs significant maintenance
- Junction structure at five points to split flows
- Uncertainty in existing 10'x3' culvert excess capacity
- **Cost savings
~\$43M**



Alternative 4

- Combination of Alt 2 for Rio de Flag and using pipes for Clay Avenue Wash
- 84" and 96" pipes required
- Still a cost savings over concrete arch culverts
- **Cost savings
~\$44M**



Cost Comparison

17

- USACE Preferred Alternative - \$107M
- Alternative 1 - \$67M
- Alternative 2 - \$65M
- Alternative 3 - \$64M
- Alternative 4 - \$63M

Cost Comparison

18

➤ USACE

○ Total Project Cost	\$107M
○ City expended to date	\$15M
○ City share to complete	\$34M

➤ City FEMA Project

○ Total Project cost per DCR	\$63M
○ City expended towards project	\$5.6M
○ Cost to complete	\$57.4M

Preferred Alternative (Alt 4) Benefits

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- Lowest cost alternative
- Reduced infrastructure impacts at transit center
- Jack and bore under five points and RT66/BNSF minimizes traffic impacts
- Ease of construction for Clay Avenue pipes
- No junction structure at five points to split flows
- Simplified junction structure at confluence

Benefits vs. Corp Project

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- Eliminates sewer siphon at five points
- Minimizes environmental impacts with jack and bore
- Reduces scope of coordination with BNSF
- Minimizes traffic impacts with jack and bore
- Composite open channel through upper reach
- Project control
- Schedule control
- Lower overall project cost

CONCLUSION

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Design Concept Report:

1. Develop design alternatives
2. Determine feasibility
3. Determine costs
4. Determine Strategy for Future Project Delivery
 - Option #1 – Stay the Course
 - Option #2 – Self Administration
 - Option #3 – City Project
 - Option #4 – Terminate the Project

Questions and Discussion

CITY OF FLAGSTAFF
STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Stephanie Smith, Assistant to City Manager
Date: 05/28/2014
Meeting Date: 06/03/2014



TITLE

Road Repair and Street Safety Initiative

RECOMMENDED ACTION:

Discussion only

INFORMATION

In April, City Council reviewed the recommendation from the Road Repair and Street Safety Citizen Review Committee. The final recommendation is attached to this staff summary. Also attached is the background information on the Road Repair and Street Safety Initiative which was provided at the April 8, 2014 Council Meeting. At the June 2nd City and County joint work session, staff will present the timeline for calling a possible sales tax ballot question and discuss outreach and project coordination with the County. The purpose for the June 3rd Council meeting is to review the following discussion questions:

1. Will Council recommend a sales tax increase to fund repairs to existing infrastructure (streets, utilities, some sidewalks, some bike lanes)?
 - a) Repair all roads to a condition of OCI 70 or greater
 - b) Citizen Review Committee Recommendation: Repair roads with OCI 70 to a condition of OCI 70 or greater
2. Will Council recommend an investment to fund a portion of ongoing pavement preservation?
3. Will Council recommend an investment to fund new infrastructure:
 - a) for pedestrian projects such as missing sidewalks along roads with OCI 70, pedestrian crossings and/or FUTS improvements?
 - b) for bike safety improvement projects?
 - c) for bus improvement projects such as bus pullouts?
4. Will Council recommend an investment to fund new infrastructure for congestion improvement projects?
5. What is the preferred financing for the Road Repair and Street Safety Initiative?
 - a) Sale Tax
 - b) Sales Tax and Property Tax

The summarized options (Attachment: Options) will be discussed during the June 3rd meeting:

Attachments: Options

April 8th Council Meeting

Presentation for 6/3 Meeting

Citizen Review Committee Recommendation

ROAD REPAIR AND STREET SAFETY INITIATIVE

Option #1 \$53.3 - \$62.3M 0.245% - 0.286%	Option #2 \$93.3 - \$102.3M 0.370% - 0.412%	Option #3 \$100.2 - \$120.9M 0.402% - 0.497%	Option #4 \$113.2 - 133.9M 0.461% - 0.557%
Existing Streets Capital: Repave, Repair and Rebuild	Existing Streets Capital: Repave, Repair and Rebuild	Existing Streets Capital: Repave, Repair and Rebuild	Existing Streets Capital: Repave, Repair and Rebuild
Existing Utilities Capital: Water, Wastewater and Stormwater	Existing Utilities Capital: Water, Wastewater and Stormwater	Existing Utilities Capital: Water, Wastewater and Stormwater	Existing Utilities Capital: Water, Wastewater and Stormwater
Partial Enhancements: Sidewalks, ADA, Bike	Partial Enhancements: Sidewalks, ADA, Bike	Partial Enhancements: Sidewalks, ADA, Bike	Partial Enhancements: Sidewalks, ADA, Bike
	Pavement Preservation	Pavement Preservation	Pavement Preservation
		New Capital: Bike, Ped, Bus	New Capital: Bike, Ped, Bus
			New Capital: Congestion Projects
CRC (Option #4): Sales Tax: \$113.2 M – 0.461%, Property Tax: \$4.4M - \$0.0333, Transportation Extension - \$67.4M – 0.31%			

Road Repair and Street Safety Initiative

April 8, 2014



ROAD REPAIR AND STREET SAFETY INITIATIVE

- Review of Conditions
- Introduction to Pavement Preservation
- Economic Impacts of Roads
- Taxes and Financing Tools
- Citizen Survey
- Citizen Review Committee Recommendation
- Transportation Commission Recommendation



ROAD REPAIR AND STREET SAFETY INITIATIVE

CONDITIONS AND BACKGROUND

Overview of Conditions:

- No inflation adjustments to gas tax
- No percentage of total average price per gallon
- HURF sweeps
- Decreased revenues due to more efficient vehicles
- Increase in the use of roads
- Costs will increase significantly with no action
- Increase in the miles of roads to maintain
- Increase to maintenance costs



ROAD REPAIR AND STREET SAFETY INITIATIVE CONDITIONS AND BACKGROUND

What if Gas Tax was adjusted for inflation?

	City Gas Tax Revenues	Inflation Adjusted Revenue	Revenue Uncollected
FY 14 Projected	5,956,000	8,040,000	2,084,000

What if the Gas Tax was a % Per Gallon vs. Flat Rate?

	Gas Price and Revenue Generated
1991	Average Price \$1.25/gallon /\$0.18 tax
2013	Average Price \$3.40/gallon /\$0.49 tax
2013 Revenue based on % of Each Gallon	\$10,974,000



ROAD REPAIR AND STREET SAFETY INITIATIVE

CONDITIONS AND BACKGROUND

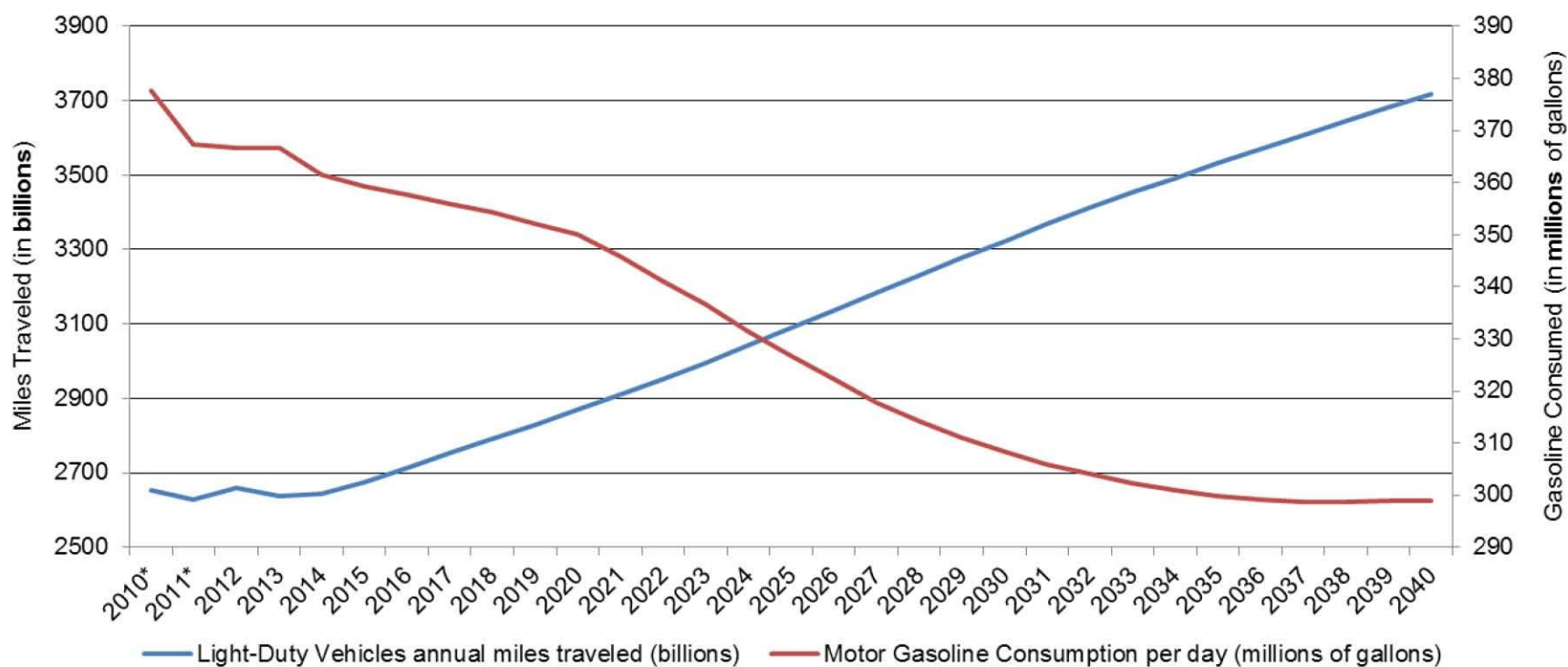
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- Increase in the miles of roads to maintain
- Increase to maintenance costs



Projected National Trend

Projected Vehicle Miles Traveled Compared to Gallons of Motor Gasoline Consumed[^]



[^]U.S. Energy Information Administration (EIA) Annual Energy Review 2011; Reference Case Tables A7 & A11. Accessed at: <http://www.eia.gov/analysis/projection-data.cfm#annualproi>

*Represents actual data

ROAD REPAIR AND STREET SAFETY INITIATIVE

CONDITIONS AND BACKGROUND

Overview of Conditions:

- No inflation adjustments to gas tax
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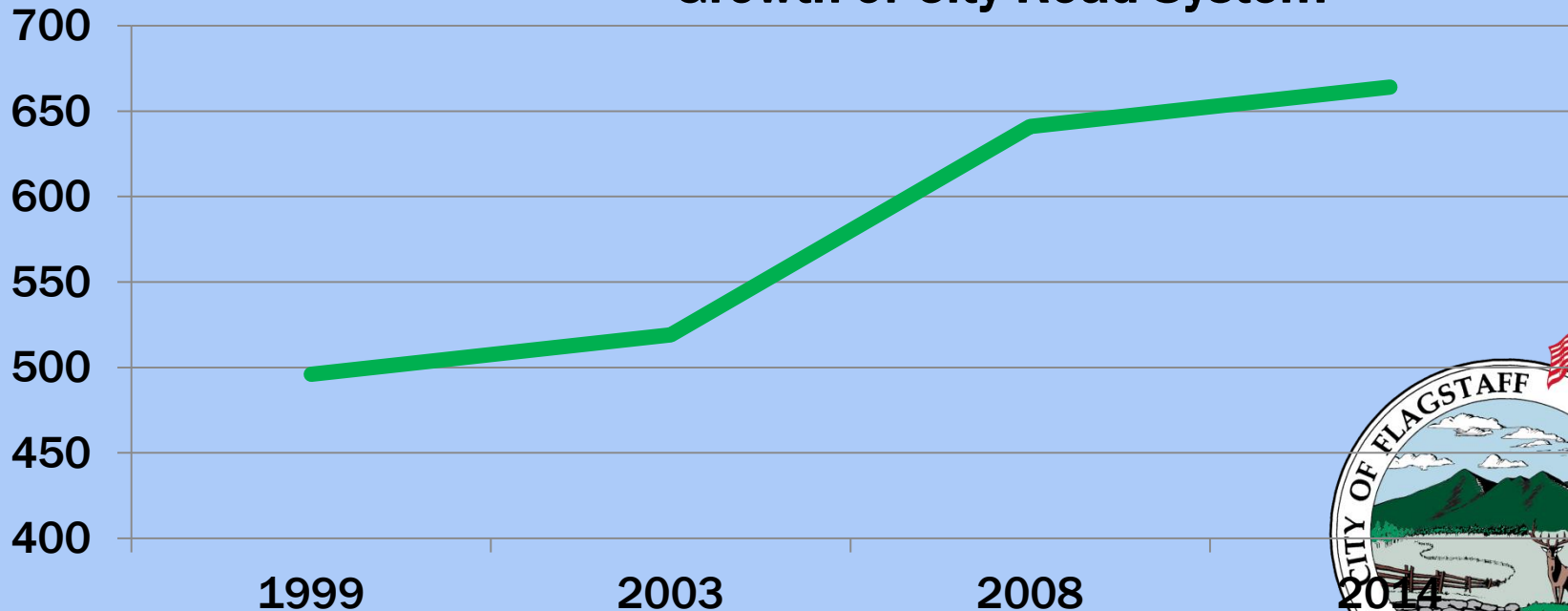


ROAD REPAIR AND STREET SAFETY INITIATIVE

CONDITIONS AND BACKGROUND

- Over 660 lane miles of roads
- 34% increase in last 15 years

Growth of City Road System



ROAD REPAIR AND STREET SAFETY INITIATIVE CONDITIONS AND BACKGROUND

Overview of Conditions:

- No inflation adjustments to gas tax
- No percentage of total average price per gallon
- HURF sweeps
- Decreased revenues due to more efficient vehicles
- Increase in the use of roads
- Costs will increase significantly with no action
- Increase in the miles of roads to maintain
- Increase to maintenance costs

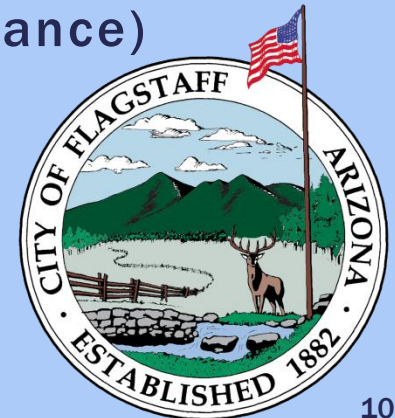


ROAD REPAIR AND STREET SAFETY INITIATIVE CONDITIONS AND BACKGROUND

What does HURF (The Gas Tax) Fund?

- Street Sweeping
- Snow Operations
- Administration
- Signs & Markings
- Street Maintenance
- Training
- Street Lighting (Energy and Maintenance)
- Traffic Signal Maintenance (Energy and Maintenance)
- Minor Transportation Improvements
- Sidewalk Replacements

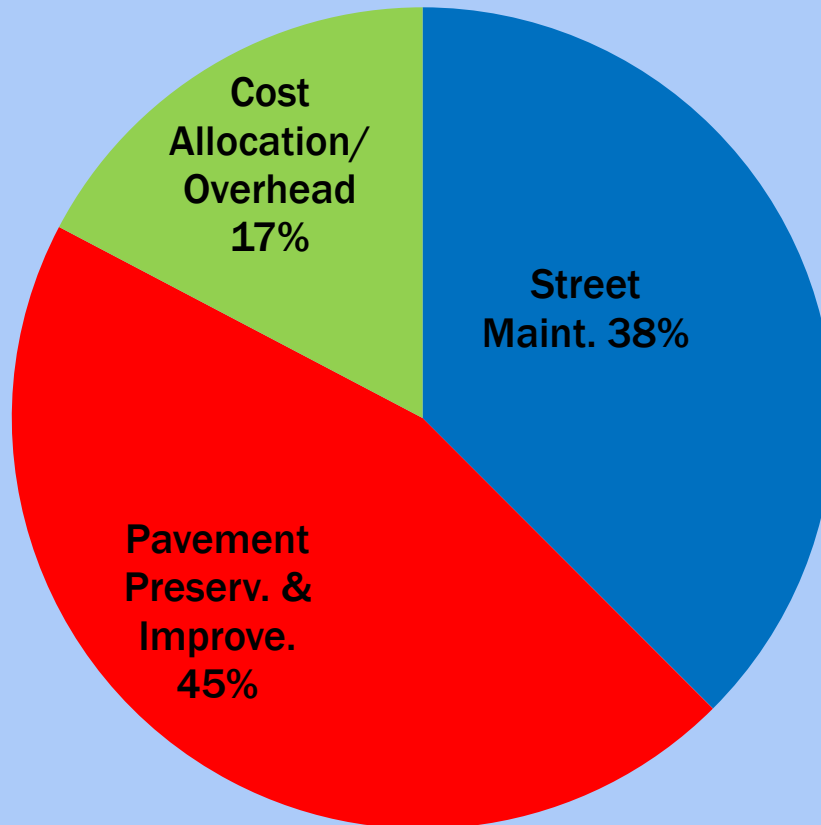
Maintenance



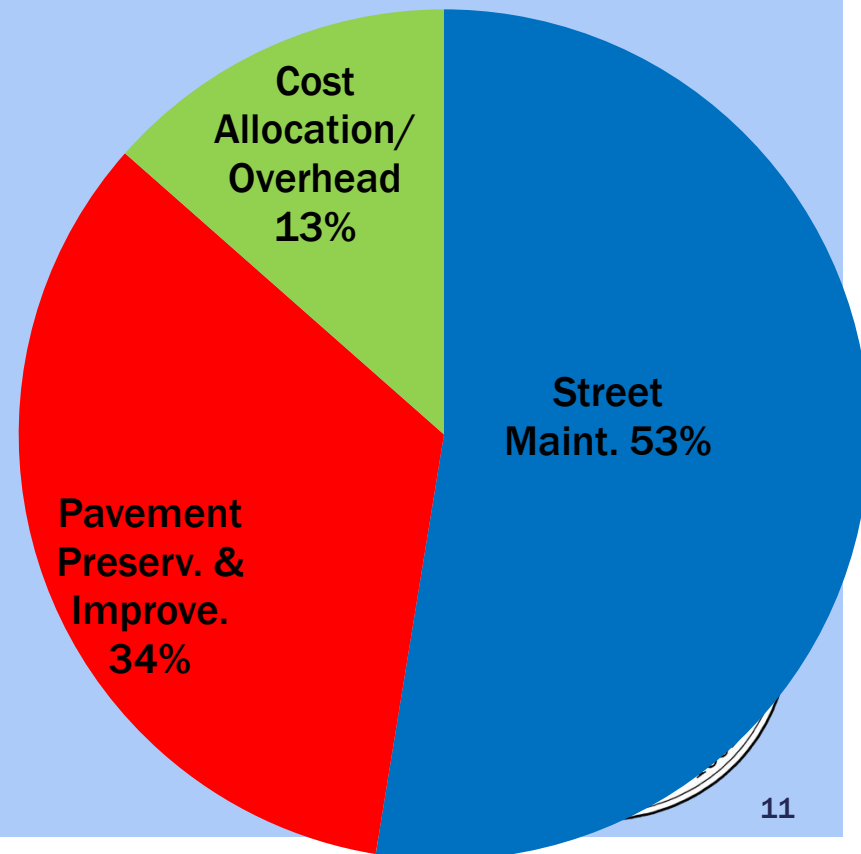
ROAD REPAIR AND STREET SAFETY INITIATIVE

CONDITIONS AND BACKGROUND

2004 - HURF Funded Programming
\$8,813,362

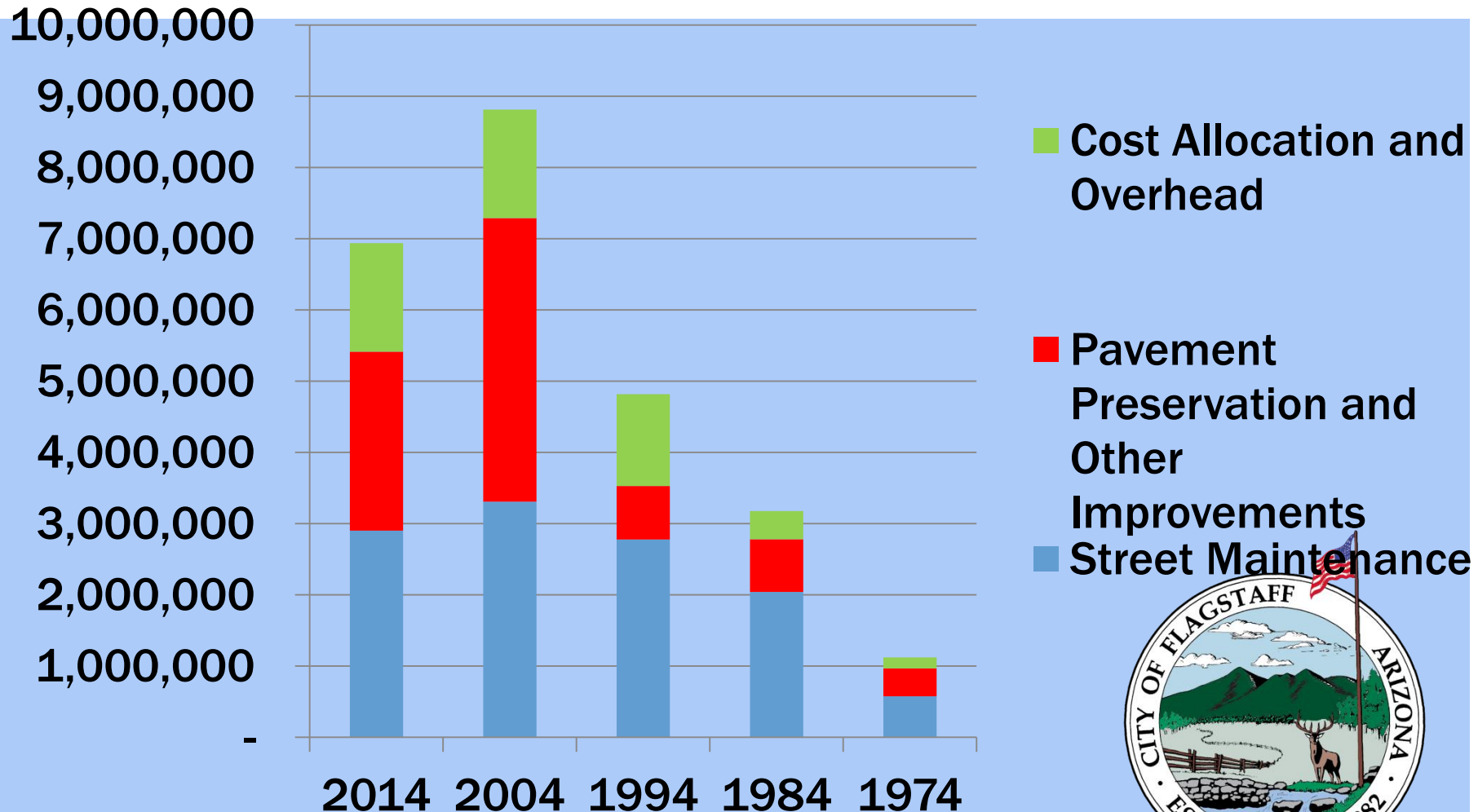


2014 - HURF Funded Programming
\$7,400,657

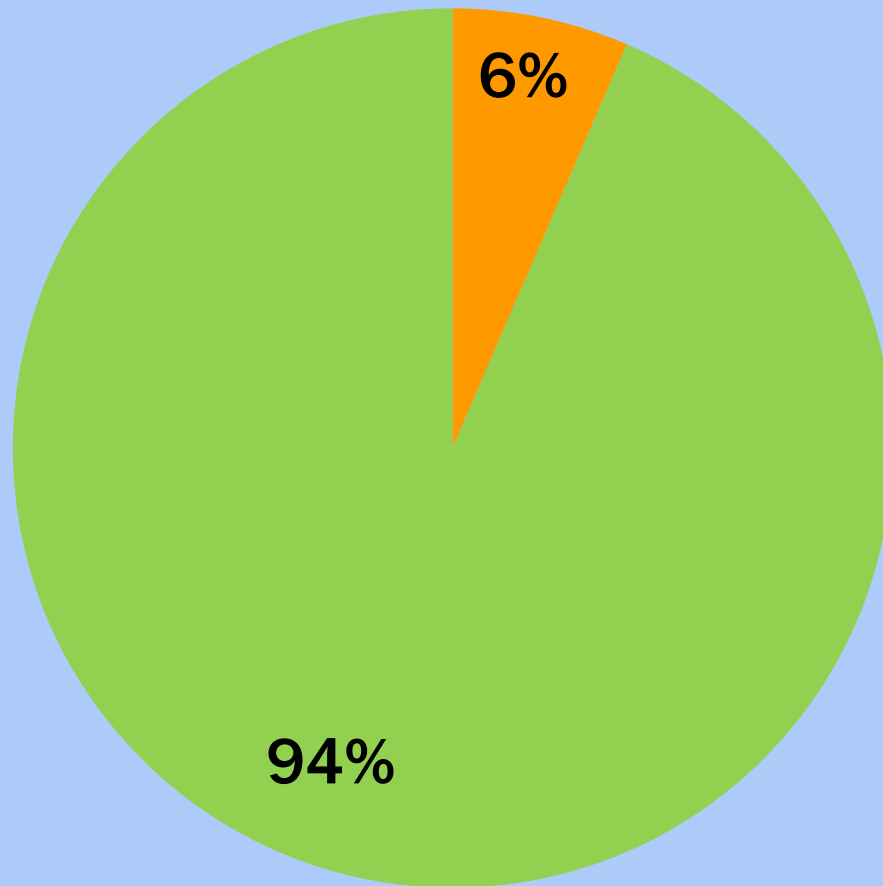


ROAD REPAIR AND STREET SAFETY INITIATIVE

CONDITIONS AND BACKGROUND



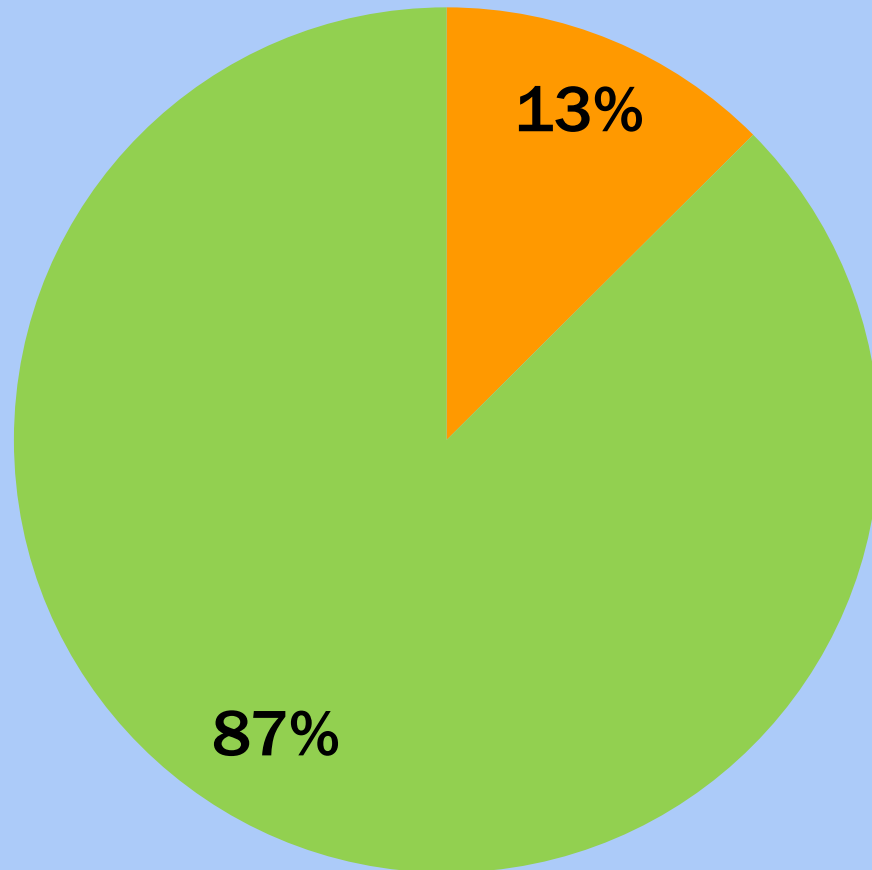
2014 – HURF FUNDING COMPARED TO CITY BUDGET



- Total HURF Funding
- Total Budget Less Capital



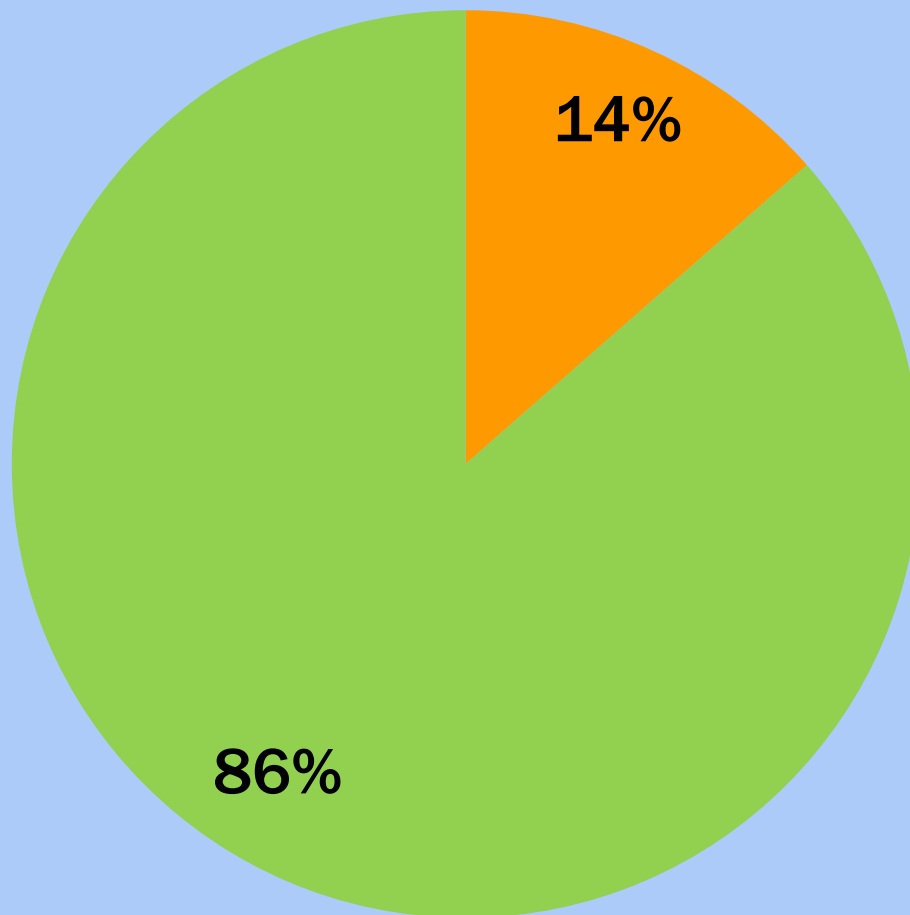
2004 – HURF FUNDING COMPARED TO CITY BUDGET



- Total HURF Funding
- Total Budget Less Capital



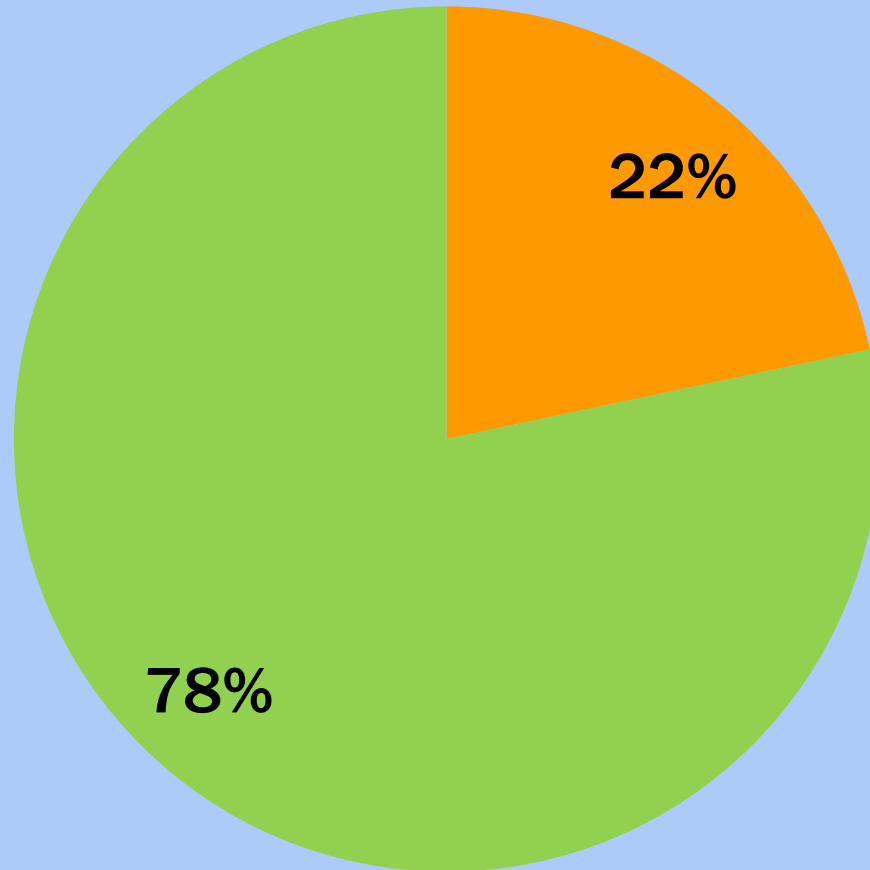
1994 – HURF FUNDING COMPARED TO CITY BUDGET



- Total HURF Funding
- Total Budget Less Capital



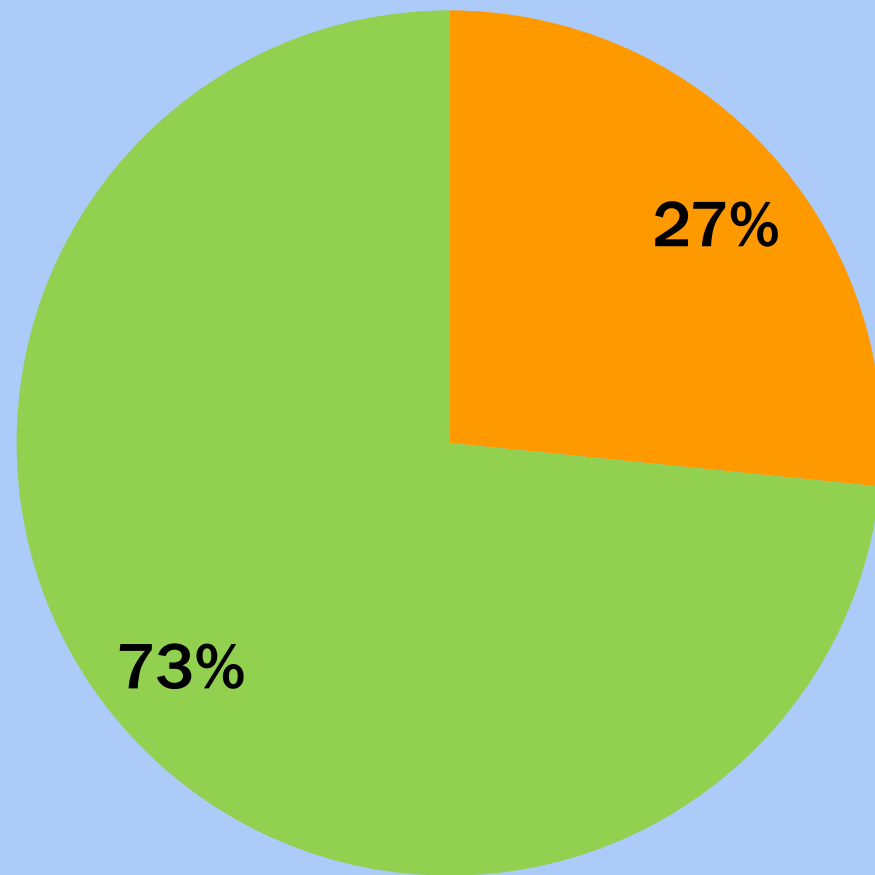
1984 – HURF FUNDING COMPARED TO CITY BUDGET



- Total HURF Funding
- Total Budget Less Capital



1974 – HURF FUNDING COMPARED TO CITY BUDGET



- Total HURF Funding
- Total Budget Less Capital



ROAD REPAIR AND STREET SAFETY INITIATIVE CONDITIONS AND BACKGROUND

Cost Cutting Efforts Since 2009

- Elimination of Sign & Markings FTE
 - \$50K savings/ impact on efficiency
- Elimination of a temporary asphalt crew
 - \$95K savings/ unable to proactively address pavement condition
- Deferred equipment purchases (purchasing used equipment instead of new)
 - Variable savings/ increased risk of equipment failure



ROAD REPAIR AND STREET SAFETY INITIATIVE CONDITIONS AND BACKGROUND

- Reduce service levels for
 - Sweeping
 - \$30K savings/ 50% cut in residential service level
 - Snow Operations
 - Not able to haul snow from cul de sac
- Refurbishing of the Paint Striper
 - \$100K savings
- Utilizing the SAVE program for State contracts for purchasing equipment and materials (Motor graders, Thermo machine, sign & markings material)
 - \$500K savings on grader purchase



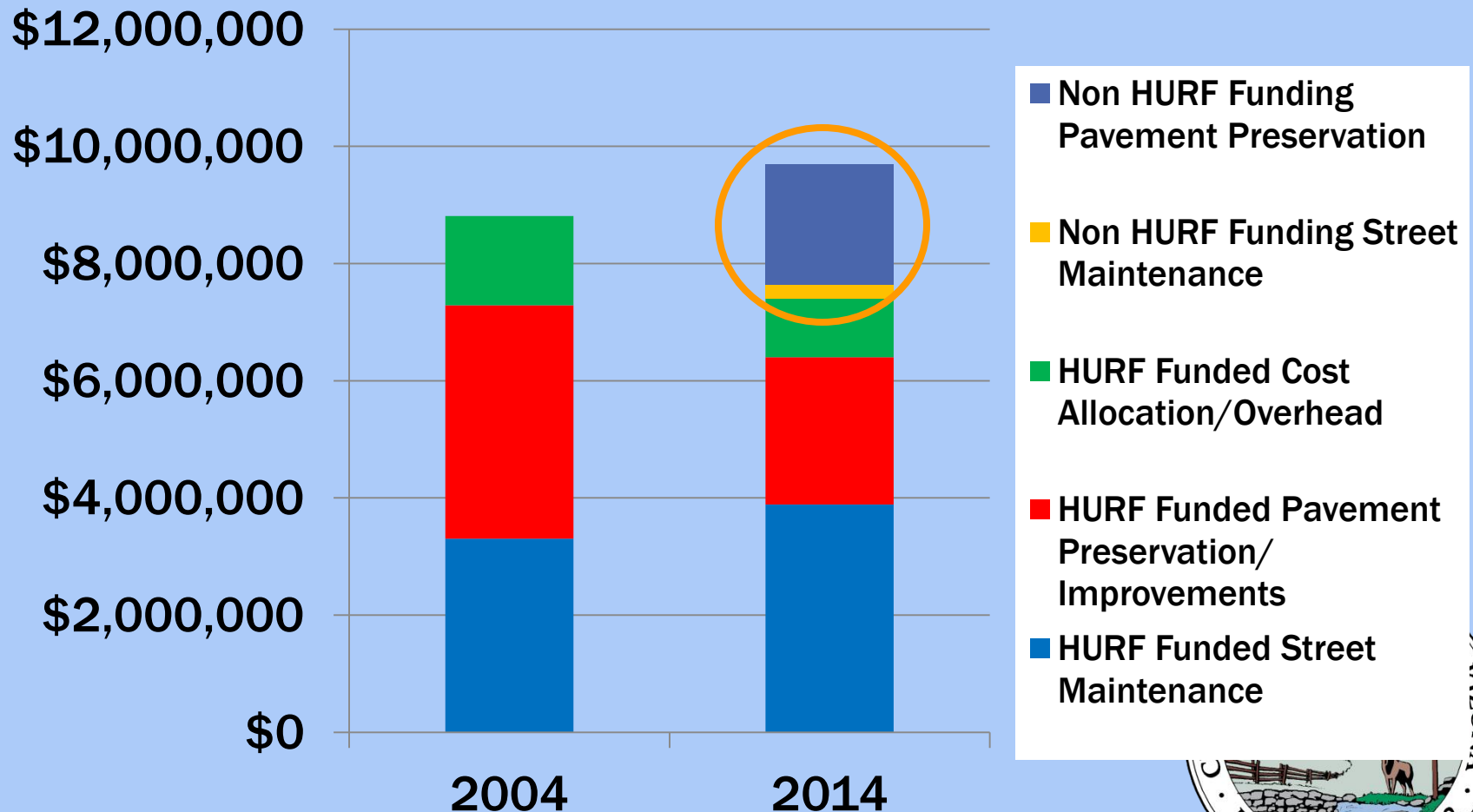
ROAD REPAIR AND STREET SAFETY INITIATIVE CONDITIONS AND BACKGROUND

Cost Cutting Efforts Since 2009

- Reducing fleet by trading in 3 pieces of equipment when purchasing 2 (2 motor graders and 1 dozer)
 - Reduced overall replacement value
- Reducing traffic signal replacement components purchases; purchasing used components (walk/don't walk modules)
 - 75% savings on equipment purchase
- Utilizing DOC crews to help with work load (cost effective)



ROAD REPAIR AND STREET SAFETY INITIATIVE CONDITIONS AND BACKGROUND



	2004 HURF Funding	2014 HURF Funding	2014 Non HURF Funding
Admin	\$204,000	\$371,000	-
Sweeping	\$725,000	\$192,000	\$40,000
Snow Removal	\$627,000	\$557,000	\$197,000
Sign Signal & Marking	\$293,000	\$337,000	-
Street maintenance	\$849,000	\$1,418,000	-
Drainage	\$78,000	\$1,000	\$288,000
Training	\$2,000	\$2,000	-
Street Lights	\$325,000	\$382,000	-
Traffic Signal maintenance	\$202,000	\$343,000	-
Street Maintenance Total	\$3,306,000	\$3,602,000	\$525,000
Street Maintenance per Lane Mile	\$6,300	\$5,500	-
Pavement Preservation (overlay)	\$1,601,000	\$1,146,000	\$1,000,000
Pavement Preservation (1x)	\$0	\$1,250,000	\$200,000
Sunnyside Improvements	\$1,804,000	\$0	\$850,000
Minor Transportation Improvements	\$513,000	\$50,000	-
Reserve for Improvements	\$50,000	\$50,000	-
Sidewalk Replacement	\$15,000	\$15,000	-
ADA Sidewalk Compliance	\$155,000	\$0	-
Pavement Preservation Total	\$3,983,000	\$2,511,000	\$2,050,000
Pavement Preservation per Lane Mile	\$7,600	\$3,800	
Cost Allocation/Overhead	\$1,525,000	\$999,000	-
Total Budget	\$8,813,000	\$7,113,000	\$2,575,000
Total Budget per Lane Mile	\$16,800	\$11,000	22

ROAD REPAIR AND STREET SAFETY INITIATIVE CONDITIONS AND BACKGROUND

- Council Goal: “Repair, Replace and Maintain Infrastructure” (Streets and Utilities)
- FY2014 Budget Highlights:
 - Increased on-going pavement preservation in FY14 from \$1.2M to \$2.2M.
 - Increased one time pavement preservation in FY14 from \$0 to \$1M.
- Council Budget Priority for next year
- City Legislative Priority to address funding sweeps



ROAD REPAIR AND STREET SAFETY INITIATIVE

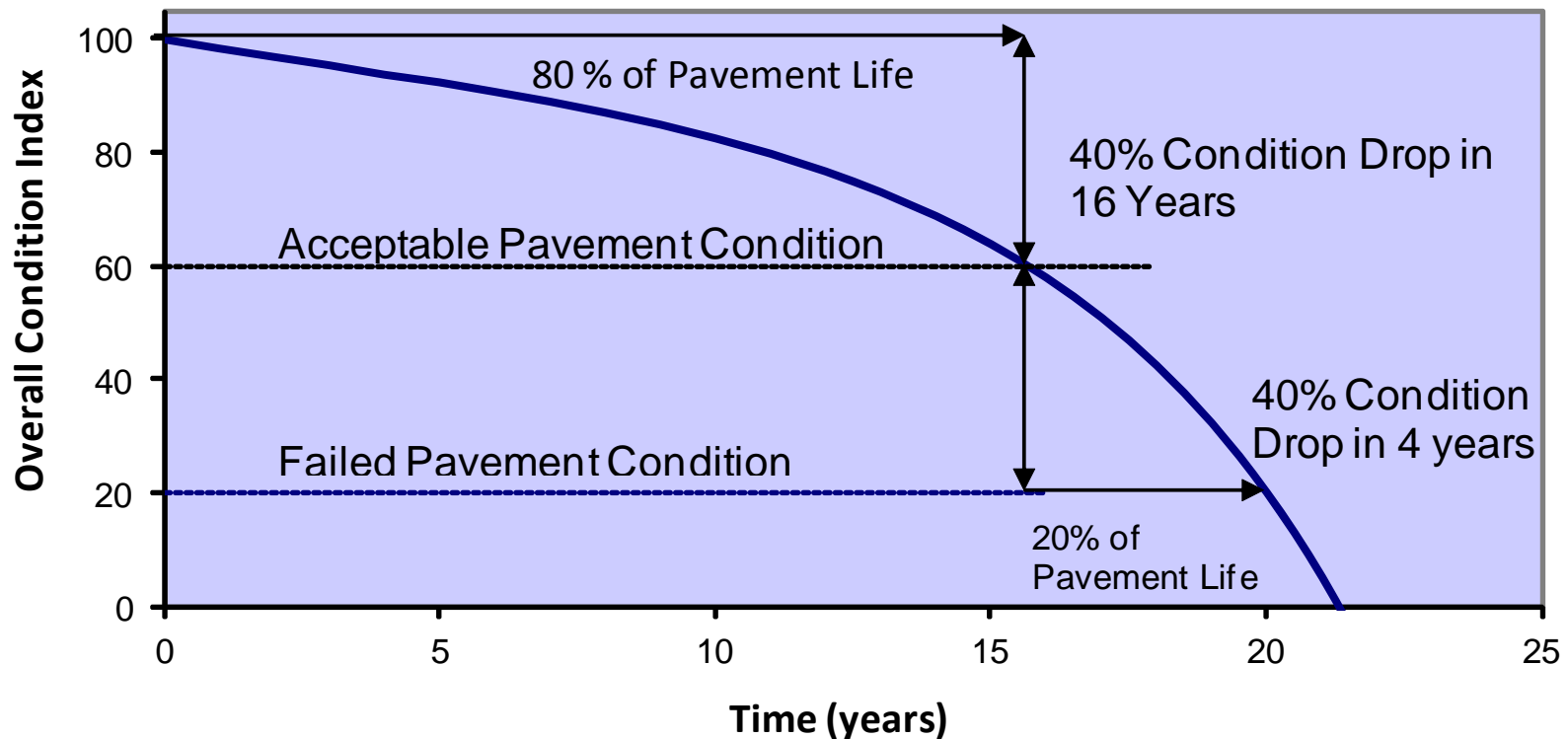
INTRODUCTION TO PAVEMENT PRESERVATION



ROAD REPAIR AND STREET SAFETY INITIATIVE

INTRO TO PAVEMENT PRESERVATION

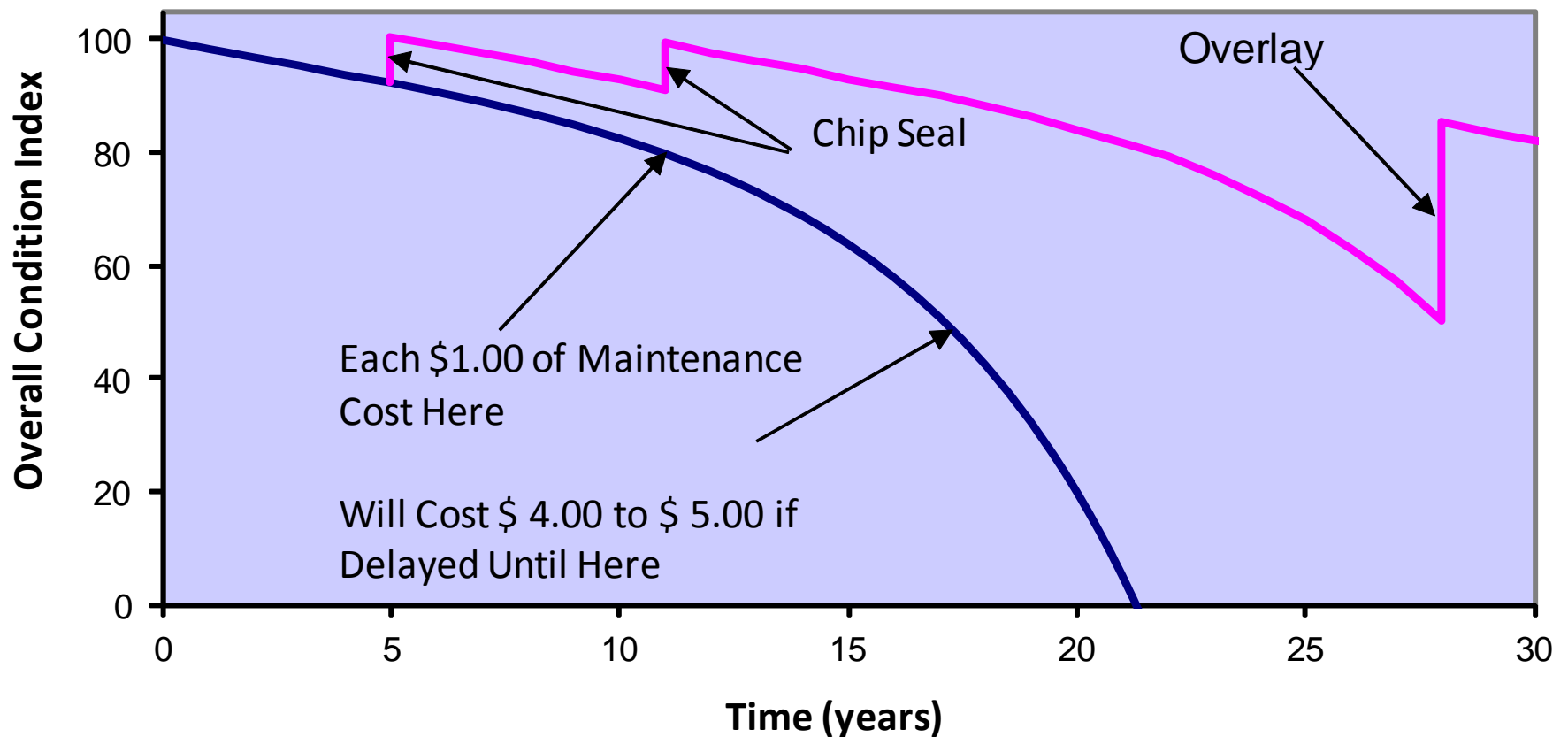
Pavement Deterioration Curve



ROAD REPAIR AND STREET SAFETY INITIATIVE

INTRO TO PAVEMENT PRESERVATION

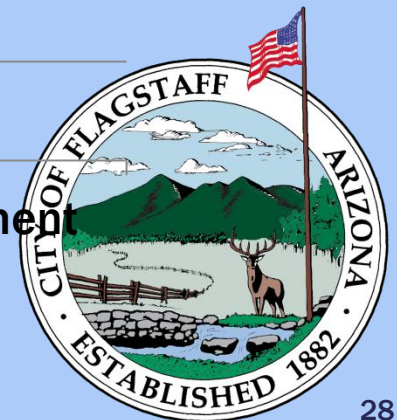
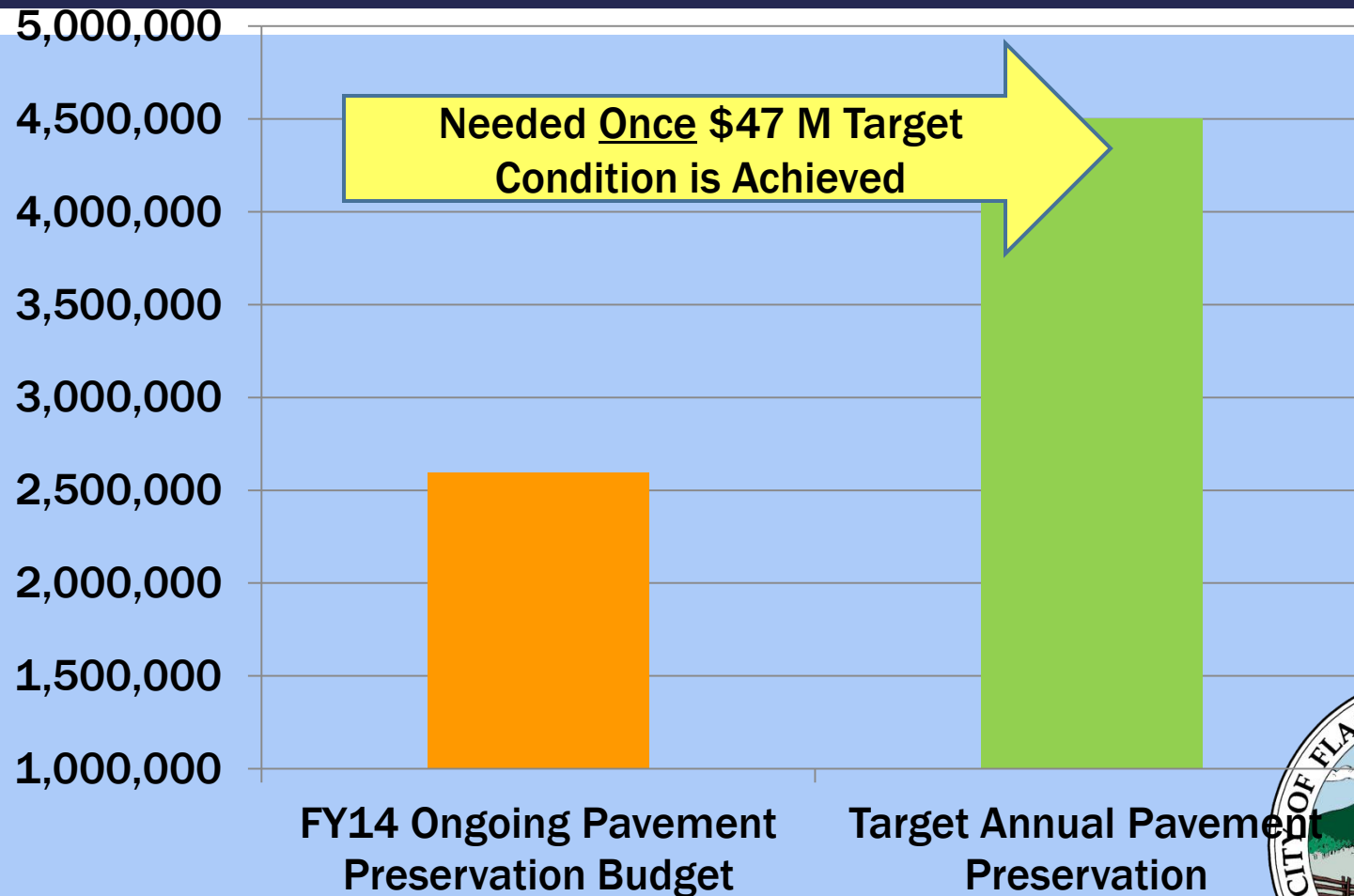
Pavement Deterioration Curve



		Projected Average 5 Year Condition Rating	Projected Average 10 Year Condition Rating	Current Cost to Upgrade to Target Condition ⁽¹⁾	5 Year Cost to Upgrade to Target Condition ⁽¹⁾	10 Year Cost to Upgrade to Target Condition ⁽¹⁾
ASSET (Current)	Target Condition Rating					
Streets - OCI < 40	70 +	18.5	-6.5	\$11,933,850	\$33,370,908	\$48,827,750
Streets - OCI = 40-50	70 +	31.9	11.9	\$5,805,069	\$4,093,902	\$1,598,824
Streets - OCI = 50-60	70 +	43.7	27.7	\$5,838,716	\$1,799,721	\$3,253,527
Streets - OCI = 60-70	70 +	56.5	44.5	\$13,571,191	\$17,639,849	\$14,348,274
Streets - OCI = 70-80	70 +	67.1	57.1	\$3,140,429	\$3,088,543	\$3,847,203
Streets - OCI = 80-90	80 +	77.7	69.7	\$3,550,821	\$3,777,514	\$1,417,748
Streets - OCI = 90-100	90 +	87.2	80.2	\$3,135,963	\$1,501,135	\$2,066,667
TOTALS				\$46,976,038	\$65,271,573	\$75,359,994

ROAD REPAIR AND STREET SAFETY INITIATIVE

INTRO TO PAVEMENT PRESERVATION



ROAD REPAIR AND STREET SAFETY INITIATIVE

ECONOMIC IMPACT OF ROADS AND PAVEMENT PRESERVATION



ROAD REPAIR AND STREET SAFETY INITIATIVE

ECONOMIC IMPACT OF ROADS

Jobs during construction and O&M

- Every 1 billion dollars in expenditure supports 13,000 to 30,000 job years. This includes multiplier effects
- * \$50,000,000 in short-term preservation projects would yield **650-1500** job years
- * \$2,500,000 annual increase in operations yields **33-75 jobs** for length of expenditure



ROAD REPAIR AND STREET SAFETY INITIATIVE

ECONOMIC IMPACT OF ROADS

Access for employees and customers and access to markets for goods and services

- Pavement preservation is not likely to improve access for customer and employees except in extreme conditions. Bicyclists and pedestrians will be affected more.
- Local pavement preservation efforts (meaning non-ADOT roads) will have nominal impacts on access to larger markets as relatively short distances are traveled on city streets.



ROAD REPAIR AND STREET SAFETY INITIATIVE

ECONOMIC IMPACT OF ROADS

Reduced delay (congestion) and secondary impacts (emissions)

- Time is valued at \$16.34/hour in 2010 dollars multiplied by 1.5 people per car
- * **\$9.9 million** in delay costs per year assuming a 2 mile per hour decrease in speed

Impact to private automobiles

- AAA reports \$377 in additional maintenance costs per year for the average driver due to rough roads
- * **\$14.5 million** per year in Flagstaff assuming 1.5 average drivers per household

Avoiding significant future costs in road repair

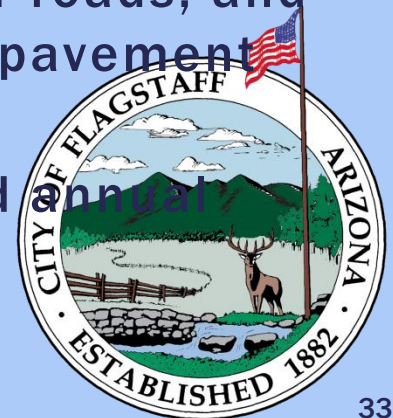


ROAD REPAIR AND STREET SAFETY INITIATIVE

ECONOMIC IMPACT OF ROADS

Improved safety / Reduced liability

- Fatalities, injuries and property damage crashes occur in Arizona at the respective rates of 1.4, 323 and 517 per 100 million vehicle miles of travel.
- The Flagstaff region travels approximately 600 million VMT annually.
- * **\$7.5 million** in cost avoidance annually due to crash reduction for better roads considering costs per crash type, distribution of VMT by road type, excluding major roads, and estimated reduction in crashes due to improved pavement conditions
- * **\$3.0 million** in cost avoidance due to improved striping and marking



ROAD REPAIR AND STREET SAFETY INITIATIVE

TAXES AND FINANCING TOOLS



ROAD REPAIR AND STREET SAFETY INITIATIVE

TAXES AND FINANCING TOOLS

- Revenue Sources
- Sales Tax
 - 1/10 of 1% generates \$1.6M (10 cents per \$100)
- Primary Property Tax
 - 2% generates \$100,000
- HURF (State Gas Tax)
 - 1 cent increase = \$120,000, no local control
 - Eliminate current sweeps = \$700,000+ annual
- Water/Sewer Rates
 - Water - 7% rate increase = \$1M additional revenue
 - Sewer - 12% rate increase = \$1M additional revenue



ROAD REPAIR AND STREET SAFETY INITIATIVE TAXES AND FINANCING TOOLS

- Current Transportation Sales Tax is 0.721%
 - 0.291% (\$4.6M) - NAIPTA
 - 0.16% (\$2.5M) - Debt Service (4th Street Overpass)
 - 0.186% (\$2.9M) – Traffic Flow and Safety/ RTP
 - 0.08% (\$1.2M) - Safe Schools
 - Set to expire 2020



ROAD REPAIR AND STREET SAFETY INITIATIVE

CITIZEN SURVEY



2013 CITIZEN SURVEY QUESTION #14 CONT.

Please rate the quality of each of the following services provided in Flagstaff:

■ Street Maintenance

- Excellent (8%)
- Good (25%)
- Fair (33%)
- Poor (34%)



2013 CITIZEN SURVEY QUESTION #18

To what extent do you support or oppose each of the following sales tax increases, which would be dedicated to street improvements in Flagstaff?

- A small increase in the sales tax for a longer period of time (20-25 years)
 - Strongly Support (20%)
 - Somewhat Support (42%)
 - Somewhat Oppose (11%)
 - Strongly Oppose (28%)



2013 CITIZEN SURVEY QUESTION #18

To what extent do you support or oppose each of the following sales tax increases, which would be dedicated to street improvements in Flagstaff?

- A larger increase in the sales tax for a shorter period of time (3-5 years)
 - Strongly Support (9%)
 - Somewhat Support (19%)
 - Somewhat Oppose (27%)
 - Strongly Oppose (45%)



ROAD REPAIR AND STREET SAFETY INITIATIVE

CITIZEN REVIEW COMMITTEE RECOMMENDATION



ROAD REPAIR AND STREET SAFETY INITIATIVE

- The Flagstaff City Council directed staff to develop a funding proposal that will address the backlog of road repaving, repairs and maintenance as well as safety improvements to the City's transportation infrastructure.

Feedback:

- Citizen Review Committee Recommendation
- Transportation Commission
- City Council



ROAD REPAIR AND STREET SAFETY INITIATIVE CITIZEN REVIEW COMMITTEE

Citizen Review Committee Objective:

- To Review financial and performance history, understand trends and issues, provide recommendation to City Manager on how best to fund improvements to Flagstaff's transportation infrastructure including road repairs and safety enhancements.



ROAD REPAIR AND STREET SAFETY INITIATIVE CITIZEN REVIEW COMMITTEE

Committee Members Represent:

- Auto dealership
- NAU
- ECONA
- Downtown Business
- Restaurant/Lodging
- Engineering
- Chamber
- Flagstaff Biking
- Southside Neighborhood
- Realtors
- FMC
- NAIPTA
- Transportation Commission
- Flagstaff Arts Council
- Friends of the Rio
- City Commissions
- Community Leaders
- Gore
- Construction



ROAD REPAIR AND STREET SAFETY INITIATIVE CITIZEN REVIEW COMMITTEE

Committee Members:

- Scott Baugh
- Rich Bowen
- Kiwon Choi
- Guillermo Cortes
- Eck Doerry
- Deborah Harris
- Jacquie Kellog
- Aaron Kotzin
- Shari Miller
- Kevin Parkes
- Minesh Patel
- Steve Peru
- Eve Ross
- John Tannous
- Jack Welch
- Nat White
- Don Walters



ROAD REPAIR AND STREET SAFETY INITIATIVE CITIZEN REVIEW COMMITTEE

- Should the City ask voters to fund road repairs with a sales tax?
- What should the amount of the tax proposal be?
- Should the tax fund road repairs and ongoing road preservation?
- Should the new tax fund new roads or traffic congestion projects?
- What should the scope of the tax fund?
 - Ongoing repairs?
 - Utilities – Water, Sewer and Stormwater
 - Bicycle Lanes
 - Sidewalks – Missing Sidewalks?



ROAD REPAIR AND STREET SAFETY INITIATIVE CITIZEN REVIEW COMMITTEE

City Manager's Guard Rails Provided to Citizen Committee:

1. We should repair and maintain existing investments before we ask voters to pay for new investments.
2. Annual pavement preservation funding of \$2.5M is essential beginning in year 5 to ensure we maintain the improved condition, as is contingency funding.
3. Citizens overwhelmingly support a smaller road repair tax over a longer period of time.
4. The solution has to take into account connectivity of improvements - if you are going to fix it, fix it right!
5. This is a large scale problem that requires a large scale solution.
6. We are okay recommending multiple options.



Option	Cost	New Sales Tax Rate		CRC PROPOSAL	NOTES:
		20 Years NO BONDS	20 Year BONDS	Sales Tax	
Pavement Preservation - ANNUAL (\$2.5M/ Year based on ALL Streets)	\$50,000,000	0.156%	N/A	0.156%	
DELAYED Pavement Preservation - ANNUAL (based on ALL Streets)	\$37,500,000	0.117%	0.172%		
ALL STREETS (inc. curb, gutter, ADA, sidewalk, existing bike lanes OCI <70)	\$47,000,000	0.147%	0.216%		
Streets OCI <70 (inc. curb, gutter, ADA, sidewalk, existing bike lanes OCI <70)	\$38,000,000	0.119%	0.175%	0.175%	
ALL WATER, SEWER, STORMWATER	\$38,900,000	0.122%	0.179%		
Utilities <50 (Water = \$7.3M; Sewer = \$5.7M; Storm = \$7.1M)	\$18,100,000	0.057%	0.083%	0.083%	
Repair Existing Sidewalks OCI >70	\$9,800,000	0.031%	0.045%		2020 Renewal
Missing Sidewalks OCI <40	\$300,000	0.001%	0.001%		Property Tax
Missing Sidewalks OCI <70	\$4,100,000	0.013%	0.019%		Property Tax
Missing Sidewalks OCI >70	\$4,200,000	0.013%	0.019%		
Bicycle Improvements	\$750,000	0.002%	0.003%	0.003%	
Bus Pullouts	\$2,500,000	0.008%	0.011%	0.011%	
FUTS	\$3,700,000	0.012%	0.017%	0.017%	
Pedestrian Crossings	\$400,000	0.001%	0.002%	0.002%	
New Lone Tree Bridge (Butler to Rt. 66)	\$50,000,000				2020 Renewal
Milton Road Congestion (NOTE: City Share based on ADOT \$\$)	\$13,000,000	0.041%	0.060%	0.060%	
Replace 4th Street over I40	\$10,000,000	0.031%	0.046%		2020 Renewal
Total	\$230,450,000			0.508%	
				\$126,450,000	

ROAD REPAIR AND STREET SAFETY INITIATIVE

TRANSPORTATION COMMISSION RECOMMENDATION



ROAD REPAIR AND STREET SAFETY INITIATIVE TRANSPORTATION COMMISSION

- Critical issue
- Emphasis on existing roads
 - Planning is needed for bigger and new projects but this tax is not the right time to do so
- Consideration of County proposal
- Prioritize roads
- Consideration of voter tax capacity



ROAD REPAIR AND STREET SAFETY INITIATIVE TRANSPORTATION COMMISSION

The City of Flagstaff Transportation Commission recognizes that transportation infrastructure funding is declining on a federal, state and local level and that existing funding solutions are inadequate to solve the problem. We recognize that the work of City staff and the Citizen Review Committee have adequately explored the issues and we support sending a Road Repair and Street Safety referendum to the voters for consideration in November 2014.



ROAD REPAIR AND STREET SAFETY INITIATIVE

COUNCIL DISCUSSION



Road Repair and Street Safety Initiative

June 3, 2014



ROAD REPAIR AND STREET SAFETY INITIATIVE

City of Flagstaff – Timeline

- November 2012: Completed analysis on the condition and improvement costs of critical City infrastructure
- March 2013: First regional coordination meeting
- April 2013: Council discussion on project approach
- July 2013: Reallocation of \$1M for FY15 Budget
- September 2013: Council discussion on funding proposals and direction to form Citizen Committee
- November 2013: Citizen Survey
- January – March 2014: Citizen Committee
- April 2014: Citizen Committee recommendation presented to City Council
- May 2014: Focus Groups and Survey Results



ROAD REPAIR AND STREET SAFETY INITIATIVE

City of Flagstaff – Timeline

- June 2: Review results of Focus Group, Follow up Survey, City Timeline, and County Timeline
- June 3: Discuss Council options and questions
- June 10: Present options to Council
- June 24: Finalize proposal/question
- July 1: Approve final question



ROAD REPAIR AND STREET SAFETY INITIATIVE

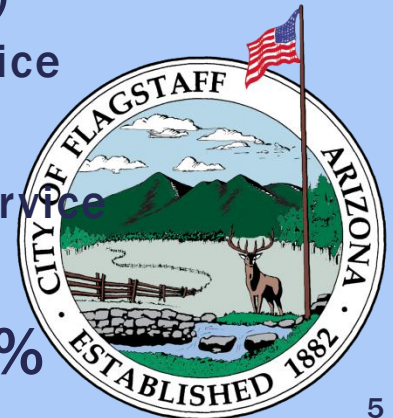
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Existing Streets Capital: Repave, Repair and Rebuild	Existing Streets Capital: Repave, Repair and Rebuild	Existing Streets Capital: Repave, Repair and Rebuild	Existing Streets Capital: Repave, Repair and Rebuild
Existing Utilities Capital: Water, Wastewater and Stormwater	Existing Utilities Capital: Water, Wastewater and Stormwater	Existing Utilities Capital: Water, Wastewater and Stormwater	Existing Utilities Capital: Water, Wastewater and Stormwater
Partial Enhancements: Sidewalks, ADA, Bike	Partial Enhancements: Sidewalks, ADA, Bike	Partial Enhancements: Sidewalks, ADA, Bike	Partial Enhancements: Sidewalks, ADA, Bike
	Pavement Preservation	Pavement Preservation	Pavement Preservation
		New Capital: Bike, Ped, Bus	New Capital: Bike, Ped, Bus
			New Capital: Congestion Projects
CRC (Option #4): Sales Tax: \$113.2 M – 0.461%, Property Tax: \$4.4M - \$0.0333, Transportation Extension - \$67.4M – 0.31%			

ROAD REPAIR AND STREET SAFETY INITIATIVE

Question#1: Will Council recommend a sales tax increase to fund repairs to existing infrastructure (streets, utilities, some sidewalks/ADA, some bike lanes)?

- a) Repair all roads and some curb, gutter, ADA, sidewalk, existing bike lanes to a condition of OCI 70 or greater
 - \$47M and 0.216% over 20 years including debt service
- b) Repair roads and some curb, gutter, ADA, sidewalk, existing bike lanes with OCI<70 to a condition of OCI 70 or greater (CRC Recommendation)
 - \$38M and 0.175% over 20 years including debt service
- c) Repair all utilities under roads OCI<50
 - \$15.3M and 0.070% over 20 years including debt service

Total: \$62.3M/0.286% or \$53.3M/0.245%



ROAD REPAIR AND STREET SAFETY INITIATIVE

Question #2: Will Council recommend an investment to fund a portion of ongoing pavement preservation?

a) \$2.0M and 0.125% over 20 years, no debt service

Total: 2M/0.125%



ROAD REPAIR AND STREET SAFETY INITIATIVE

Question #3: Will Council recommend an investment to fund new infrastructure:

a) Pedestrian projects such as missing sidewalks along roads with $OCI < 70$, pedestrian crossings and/or FUTS improvements?

- Pedestrian Crossings: \$400,000 and 0.002% over 20 years including debt service
- FUTS: \$3.2M and 0.015% over 20 years including debt service
- Sidewalks: \$1.7M – \$11.8M and 0.008% - 0.054% over 20 years including debt service

b) Bike safety improvement projects?

- \$750,000 and 0.003% over 20 years including debt service

c) Bus improvement projects such as bus pullouts?

- \$2.5M and 0.011% over 20 years including debt service



ROAD REPAIR AND STREET SAFETY INITIATIVE

Question #4: Will Council recommend an investment to fund new infrastructure for congestion improvement projects?

- a) Every \$10M = 0.046%
- b) CRC Recommendation – Milton Improvements: \$13M and 0.060% over 20 years including debt service



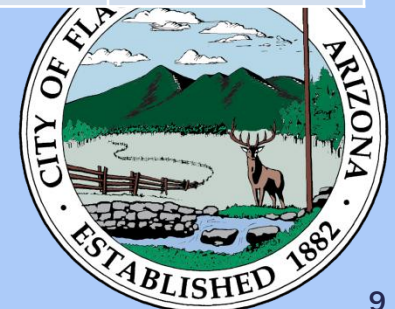
ROAD REPAIR AND STREET SAFETY INITIATIVE

Question #5: What is the preferred financing for the Road Repair and Street Safety Initiative?

1. Sales Tax
2. Sales Tax and Property Tax

Sales Tax Increment	1 Year	10 Years	15 Years	20 Years	25 Years
0.25%	\$4 M	\$40 M	\$60 M	\$80 M	\$100 M
0.50%	\$8 M	\$80 M	\$120 M	\$160 M	\$200 M
1.00%	\$16 M	\$160 M	240 M	\$320 M	\$400 M

Primary Property Tax	
Current Rate	0.8429
Annual 2% increase	\$100,000
6% available to City	\$300,000



ROAD REPAIR AND STREET SAFETY INITIATIVE

Option #1 \$53.3 - \$62.3M 0.245% - 0.286%	Option #2 \$93.3 - \$102.3M 0.370% - 0.412%	Option #3 \$100.2 - \$120.9M 0.402% - 0.497%	Option #4 \$113.2– 133.9M 0.461% - 0.557%
Existing Streets Capital: Repave, Repair and Rebuild	Existing Streets Capital: Repave, Repair and Rebuild	Existing Streets Capital: Repave, Repair and Rebuild	Existing Streets Capital: Repave, Repair and Rebuild
Existing Utilities Capital: Water, Wastewater and Stormwater	Existing Utilities Capital: Water, Wastewater and Stormwater	Existing Utilities Capital: Water, Wastewater and Stormwater	Existing Utilities Capital: Water, Wastewater and Stormwater
Partial Enhancements: Sidewalks, ADA, Bike	Partial Enhancements: Sidewalks, ADA, Bike	Partial Enhancements: Sidewalks, ADA, Bike	Partial Enhancements: Sidewalks, ADA, Bike
	Pavement Preservation	Pavement Preservation	Pavement Preservation
		New Capital: Bike, Ped, Bus	New Capital: Bike, Ped, Bus
			New Capital: Congestion Projects
CRC (Option #4): Sales Tax: \$113.2 M – 0.461%, Property Tax: \$4.4M - \$0.0333, Transportation Extension - \$67.4M – 0.31%			

Road Repair and Street Safety Initiative

Resolution of the Citizen Review Committee

Whereas, the gas tax has not increased in 22 years; and

Whereas, state collected and distributed Highway User Revenue Fund revenues continue to decline as fuel efficiencies increase; and

Whereas, sweeps for funding of the State Highway Patrol from HURF monies has exacerbated the impact of declining HURF revenues on ADOT and local governments, including the City of Flagstaff (and Coconino County); and

Whereas, these revenue shortfalls have forced the City of Flagstaff to limit funding for street preservation and road repairs; and

Whereas, the constrained city street and road repair budgets have resulted in a backlog of street preservation and road repairs; and

Whereas the weather in the region poses incremental burdens on street preservation and maintenance, due to the limited work season and the harsh and numerous winter freeze / thaw cycles; and

Whereas, street preservation and road repair projects funding of 16 million dollars approved by City voters in 2010 reduced, but did not eliminate the backlog; and

Whereas, the City of Flagstaff has implemented significant cost savings efficiencies street maintenance in order to continue a minimal street preservation programming; and

Whereas, additional transfers of 1 million ongoing dollars by the City Council from the General Fund to street preservation projects in fiscal year 2014 reduced, but did not eliminate the backlog; and

Whereas 55% of City residents in a recent survey indicate that good street and road maintenance is important to them; and

Whereas 62% of residents in the recent surveys support a small road repair tax over a long period of time; and

Whereas, in 2000 the voters of Flagstaff overwhelmingly supported a series of street, bridge and traffic improvements that are being funded by sales taxes that run through 2020; and

Whereas the expiration of those street and bridge taxes may provide an opportunity for the City to propose a future series of street and road improvements for traffic mitigation and circulation enhancement; and

Whereas, facing a growing backlog of street preservation and maintenance projects, the City Council has directed the City Manager to study the problem and recommend potential approaches to fund the shortfall; and

Whereas, as a key component of the City Manager's preparation of a response to the Council, he appointed this Citizens' Review Committee (CRC) to provide him with advice and recommendations; and

Whereas the CRC has reviewed, analyzed, and discussed the wide range of issues effecting the City's street preservation and maintenance situation; and

Whereas, it appears that current available funding cannot, alone, resolve the existing street preservation and maintenance backlog; and

Whereas, the estimated 37 million dollar backlog will grow to over 57 million dollars in five years if not addressed and over 68 million dollars in ten years.

Therefore, the CRC hereby recommends:

That the City Manager recommends to the City Council that it refer a 0.508% increase in the City imposed sales tax for a period of 20 years to fund:

- All necessary annual operations and maintenance pavement preservation to maintain the improved condition; and

- Repair of all City streets with an overall condition index (OCI) of less than 70 (out of 100); and

- Repair all water, sewer, and stormwater projects in conjunction with such repairs to streets with an OCI less than 50; and

- Selected bicycle improvements, bus pullouts, FUTS improvements, and pedestrian crossing improvements; and

- Selected congestion relief projects along Milton Road; and further

That the City Manager recommends to the City Council that it impose additional property taxes to replace selected missing sidewalks in conjunction with repairs to streets with an OCI less than 70; further

Resolved by a consensus of the members of the Citizen Review Committee present on March 13, 2014.

CITIZEN REVIEW COMMITTEE RECOMMENDATION

Option	Cost	New Sales Tax Rate		CRC PROPOSAL	NOTES:
		20 Years NO BONDS	20 Year BONDS	Sales Tax	
Pavement Preservation - ANNUAL (\$2M/ Year based on ALL Streets)	\$40,000,000	0.125%	N/A	0.125%	
DELAYED Pavement Preservation - ANNUAL (based on ALL Streets)	\$30,000,000	0.094%	N/A		
ALL STREETS (inc. curb, gutter, ADA, sidewalk, existing bike lanes OCI <70)	\$47,000,000	0.147%	0.216%		
Streets OCI <70 (inc. curb, gutter, ADA, sidewalk, existing bike lanes OCI <70)	\$38,000,000	0.119%	0.175%	0.175%	
ALL WATER, SEWER, STORMWATER	\$38,900,000	0.122%	0.179%		
Utilities <50	\$15,300,000	0.048%	0.070%	0.070%	
Repair Existing Sidewalks OCI >70	\$7,350,000	0.023%	0.034%		2020 Renewal
Missing Sidewalks OCI <40	\$300,000	0.001%	0.001%		Property Tax
Missing Sidewalks OCI <70	\$1,400,000	0.004%	0.006%		Property Tax
Missing Sidewalks OCI >70	\$2,700,000	0.008%	0.012%		
Bicycle Improvements	\$750,000	0.002%	0.003%	0.003%	
Bus Pullouts	\$2,500,000	0.008%	0.011%	0.011%	
FUTS	\$3,200,000	0.010%	0.015%	0.015%	
Pedestrian Crossings	\$400,000	0.001%	0.002%	0.002%	
New Lone Tree Bridge (Butler to Rt. 66)	\$50,000,000				2020 Renewal
Milton Road Congestion (NOTE: City Share based on ADOT \$\$)	\$13,000,000	0.041%	0.060%	0.060%	
Replace 4th Street over I40	\$10,000,000	0.031%	0.046%		2020 Renewal
Total				0.0461%	
				\$113,150,000	