

**WORK SESSION OF THE COMMON COUNCIL  
OF THE CITY OF EL MIRAGE  
EL MIRAGE CITY COUNCIL CHAMBERS  
14010 N. EL MIRAGE ROAD  
5:00 PM – TUESDAY, DECEMBER 6, 2016**

Members of the El Mirage City Council will attend either in person or by telephone conference call.

Please silence all electronic communication devices (including cell phones and pagers) before the meeting is called to order. Thank you.

**Agenda**

**I. ROLL CALL**

Mayor Lana Mook

Councilmember Roy Delgado

Councilmember Jack Palladino

Councilmember David Shapera

Vice Mayor Joe Ramirez

Councilmember Bob Jones

Councilmember Lynn Selby

**II. CALL TO ORDER**

Pledge of Allegiance

Moment of Silence

Silence Cell Phones & Pager

**III. WORK SESSION**

**W1.** Presentation of the City of El Mirage FY 2015/16 Annual Financial Report (Finance)

**W2.** Discussion regarding Addendum #4 of the YMCA Landlord/Tenant agreement (Administration)

**IV. ADJOURNMENT**

**REGULAR MEETING OF THE COMMON COUNCIL  
OF THE CITY OF EL MIRAGE  
EL MIRAGE CITY COUNCIL CHAMBERS  
14010 N. EL MIRAGE ROAD  
FOLLOWING WORK SESSION – TUESDAY, DECEMBER 6, 2016**

Members of the El Mirage City Council will attend either in person or by telephone conference call.

Please silence all electronic communication devices (including cell phones and pagers) before the meeting is called to order. Thank you.

Note: The Common Council of the City of El Mirage, by a duly passed motion, may vote in public session to adjourn to executive session on any agenda item in conformation with A.R.S. Section 38.431.03 including legal advice from the City Attorney.

### Agenda

#### **I. ROLL CALL**

Mayor Lana Mook  
Councilmember Roy Delgado  
Councilmember Jack Palladino  
Councilmember David Shapera

Vice Mayor Joe Ramirez  
Councilmember Bob Jones  
Councilmember Lynn Selby

#### **II. CALL TO ORDER**

Pledge of Allegiance  
Moment of Silence  
Silence Cell Phones & Pager

#### **III. CALL TO THE PUBLIC**

Citizens desiring to speak on a matter that IS NOT on this agenda may do so at this time. Comments shall be limited to three (3) minutes per person and shall be addressed to the City Council as a whole. At the conclusion of the Call to the Public, individual City Council Members may (1) respond to criticism made by those who have spoken (2) direct staff to review or respond to the matter, and/or (3) direct that the matter be put on a future agenda.

#### **IV. CONSENT AGENDA**

All items listed under the Consent Agenda will be voted on with one motion. If discussion is desired regarding any Consent Agenda Item, that item will be removed from the Consent Agenda and voted on separately.

1. Consideration and action approving the minutes of the Regular Council Meeting held Monday, November 1, 2016. (City Clerk)
2. Consideration and action to approve the destruction of Personnel Records that have reached the end of their retention period as authorized under ARS §41-151.19. (Human Resources)
3. Consideration and action to approve the destruction of municipal construction documents that have reached the end of their retention period as authorized under A.R.S. §41-151.19. (Development & Community Services)
4. Consideration and action to approve the destruction of municipal financial documents that have reached the end of their retention period as authorized under A.R.S. §41-151.19. (Finance)

5. Consideration and action to approve the Annual Financial Report as an official record of the City of El Mirage. (Finance)
6. Consideration and action to approve Ordinance O16-12-12 adopting Codification Supplement Six (S6) to the Code of Ordinances for the City of El Mirage, Arizona and declaring an emergency. (Clerk)
7. Consideration and action to approve Resolution R16-12-26 prescribing amended standards of Financial Disclosure for Local Elected Officials pursuant to A.R.S. §38-545. (City Clerk)

**V. REGULAR AGENDA**

- A. Swearing In and Seating of three Councilmembers elected at the 2016 Primary Election for the term December 2016 – December 2020. (Clerk)
- B. Consideration and action to appoint the Vice Mayor pursuant to El Mirage City Code §32.041 – Vice Mayor following the 2016 General Election. (Council)
- C. Consideration and action to approve Resolution R16-12-25 approving the form and authorizing the execution and delivery of loan agreement amendments for loan Nos. 920100-06, 920127-08, 910154-13 and 920227-13 with the Water Infrastructure Finance Authority of Arizona (WIFA) from its revolving fund programs and authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by such amendments and this Resolution. (Finance)
- D. Public Hearing, closure of public hearing, followed by consideration and action to approve Resolution No. R16-12-27 authorizing the City to submit two grant applications to Maricopa County Community Development Division for FY 2017/18 Community Development Block Grant funds, and to execute subsequent award agreements for the full reconstruction of “A” Street and funding support for a replacement Fire Pumper Truck. (Administration)
- E. Consideration and action to authorize the City Manager to utilize local and regional agency contracts with Holbrook Asphalt, Sunland Asphalt, and Via Sun Corp. to perform pavement work as part of the FY 17 maintenance program. (Public Works)

**VI. CITY MANAGER SUMMARY OF CURRENT EVENTS**

The City Council may not act upon any matter in the City Manager’s summary but may have general comment or questions. Items to be discussed will include, but not be limited to, the following:

1. New Employees – Court, Fire, Finance, Public Works
2. Police Explorers – Report on Competition in Marana
3. Special Event – Christmas Tree Lighting 12/9/16

**VII. MAYOR’S COMMENTS and COUNCIL SUMMARY OF CURRENT EVENTS**

The Mayor and City Council may not discuss or act upon any matter in the summary unless the specific matter is properly noticed for legal action.

**VIII. ADJOURNMENT**

*Accommodations for Individuals with Disabilities - Alternative format materials, sign language interpretation, assistive listening devices or interpretation in languages other than English are available upon 72 hours advance notice through the Office of the City Clerk, 12145 NW Grand Avenue, El Mirage, Arizona, (623) 876-2943, TDD (623)933-3258, or FAX (623) 876-4603. To the extent possible, additional reasonable accommodations will be made available within the time constraints of the request.*

**AFFIDAVIT OF POSTING – CITY COUNCIL MEETING OF DECEMBER 6, 2016**

I hereby certify that this agenda was posted by 5:00 p.m. on December 2, 2016 at the following locations: 1) the City of El Mirage Exterior Bulletin Board at 12145 N.W. Grand Avenue, and 2) the City of El Mirage website at [www.cityofelmirage.org](http://www.cityofelmirage.org).

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Sharon Antes, City Clerk





# City of **EL MIRAGE**

Arizona

*GRAND HERITAGE, BRIGHT FUTURE!*



**“Emphasizing  
Leadership and  
Excellence in Public  
Service”**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**CITY OF EL MIRAGE, ARIZONA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

DRAFT

Issued by:  
Finance Department

# CITY OF EL MIRAGE, ARIZONA

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**INTRODUCTORY SECTION**

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November 22, 2016

Honorable Mayor and Members of the City Council  
El Mirage, AZ 85335

State law mandates that all general-purpose local governments are required to undergo an annual Single Audit and publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of El Mirage, Arizona (City) for the fiscal year ended June 30, 2016.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2016, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

## El Mirage Community Profile

**Background, Population, and Business.** El Mirage is situated on approximately 10 square miles in the heart of the rapidly growing West Valley. The City was founded in 1937 by migrant farm workers who settled on the west bank of the Agua Fria River and harvested the acres of roses, cotton, and other crops that would come to define the City's agricultural heritage. Since its incorporation in 1951, the community has transcended its agricultural beginnings to become a vibrant, diverse community with a current population in excess of 34,000.



In recent years, El Mirage has adopted economic development initiatives to attract new commercial and industrial businesses to the City. Impact fees normally charged for

infrastructure expansion have been eliminated, and El Mirage has joined with other West Valley cities to form the Greater Maricopa Foreign Trade Zone, allowing goods to be moved through the region exempt from certain U.S. Customs fees.

Local employers include Burlington Northern Santa Fe Railroad, which operates an 82-acre vehicle distribution center in El Mirage. Vulcan Materials Group, Union Rock and Materials, Hanson Pipe, Dakota Fabricating, and Contech Engineered Solutions are also among the firms representing the City's industrial base. Luke



Air Force Base, located one mile west of El Mirage, is the largest jet fighter training base in the world and employs over 1,500 civilians, many of whom are El Mirage residents.

The City of El Mirage offers a range of community facilities including a senior center and library. Thirteen-acre Gateway Park is the center for sports and family gatherings in El

Mirage, with an amphitheater, picnic ramadas, shaded playgrounds, lighted sports fields, and a skate plaza that is the first of its kind in Arizona. El Mirage is also home to Bill Gentry Park, a newly renovated little league field that draws teams from throughout the Valley for regular play, as well as regional tournaments. The nationally renowned Pueblo El Mirage Golf Resort, situated on 310 acres in the City, boasts an 18-hole professional golf course, various housing choices, and a host of indoor and outdoor activities for active seniors.



In November 2011, El Mirage voters authorized \$2.5 million in bonds to construct a premier recreation facility with swimming pool and \$6.0 million for a new police facility. The police facility was completed in December 2013, while the recreational facility operated by the YMCA opened for business in July 2014.

**Governing Structure.** Like most Arizona cities and towns, El Mirage operates under a council-manager form of government. Under this system, the City Council hires a City Manager to implement policy, as well as oversee the daily administration and management of all City departments. The City Manager is responsible for developing a balanced budget and a capital improvement plan for council review and approval each year. The City Manager also keeps the council advised of the City's financial condition and future needs. As City Manager, Dr. Spencer A. Isom is responsible for the activities of seven City departments and more than 170 employees. He also oversees a \$90 plus million budget to provide services for the City's approximately 34,000 residents. This year's budget utilizes the theme "*Continuing A Logical And Organized Approach To Governance And Development.*"



Policymaking and legislative authority are vested in a governing council



consisting of the Mayor and six Councilors. One of whom is selected as Vice-Mayor. All seven members of the council are elected at large and on a non-partisan basis to serve a four-year term. Elections are staggered so three councilors are elected every two years and the mayor is elected every four years. The council is responsible for passing ordinances, adopting the budget, appointing committees, and selecting the City Attorney and Judge in addition to the City Manager.

**Types and Levels of Services.** The City of El Mirage provides a full range of services including police and fire protection, roadway maintenance and construction, recreational and cultural activities, health and social services, as well as general administrative services. The City provides sewer and water services to its residents, along with water services to residents in a portion of the neighboring City of Surprise. El Mirage contracts with a local sanitation company for sanitary services. Enterprise funds were established for the accounting and financial reporting of water, sewer, and sanitation services.

**Budget Process and Legal Level of Control.** The annual expenditure budget serves as the foundation for City financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual expenditure budget approved by the City Council. All City departments are required to submit requests for appropriations during the budget process. The City Manager and Finance Department use these requests plus the prior year's operating budget as the starting point for assembling a proposed budget for Council consideration. The Council holds a workshop to discuss the proposed budget where presentations are made to the Council on revenues, expenditures, capital, staffing, and taxes. Public hearings are then held on both the budget and proposed property levies. Both the budget and the tax levy are approved by the Council before the 15th of August each year. Maricopa County is required to set the tax rate to collect the levy that the Council sets. The County sets the rate on the third Monday in August. The budget schedules provided by the state are adopted at both the fund and department levels, which are the legal levels of control for the state.

## Factors Affecting Economic Conditions

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment in which the City operates.



***Local Economy.*** The El Mirage economy was primarily dependent on housing construction for many years. In 2004, however, the City began to approach residential build-out and the Maricopa County housing market began to diminish causing unemployment statewide, countywide, and locally to spike (The local unemployment rate tends to be slightly higher than county and state levels.). Since that time, the City has turned its focus

toward retail and industrial growth resulting in the opening of a Walmart Supercenter, Aarons, Auto Zone, and Dakota Fabricating in recent years. In addition, the number of local businesses currently stands at 354. The recession and weaker than expected recovery have made further commercial growth challenging, resulting in the City's reliance on state shared revenues as much as local sales and property taxes to remain fiscally healthy. State shared revenues are distributions of sales, income, vehicle, and gasoline taxes based on a statewide formula that was implemented as a result of limitations placed on the ability of cities and towns to collect local revenues. Further information on the history of City revenues may be found in the MD&A, page 21, and the statistical section that begins on page 119 of this financial statement.

***Long-term Financial Planning.*** In 2011, the Council adopted the City's first-ever, five-year Capital Improvements Plan (CIP) which is updated annually. The CIP is based in part on a series of goals recently adopted by the Council. The Council goals and the CIP are intended to make the City more attractive to commercial development. As part of the CIP, the City developed a five-year financial projection. If the City is successful in expanding its commercial base, the CIP will be revised upward each year.



To improve the City's ability to attract business, three departments - Community Development, Economic Development, and Engineering - were combined to streamline processes.

The presence of Luke Air Force Base provides a significant employment and economic engine for the community. However, Luke's presence has placed significant land use restrictions on large tracks of City property. Although such property is primarily zoned 'agricultural' at present, the City and the primary property owner have long-term plans to convert this property for commercial and industrial uses. Conceivably, this process may take thirty years to complete. Until the property owner is prepared to move forward with development, the City will concentrate on infill properties ranging in size from a few acres to more than 80 acres for continued business growth.

Given the continuing economic uncertainty at the local, state, and national levels, the City Council and administration recognize the need to assure reserves are available for future revenue shortfalls. Therefore, the budget reflects a General Fund reserve of \$6.0 million. When the Council approved a utility rate study in 2011, it established reserves for each of the three utilities ranging from one month to three months. The reserves are not budgeted. The reserves are only intended to offset shortfalls in revenue collections, not as an opportunity to increase expenditures. By resolution, the Council also directed that all primary property taxes be restricted to uses in support of police and fire operations.

**Relevant Financial Policies.** Each year since June 2012, the City Council has adopted or reviewed a series of comprehensive financial management policies designed to maintain a financially viable city government that provides an adequate level of services, programs, and activities that add value and contribute to the City’s mission, while providing financial flexibility to adapt to local, regional, and national economic changes.



Some of the adopted financial policies that may help users better understand the financial data included in this report are shown below:

- The City shall maintain a prudent level of financial resources to protect against reducing service levels, incurring debt, or raising taxes and fees because of unexpected revenue shortfalls, unanticipated expenditures, and similar circumstances.
- The City shall rely on ongoing revenues to fund ongoing expenditures and avoid one-time sources of revenues to fund ongoing activities.
- The Finance Director shall annually prepare five-year revenue and expenditure forecasts to examine the City’s ability to absorb operating costs due to changes in the economy, service demands, service levels, and capital improvements.
- The City shall fund current year capital projects with bonds, grants, or funds accumulated (fund balances) prior to budgeting for capital expenditures.
- The City shall practice conservatism in budgeting for both revenues and expenditures to ensure the City can meet its ongoing obligations. The City shall not budget excess funds collected (fund balance) for ongoing expenditures.
- The City shall develop diversified and stable revenue sources to protect activities from short-term fluctuations in any single revenue source.
- The City shall not dedicate revenues for specific purposes unless required by law, Council policy, or Generally Accepted Accounting Principles (GAAP). The Finance Director shall deposit all non-restricted revenues in the General Fund for appropriation through the budget process.
- The Council shall review user fees and charges annually to ensure recovery of all direct and indirect costs of service, unless full cost recovery would be excessively burdensome on citizens receiving service.

**Major Initiatives.** For the fiscal year ended June 30, 2016, the City had one major capital initiative under construction that will have significant future impact on the quality of life for its citizens, while expanding infrastructure and increasing the resources available for economic development.

El Mirage Road - The City is partnering with Maricopa County Department of Transportation (McDOT) and the Maricopa Association of Governments (MAG) to complete construction of El Mirage Road from Northern Avenue to Thunderbird Road and to complete improvements along Thunderbird Road from



Grand Avenue to west of El Mirage Road. The City issued \$6.0 million in bonds to pay for its share of the improvements. McDOT will provide \$6.0 million and MAG will provide 70% funding up to approximately \$36 million. The City issued \$8.8 million of excise tax debt payable from grant money to accelerate the project to complete improvements in less than five years. The original projection for project completion was approximately ten years.

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## Award and Acknowledgments

**Award.** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2015. To be awarded this certificate, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles in the United States and applicable legal requirements.

This certificate is valid for a period of one year only. City finance officers believe that the current comprehensive annual financial report meets the program's requirements and we will be submitting it to GFOA to determine its eligibility for the fiscal year ended June 30, 2016 certificate.

**Acknowledgments.** The timely preparation of the comprehensive annual financial report was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department and all departments who assisted are to be commended for their contributions to the preparation of this report.

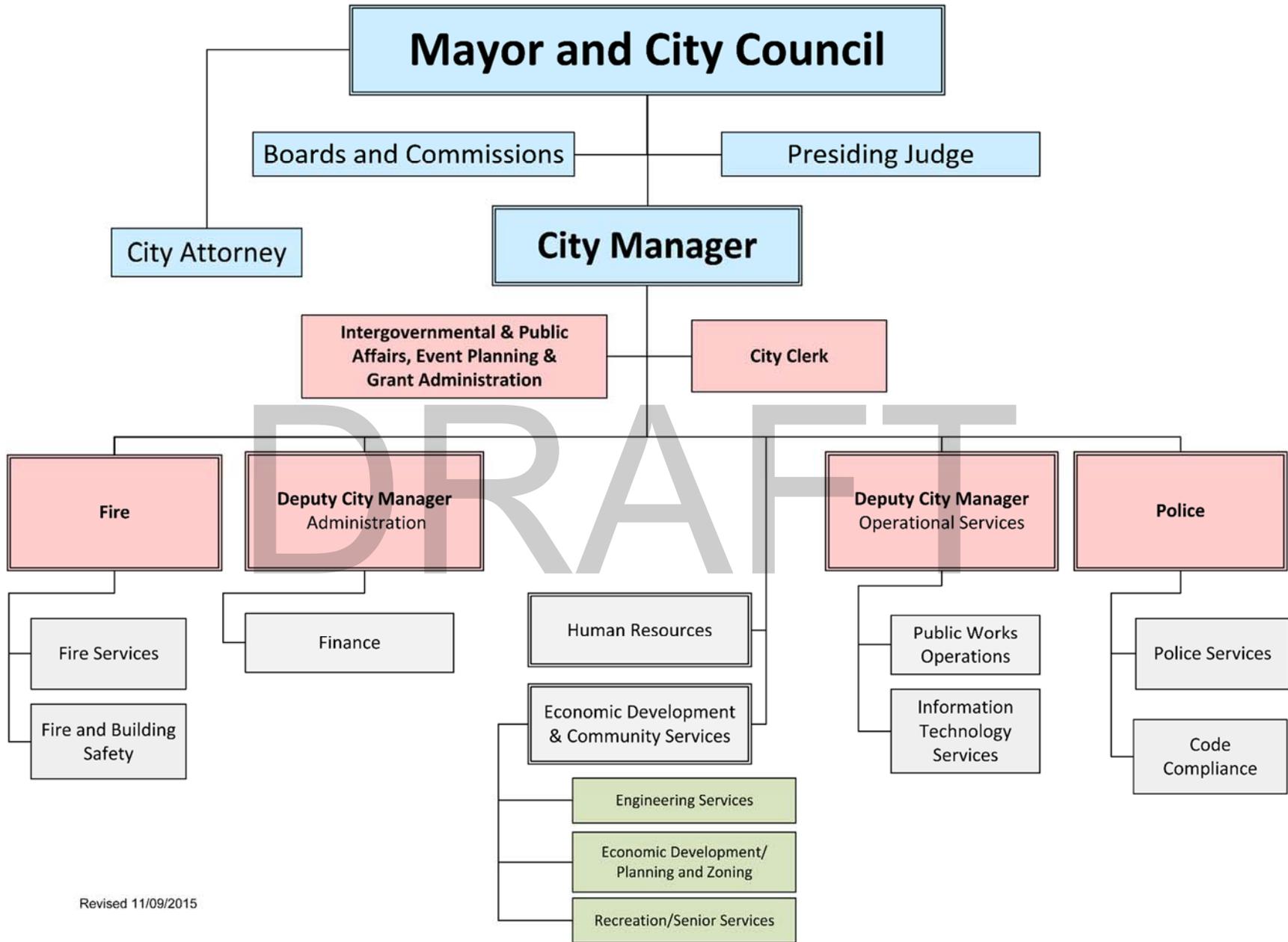
In closing, without the leadership and support of the City Council, preparation of this report would not have been possible.

Respectfully submitted,

  
Dr. Spencer A. Isom  
City Manager

DRAFT

  
Robert Nilles  
Deputy City Manager/Finance Director



Revised 11/09/2015

## CITY OF EL MIRAGE, ARIZONA

### LIST OF ELECTED CITY OFFICIALS



#### Mayor Lana Mook

Mayor Lana Mook has called Arizona home for more than 30 years. After retiring from approximately three decades in management, training and patient relations in the health care industry, Mook devoted much of her time to volunteering in El Mirage, pursuing her commitment to do everything she could to improve her community. With a number of other community volunteers, she co-founded the People of El Mirage (POEM), a civic-based community organization focused on helping those in need, as well as informing the public on local issues. Under her leadership, the organization promoted local support for Luke Air Force Base, raised funds for local Cub Scouts and participated in numerous food and clothing drives for the area's residents in need. In addition, POEM members partnered with local public safety officials to increase safety and awareness in El Mirage neighborhoods.

In 2010, Mook was elected Mayor of the City of El Mirage. She currently serves on the Boards of both Greater Phoenix Economic Council (GPEC) and Western Maricopa Coalition (Westmarc). She also serves on the Executive Committee of the Arizona League of Cities and Towns the Executive Committee of the Maricopa Association of Governments (MAG).

Mayor Mook has provided many years of service to a number of organizations including the Phoenix Suns Charities, the Girl Scouts of America, the U.S. Forest Service (Smokey Bear and Woodsy Owl Fire Prevention Programs), and is a past Vice-President of the Greater Phoenix American Bowling Association.

#### Accomplishments

- Played a significant role in improving the City's image throughout the West Valley and the entire Phoenix metropolitan area. This included developing a partnership with Luke Air Force Base and supporting the F-35A mission.
- Successfully advocated for passage of an \$8 million bond measure to provide El Mirage residents with a community recreational facility with swimming pool and a new police facility.
- Appointed to the League of Arizona Cities and Towns' Executive Committee consisting of 25 mayors and council members from across the State. The League provides an important link among the 91 incorporated cities and towns in Arizona representing collective interests at the State Legislature, and providing timely information on important municipal issues.
- Protected basic services such as public safety by successfully advocating for the rehire of four first responders for the Fire Department after they were laid off in 2010. In addition, she encouraged the Police Department to address speeding throughout the community with the assistance of RedFlex photo radar.
- Worked to develop El Mirage's future economic base by approving projects to design quality transportation corridors throughout the City. Reconfiguration of the Thompson Ranch/Grand Avenue/Thunderbird Road intersection and major improvements to El Mirage Road and Thunderbird Road are both scheduled to be completed in early 2017. The design of El Mirage's portion of the Northern Parkway project is underway.
- Improved the appearance and quality of life of El Mirage through enhancements to Gentry Park and Grand Avenue



#### **Vice Mayor Joe Ramirez**

Vice Mayor Joe Ramirez has been proud to call El Mirage home for more than 50 years. He graduated from Dysart High School and attended Glendale Community College before beginning work in the construction industry, which led him to a 30-year career that included owning his own construction firm. A straight-to-the-point individual, Vice Mayor Ramirez has always been a supporter of El Mirage and the West Valley. In addition to serving on the City Council, he volunteers his time on numerous civic projects and participates in local events including the Christmas Toy Drive, the Clean Our Community Program, and Habitat for Humanity. Ramirez invites residents to learn more about the issues in the community and join him in working toward a better El Mirage.



#### **Councilman Roy Delgado**

Councilman Roy Delgado has served on the El Mirage City Council for 11 years and was last elected in September 2012 to a four-year term. Delgado spent over 20 years in the U.S. Army and National Guard, as well as more than 30 years in management in the oil industry in California and Arizona. His current government service includes the Community Development Advisory Committee (CDAC), which oversees the flow of federal housing and infrastructure project funds received by Maricopa County and awarded on a competitive basis to local governments. The CDAC's funding recommendations are vetted and ultimately approved by the County Board of Supervisors

Delgado is also a board member of the Citizens Advisory Committee of the County Library District. He was appointed to the position by Former Supervisor Max Wilson and, along with other committee members, serves as a liaison between the district's board of directors, the library administration, and the community.

Councilman Delgado is equally proud of his community service activities. He retired in January 2014 after years of service as a teacher of hunter safety for the Arizona Game and Fish Department. He is currently a volunteer usher for Luke AFB's Catholic community; and he helps raise funds, along with his wife Sue, for student scholarships on behalf of Dysart Unified School District and the West Valley Neighborhood Coalition. As a member of the Elks, the American Legion, and two military officers' associations, Delgado maintains strong ties with the Valley's military community.



#### **Councilman Bob Jones**

Councilman Robert (Bob) Jones has called Arizona home for over 50 years, and has been a proud El Mirage resident since 2002. Councilman Jones has a diverse business background which includes years of experience in retail management, sales and distribution, and customer service in both large corporate environments, and as a small business entrepreneur. Later in his career, he followed his heart and entered the world of education, spending years as an elementary school teacher until he retired in 2005. Since that time, Jones has focused his time and energy in the El Mirage community.

Councilman Jones acted as an advocate for children in El Mirage, working on the task force to add Riverview Elementary School as an El Mirage addition to the Dysart Unified School District. He acquired a charter and introduced a Cub Scout program to El Mirage, serving as a Cub Master. He has also served as a member of the Dysart Community Center's Board of Directors. Jones is a member of the Cactus Park Homeowners' Association, and has served as HOA President since 2010. As president, he collaborated with other HOA's and El Mirage City leaders on community affairs. He was appointed to the El Mirage Planning and Zoning Committee in 2007 and again in 2012, and has served as a committee chairman. He left the P & Z Committee to complete a successful run for City Council in 2014.

Bob has six children and nine grandchildren. He has been married to his wife, Cathy for over 15 years. He decided to run for El Mirage City Council to ensure that El Mirage continues to be an incredible place to live and work.



#### **Councilman Jack Palladino**

Born and raised in Chelsea, Massachusetts, Councilman Jack Palladino's commitment to community began over 40 years ago with his service as a medic in the United States Army. After retiring from active duty, he married his sweetheart, Michele, and went to work for the U.S. Post Office as a letter carrier. Over the course of more than 30 years, Palladino's hard work and perseverance were recognized and he was promoted to management in a U.S.P.S. Boston facility. During this time, he also volunteered as a Little League coach and served with the Knights of Columbus. Shortly after retiring in 2003, Palladino and his wife moved to Arizona where he currently works part time for the Pueblo El Mirage Post Office. The Palladinos have one son, a nine year-old grandson, and a two year-old granddaughter who

also live in the West Valley. The couple has been married for 45 years. After attending numerous local City Council meetings and volunteering in the community, Palladino decided to run for El Mirage City Council and was overwhelmingly elected in 2010. Palladino believes that one person *can* make a difference!



#### **Councilman Lynn Selby**

Born and raised in Los Angeles, California, Councilman Lynn Selby has a business background spanning more than 30 years. He has managed cash flow and inventories, developed yearly budgets, and managed personnel. Selby and his wife, Danielle retired to El Mirage and began attending City Council meetings regularly and volunteering in the community. In attending the Council meetings, Selby became interested in the workings of the City and wanted to give something back to the community he loves and calls home. Selby was elected to the City Council in August 2010. He served in the U.S. Navy and now volunteers his time as a representative of Operation Lifesaver throughout the State of Arizona, presenting railroad safety programs to government agencies and local organizations. He is also a volunteer on several committees including committee chair of the City's Community Uplift Program; committee member of the Friends of the Library;

board member of Valley Metro (Regional Public Transit Agency); and a member of the Maricopa Association of Government's (MAG) Domestic Violence Committee. Councilman Selby also helps the El Mirage Fire Department distribute and install free smoke detectors. The Selbys have been married for more than 52 years and have three daughters and four grandchildren.



### **Councilman David Shapera**

Councilman David M. Shapera, re-elected to a second four-year term on the El Mirage City Council in 2012, was also a past member and Chairman of the El Mirage Planning and Zoning Commission. He has over 40 years in elected and appointed positions in government. He and his wife, Linda have been married for 40 years and have four adult children and eight grandchildren. The Shaperas moved to El Mirage in 2002.

Shapera is a retired police officer and worked for the Clark County Coroner Medical Examiner in Las Vegas, Nevada. He recently retired from the Dysart Unified School District. He continues to guest teach at El Mirage schools and is a member of the Dysart Elementary PTO and Thompson Ranch PTSA. Shapera has also been a proud member of the Elks Lodge for 38 years.

As an advocate for the new city hall building, police station and YMCA recreational facility, Councilman Shapera continues to ensure the buildings will be used to proudly serve the El Mirage community. He strongly supports public safety, and continues working to upgrade City infrastructure within the parameters of affordability.

A vocal advocate for Luke Air Force Base, Shapera works with Luke's leadership toward common goals. Supporting economic development in El Mirage is a priority. Shapera has worked to streamline and assist businesses to open in the City. His new program was adopted by the City Council, which calls for directional signs to help businesses thrive.

Shapera is among council members who are strong advocates for the use of solar panels on City buildings, and he was at the forefront of bringing utility savings to City buildings.

## **LIST OF APPOINTED CITY OFFICIALS**

**City Manager – Dr. Spencer A. Isom**  
**City Attorney – Robert M. Hall**  
**City Magistrate – Monte Morgan**



Government Finance Officers Association

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Presented to

**City of El Mirage**

**Arizona**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council  
City of El Mirage, Arizona

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of City of El Mirage, Arizona (City), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of El Mirage, Arizona, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As described in Note 1, the City implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, for the year ended June 30, 2016, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, and net pension liability information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, Combining and Individual Fund Financial Statements and Schedules, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Fund Financial Statements and Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Financial Statements and Schedules information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2016, on our consideration of City of El Mirage, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of El Mirage, Arizona's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.  
Tucson, Arizona  
November 22, 2016

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**(Required Supplementary Information)**

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**CITY OF EL MIRAGE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2016**

As management of the City of El Mirage, Arizona (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2016. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**FINANCIAL HIGHLIGHTS**

- The City's total net position of governmental activities increased \$7.9 million to \$55.7 million and business-type activities increased \$4.0 million to \$44.0 million representing an increase of 16 percent and 10 percent, respectively. The total net position is \$99.7 million.
- General revenues before transfers from governmental activities accounted for \$19.6 million in revenue, or 65 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$10.7 million or 35 percent of total governmental activities revenues. The City had \$14.3 million of program revenues and \$39,235 in general revenues related to business-type activities.
- The City had \$23.9 million in expenses related to governmental activities, an increase of two percent from the prior fiscal year. The City had \$8.9 million in expenses related to business-type activities, a decrease of one percent from the prior fiscal year.
- Among major funds, the General Fund had \$18.9 million in revenues, which primarily consisted of taxes and intergovernmental revenues. The total expenditures of the General Fund were \$19.2 million. The General Fund's fund balance increased from \$19.5 million to \$25.7 million, due primarily to proceeds received from the issuance of general obligation and revenue bonds.
- The Streets Fund had \$3.3 million in revenues. The total expenditures of the Streets Fund were \$8.5 million. The Streets Fund's fund balance increased from \$7.0 million to \$11.6 million, at the end of the current fiscal year due to the issuance of revenue bonds.
- The Water Fund net position increased \$3.5 million due primarily to revenues exceeding expenses during normal City activity. The Water Fund had operating revenues of \$9.5 million and operating expenses of \$5.0 million.
- The Sewer Fund net position increased \$265,968. Operating expenses of \$2.3 million were exceeded by operating revenues of \$3.2 million.

**CITY OF EL MIRAGE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2016**

**OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The accrual basis of accounting is used for the government-wide financial statements.

The statement of net position presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

In the government-wide financial statements the City's activities are presented in the following categories:

- **Governmental activities** – Most of the City's basic services are included here, such as general government, public safety, highways and streets, culture and recreation, health and welfare, and interest on long-term debt. General revenues finance most of these activities.
- **Business-type activities** – The services provided by the City included here are water, sewer and solid waste services. The services are primarily financed through user fees and charges.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**CITY OF EL MIRAGE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2016**

**OVERVIEW OF FINANCIAL STATEMENTS**

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting and focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General and Streets Funds, both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

**Proprietary funds.** Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer and solid waste operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Water, Sewer, and Non-Major Enterprise Funds.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budget process and pension plan. The City adopts an annual expenditure budget for all governmental funds. A schedule of revenues, expenditures and changes in fund balances – budget and actual has been provided for the General Fund as required supplementary information. Schedules for the pension plans have been provided as required supplementary information.

**CITY OF EL MIRAGE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2016**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$99.7 million at the current fiscal year end.

The largest portion of the City's net position reflects its investment in capital assets (e.g., land, land improvements; buildings and improvements; sewer plant; water mains and lines; sewer collection system; infrastructure; vehicles, machinery, and equipment; and construction in progress), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related outstanding debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table presents a summary of the City's net position for the fiscal years ended June 30, 2016 and June 30, 2015.

	2016 Governmental Activities	2015 Governmental Activities	2016 Business-type Activities	2015 Business-type Activities	2016 Total	2015 Total
Current assets	\$ 45,891,609	\$ 32,566,983	\$ 24,438,051	\$ 20,466,808	\$ 70,329,660	\$ 53,033,791
Capital assets, net	64,476,960	55,678,645	41,411,846	42,370,369	105,888,806	98,049,014
Total assets	<u>110,368,569</u>	<u>88,245,628</u>	<u>65,849,897</u>	<u>62,837,177</u>	<u>176,218,466</u>	<u>151,082,805</u>
Deferred outflows	<u>3,660,488</u>	<u>3,278,443</u>	<u>312,997</u>	<u>376,476</u>	<u>3,973,485</u>	<u>3,654,919</u>
Current and other liabilities	3,880,206	1,731,324	2,911,770	2,707,068	6,791,976	4,438,392
Long-term liabilities	53,556,330	39,988,796	18,970,938	20,044,389	72,527,268	60,033,185
Total liabilities	<u>57,436,536</u>	<u>41,720,120</u>	<u>21,882,708</u>	<u>22,751,457</u>	<u>79,319,244</u>	<u>64,471,577</u>
Deferred inflows	<u>915,540</u>	<u>1,990,979</u>	<u>254,328</u>	<u>440,704</u>	<u>1,169,868</u>	<u>2,431,683</u>
Net investment in capital assets	34,794,822	30,947,824	24,888,693	24,691,276	59,683,515	55,639,100
Restricted	15,546,294	8,155,286			15,546,294	8,155,286
Unrestricted	5,335,865	8,709,862	19,137,165	15,330,216	24,473,030	24,040,078
Total net position	<u>\$ 55,676,981</u>	<u>\$ 47,812,972</u>	<u>\$ 44,025,858</u>	<u>\$ 40,021,492</u>	<u>\$ 99,702,839</u>	<u>\$ 87,834,464</u>

The City's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. The following are significant current year transactions that had an impact on the Statement of Net Position.

- The addition of \$10.3 million in governmental activities capital assets.
- The addition of \$12.5 million in bonds.
- The payment of \$1.0 million in governmental long-term liabilities and \$1.3 million in business-type long-term liabilities.
- The increase of \$1.2 million in pension liabilities.

**CITY OF EL MIRAGE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2016**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Changes in net position.** The City's total revenues for the current fiscal year were \$44.7 million. The total cost of all programs and services was \$32.8 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2016 and June 30, 2015.

	2016 Governmental Activities	2015 Governmental Activities	2016 Business-type Activities	2015 Business-type Activities	2016 Total	2015 Total
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 3,655,993	\$ 3,534,157	\$ 14,307,617	\$ 14,205,340	\$ 17,963,610	\$ 17,739,497
Operating grants and contributions	2,725,912	2,440,443			2,725,912	2,440,443
Capital grants and contributions	4,350,917	2,482,244			4,350,917	2,482,244
General revenues:						
Property taxes	3,663,163	3,505,551			3,663,163	3,505,551
City sales taxes	6,990,668	6,685,666			6,990,668	6,685,666
Franchise taxes	745,088	692,154			745,088	692,154
Unrestricted state revenues	8,086,986	7,970,499			8,086,986	7,970,499
Investment income	107,055	50,727	39,235	5,764	146,290	56,491
<b>Total revenues</b>	<u>30,325,782</u>	<u>27,361,441</u>	<u>14,346,852</u>	<u>14,211,104</u>	<u>44,672,634</u>	<u>41,572,545</u>
<b>Expenses:</b>						
General government	5,793,877	5,563,291			5,793,877	5,563,291
Public safety	11,167,283	11,638,718			11,167,283	11,638,718
Highways and streets	3,367,393	2,998,087			3,367,393	2,998,087
Culture and recreation	1,739,508	1,739,595			1,739,508	1,739,595
Health and welfare	395,627	395,627			395,627	395,627
Interest on long-term debt	1,428,706	1,080,786			1,428,706	1,080,786
Water			5,470,323	5,687,906	5,470,323	5,687,906
Sewer			2,364,833	2,250,655	2,364,833	2,250,655
Solid waste			1,076,709	1,054,154	1,076,709	1,054,154
<b>Total expenses</b>	<u>23,892,394</u>	<u>23,416,104</u>	<u>8,911,865</u>	<u>8,992,715</u>	<u>32,804,259</u>	<u>32,408,819</u>
<b>Excess (deficiency) before transfers</b>	<u>6,433,388</u>	<u>3,945,337</u>	<u>5,434,987</u>	<u>5,218,389</u>	<u>11,868,375</u>	<u>9,163,726</u>
<b>Transfers</b>	<u>1,430,621</u>	<u>2,000,000</u>	<u>(1,430,621)</u>	<u>(2,000,000)</u>		
<b>Changes in net position</b>	<u>7,864,009</u>	<u>5,945,337</u>	<u>4,004,366</u>	<u>3,218,389</u>	<u>11,868,375</u>	<u>9,163,726</u>
<b>Net position, beginning</b>	<u>47,812,972</u>	<u>41,867,635</u>	<u>40,021,492</u>	<u>36,803,103</u>	<u>87,834,464</u>	<u>78,670,738</u>
<b>Net position, ending</b>	<u>\$ 55,676,981</u>	<u>\$ 47,812,972</u>	<u>\$ 44,025,858</u>	<u>\$ 40,021,492</u>	<u>\$ 99,702,839</u>	<u>\$ 87,834,464</u>

- Operating grants and contributions related to governmental activities increased by \$285,469 related to funding for highways and streets.
- Capital grants and contributions related to governmental activities increased by \$1.9 million related to funding for street projects and municipal facilities.
- Governmental activities expense increased \$476,290, or two percent.
- Business-type activities expenses decreased \$80,850, or one percent.

**CITY OF EL MIRAGE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2016**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Governmental and Business-type activities.** The following table presents the cost of the City's functional activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and City's taxpayers by each of these functions.

	Year ended June 30, 2016		Year Ended June 30, 2015	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
<b>Governmental Activities</b>				
General government	\$ 5,793,877	\$ (3,087,476)	\$ 5,563,291	\$ (2,989,176)
Public safety	11,167,283	(9,844,850)	11,638,718	(10,385,297)
Highways and streets	3,367,393	2,817,164	2,998,087	1,555,612
Culture and recreation	1,739,508	(1,220,077)	1,739,595	(1,663,986)
Health and welfare	395,627	(395,627)	395,627	(395,627)
Interest on long-term debt	1,428,706	(1,428,706)	1,080,786	(1,080,786)
<b>Total</b>	<u>\$ 23,892,394</u>	<u>\$ (13,159,572)</u>	<u>\$ 23,416,104</u>	<u>\$ (14,959,260)</u>
<b>Business-type Activities</b>				
Water	\$ 5,470,323	\$ 4,074,542	\$ 5,687,906	\$ 3,736,467
Sewer	2,364,833	799,536	2,250,655	947,790
Solid waste	1,076,709	521,674	1,054,154	528,368
<b>Total</b>	<u>\$ 8,911,865</u>	<u>\$ 5,395,752</u>	<u>\$ 8,992,715</u>	<u>\$ 5,212,625</u>

- Federal and State grants and charges for services subsidized certain governmental programs with revenues of \$10.7 million.
- Net cost of governmental activities of \$13.2 million was financed by general revenues, which are primarily property tax, local sales taxes, and unrestricted state revenues totaling \$19.5 million.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

The financial performance of the City as a whole is reflected in its governmental funds. As the City completed the year, its governmental funds reported a combined fund balance of \$41.9 million, an increase of \$11.2 million, or 36 percent from the prior year, primarily due to the issuance of \$12.5 million of bonds.

**CITY OF EL MIRAGE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2016**

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The increase in the General Fund's fund balance of \$6.2 million was due primarily to proceeds received from the issuance of general obligation and revenue bonds.

The Streets Fund reported a fund balance increase of \$4.6 million due to proceeds received from the issuance of revenue bonds.

**Proprietary funds.** Net position of the Enterprise Funds at the end of the year amounted to \$44.0 million, an increase of \$4.0 million, or a 10 percent increase from the prior year.

**BUDGETARY HIGHLIGHTS**

A schedule showing the original and final budget amounts compared to the City's actual financial activity for the General Fund is provided in this report as required supplementary information. The significant variances between budget and actual in the General Fund are summarized as follows:

- The favorable variance of \$710,668 in city sales tax was a result of growth in construction and retail sales.
- The favorable variance of \$121,669 in charges for services was a result of special events revenue and transportation charges.
- The favorable variance of \$107,919 in other income was a result of interest earnings and auction proceeds.
- The favorable variance of \$208,561 in administration was a result of an unexpected decrease in fuel and transportation costs.
- The favorable variance of \$684,512 in legal services was a result of savings of potential economic development reimbursements.
- The favorable variance of \$111,186 in information technology was a result of personnel savings and reduced equipment maintenance costs.
- The favorable variance of \$298,879 in police was a result of vacancy savings.
- The favorable variance of \$421,210 in fire was a result of reduced personnel service costs.

**CITY OF EL MIRAGE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2016**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** At year end, the City had invested \$154.7 million in capital assets. This amount represents a net increase prior to depreciation of \$11.8 million from the prior fiscal year, primarily due to the construction of the new City Hall and El Mirage road improvements. Total depreciation expense for the year was \$5.2 million.

The following schedule presents capital asset balances for the fiscal years ended June 30, 2016 and June 30, 2015.

	2016 Governmental Activities	2015 Governmental Activities	2016 Business-type Activities	2015 Business-type Activities
Non-depreciable assets	\$ 27,186,829	\$ 17,145,746	\$ 1,023,938	\$ 921,620
Depreciable assets	55,003,430	54,744,088	71,445,073	70,041,339
Less: Accumulated depreciation	(17,713,299)	(16,211,189)	(31,057,165)	(28,592,590)
Total capital assets, net	<u>\$ 64,476,960</u>	<u>\$ 55,678,645</u>	<u>\$ 41,411,846</u>	<u>\$ 42,370,369</u>

Additional information on the City's capital assets can be found in Note 6.

**Debt Administration.** At year end, the City had \$54.9 million in long-term debt outstanding, including \$2.4 million due within one year. The following table presents a summary of the City's outstanding long-term debt for the fiscal years ended June 30, 2016 and June 30, 2015.

	As of June 30, 2016	As of June 30, 2015
General obligation bonds	\$ 26,750,296	\$ 25,899,465
Revenue bonds	11,602,682	
Capital leases	8,900	11,974
WIFA loans	16,523,152	17,679,093
<b>Total</b>	<u>\$ 54,885,030</u>	<u>\$ 43,590,532</u>

The Arizona Constitution and State Statutes limit a municipality's bonded debt capacity to certain percentages of its net full cash assessed valuation and by the type of project to be constructed with general obligation (GO) bonds. For projects involving water, wastewater, artificial lighting, parks, open space, recreational facility improvements, streets, public safety, and fire and emergency facilities, the City can issue GO bonds up to 20 percent of its net full cash assessed valuation. For any other general-purpose improvements, the City may issue bonds up to six percent of its net full cash assessed valuation. The City's available debt margin at year end was \$8.0 million in the six percent capacity and \$26.8 million in the 20 percent capacity. The City has \$6.1 million of general obligation debt applicable to the six percent limit and \$20.0 million of debt applicable to the 20 percent limit. Additional information on the City's long-term debt can be found in Notes 7 through 10.

**CITY OF EL MIRAGE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2016**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The adopted combined operating and capital expenditure budget for fiscal year 2016-17 totals \$81.5 million, a decrease of \$6.1 million or seven percent less than fiscal year 2015-16 as a result of major capital projects being completed.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Finance Department, 12145 NW Grand Avenue, El Mirage, Arizona 85335.

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**BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**CITY OF EL MIRAGE, ARIZONA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

	Governmental Activities	Business-type Activities	Total
<b><u>ASSETS</u></b>			
Current assets:			
Cash and investments	\$ 34,993,132	\$ 18,515,120	\$ 53,508,252
Cash and investments - restricted	9,597,246		9,597,246
Accounts receivable	182,433	1,575,487	1,757,920
Property taxes receivable	114,939		114,939
Due from governmental entities	996,755		996,755
Inventory		4,347,444	4,347,444
Prepaid items	7,104		7,104
<b>Total current assets</b>	<b>45,891,609</b>	<b>24,438,051</b>	<b>70,329,660</b>
Noncurrent assets:			
Capital assets, non-depreciable	27,186,829	1,023,938	28,210,767
Capital assets, depreciable (net)	37,290,131	40,387,908	77,678,039
<b>Total noncurrent assets</b>	<b>64,476,960</b>	<b>41,411,846</b>	<b>105,888,806</b>
<b>Total assets</b>	<b>110,368,569</b>	<b>65,849,897</b>	<b>176,218,466</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred charge on refunding	92,658	87,903	180,561
Pension plan items	3,567,830	225,094	3,792,924
<b>Total deferred outflows of resources</b>	<b>3,660,488</b>	<b>312,997</b>	<b>3,973,485</b>
<b><u>LIABILITIES</u></b>			
Current liabilities:			
Accounts payable	2,856,129	869,258	3,725,387
Construction contracts payable	507,014		507,014
Accrued payroll and employee benefits	395,558	63,100	458,658
Accrued interest		234,684	234,684
Due to governmental entities	95,757		95,757
Compensated absences payable	190,331	21,955	212,286
Unearned revenues	21,200		21,200
Customer deposits	4,548	1,744,728	1,749,276
Capital leases payable	3,340		3,340
Loans payable		1,303,324	1,303,324
Bonds payable	1,075,000		1,075,000
<b>Total current liabilities</b>	<b>5,148,877</b>	<b>4,237,049</b>	<b>9,385,926</b>
Noncurrent liabilities:			
Non-current portion of long-term liabilities	52,287,659	17,645,659	69,933,318
<b>Total noncurrent liabilities</b>	<b>52,287,659</b>	<b>17,645,659</b>	<b>69,933,318</b>
<b>Total liabilities</b>	<b>57,436,536</b>	<b>21,882,708</b>	<b>79,319,244</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pension plan items	915,540	254,328	1,169,868
<b><u>NET POSITION</u></b>			
Net investment in capital assets	34,794,822	24,888,693	59,683,515
Restricted for:			
Debt service	522,838		522,838
Capital projects	2,138,430		2,138,430
Streets projects	12,549,525		12,549,525
Court and police programs	169,648		169,648
Other purposes	165,853		165,853
Unrestricted	5,335,865	19,137,165	24,473,030
<b>Total net position</b>	<b>\$ 55,676,981</b>	<b>\$ 44,025,858</b>	<b>\$ 99,702,839</b>

The notes to the basic financial statements are an integral part of this statement.

**CITY OF EL MIRAGE, ARIZONA  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2016**

<b>Functions/Programs</b>	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Primary Government</b>					
Governmental activities:					
General government	\$ 5,793,877	\$ 2,706,401	\$	\$	\$ (3,087,476)
Public safety	11,167,283	858,161	409,587	54,685	(9,844,850)
Highways and streets	3,367,393		2,316,325	3,868,232	2,817,164
Culture and recreation	1,739,508	91,431		428,000	(1,220,077)
Health and welfare	395,627				(395,627)
Interest on long-term debt	1,428,706				(1,428,706)
Total governmental activities	<u>23,892,394</u>	<u>3,655,993</u>	<u>2,725,912</u>	<u>4,350,917</u>	<u>(13,159,572)</u>
Business-type activities:					
Water	5,470,323	9,544,865			
Sewer	2,364,833	3,164,369			
Solid waste	1,076,709	1,598,383			
Total business-type activities	<u>8,911,865</u>	<u>14,307,617</u>			
<b>Total primary government</b>	<u>\$ 32,804,259</u>	<u>\$ 17,963,610</u>	<u>\$ 2,725,912</u>	<u>\$ 4,350,917</u>	<u>(13,159,572)</u>
<b>General revenues:</b>					
Taxes:					
Property taxes, levied for general purposes					1,643,548
Property taxes, levied for debt purposes					2,019,615
City sales taxes					6,990,668
Franchise taxes					745,088
Unrestricted state revenues					8,086,986
Investment income					107,055
<b>Transfers</b>					<u>1,430,621</u>
<b>Total general revenues and transfers</b>					<u>21,023,581</u>
<b>Changes in net position</b>					7,864,009
<b>Net position, beginning of year</b>					<u>47,812,972</u>
<b>Net position, end of year</b>					<u>\$ 55,676,981</u>

The notes to the basic financial statements are an integral part of this statement.



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**FUND FINANCIAL STATEMENTS**

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**CITY OF EL MIRAGE, ARIZONA**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2016**

	<u>General</u>	<u>Streets</u>	<u>Non-Major Governmental Funds</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 23,454,620	\$ 6,939,647	\$ 4,598,865
Cash and investments - restricted	2,715,613	6,881,633	
Accounts receivable	178,588		3,845
Property taxes receivable	52,571		62,368
Due from governmental entities	768,242		228,513
Due from other funds	7,946		
Prepaid items	2,002		5,102
<b>Total assets</b>	<b><u>\$ 27,179,582</u></b>	<b><u>\$ 13,821,280</u></b>	<b><u>\$ 4,898,693</u></b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 775,977	\$ 1,861,403	\$ 218,749
Construction contracts payable	169,148	337,866	
Accrued payroll and employee benefits	388,197		7,361
Due to governmental entities	92,502		3,255
Due to other funds			7,946
Unearned revenues	21,200		
Customer deposits			4,548
<b>Total liabilities</b>	<b><u>1,447,024</u></b>	<b><u>2,199,269</u></b>	<b><u>241,859</u></b>
Deferred inflows of resources:			
Unavailable revenues - property taxes	38,982		45,780
Fund balances:			
Nonspendable	2,002		5,102
Restricted	2,138,430	11,622,011	1,734,971
Committed	388,197		2,870,981
Assigned	316,212		
Unassigned	22,848,735		
<b>Total fund balances</b>	<b><u>25,693,576</u></b>	<b><u>11,622,011</u></b>	<b><u>4,611,054</u></b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b><u>\$ 27,179,582</u></b>	<b><u>\$ 13,821,280</u></b>	<b><u>\$ 4,898,693</u></b>

The notes to the basic financial statements are an integral part of this statement.

Total  
Governmental  
Funds

\$ 34,993,132  
9,597,246  
182,433  
114,939  
996,755  
7,946  
7,104  
\$ 45,899,555

\$ 2,856,129  
507,014  
395,558  
95,757  
7,946  
21,200  
4,548  
3,888,152

84,762

7,104  
15,495,412  
3,259,178  
316,212  
22,848,735  
41,926,641

\$ 45,899,555

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**CITY OF EL MIRAGE, ARIZONA**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

<b>Total governmental fund balances</b>	<b>\$</b>	<b>41,926,641</b>
<p>Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental capital assets	\$ 82,190,259	
Less accumulated depreciation	<u>(17,713,299)</u>	64,476,960
<p>Property tax receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.</p>		
		84,762
<p>Deferred items related to the net cost of issuance of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds.</p>		
		92,658
<p>Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.</p>		
Deferred outflows of resources related to pensions	3,567,830	
Deferred inflows of resources related to pensions	<u>(915,540)</u>	2,652,290
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Compensated absences payable	(576,762)	
Obligations under capital leases	(8,900)	
Net pension liability	(14,617,690)	
Bonds payable	<u>(38,352,978)</u>	<u>(53,556,330)</u>
<b>Net position of governmental activities</b>	<b>\$</b>	<b><u>55,676,981</u></b>

**The notes to the basic financial statements are an integral part of this statement.**

**CITY OF EL MIRAGE, ARIZONA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2016**

	General	Streets	Non-Major Governmental Funds
<b>Revenues:</b>			
Property taxes	\$ 1,637,982	\$	\$ 2,009,931
City sales taxes	6,990,668		
Franchise taxes	745,088		
Licenses and permits	243,974		
Intergovernmental	8,109,689	3,280,076	3,346,050
Charges for services	371,669		
Fines and forfeits	420,130		2,348,944
Investment income	104,792		2,263
Rents	71,753		
Contributions and donations	41,151		
Other income	157,919		453
<b>Total revenues</b>	<b>18,894,815</b>	<b>3,280,076</b>	<b>7,707,641</b>
<b>Expenditures:</b>			
Current -			
General government	4,325,658		1,101,744
Public safety	10,367,735		417,813
Highways and streets		500,000	1,950,730
Culture and recreation	1,314,039		
Capital outlay	3,073,670	7,606,676	898,439
Debt service -			
Principal retirement	3,074		1,035,000
Interest and fiscal charges	94,573	295,507	1,141,213
Bond issuance costs	64,029	139,320	
<b>Total expenditures</b>	<b>19,242,778</b>	<b>8,541,503</b>	<b>6,544,939</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(347,963)</b>	<b>(5,261,427)</b>	<b>1,162,702</b>
<b>Other financing sources (uses):</b>			
Transfers in	2,953,133	1,024,500	581,000
Transfers out	(1,178,750)		(1,375,383)
Issuance of bonds	4,500,000	7,970,000	
Premium on sale of bonds	270,459	862,223	
<b>Total other financing sources (uses):</b>	<b>6,544,842</b>	<b>9,856,723</b>	<b>(794,383)</b>
<b>Changes in fund balances</b>	<b>6,196,879</b>	<b>4,595,296</b>	<b>368,319</b>
<b>Fund balances, beginning of year</b>	<b>19,496,697</b>	<b>7,026,715</b>	<b>4,242,735</b>
<b>Fund balances, end of year</b>	<b>\$ 25,693,576</b>	<b>\$ 11,622,011</b>	<b>\$ 4,611,054</b>

The notes to the basic financial statements are an integral part of this statement.

Total  
Governmental  
Funds

---

\$ 3,647,913  
6,990,668  
745,088  
243,974  
14,735,815  
371,669  
2,769,074  
107,055  
71,753  
41,151  
158,372  

---

29,882,532

5,427,402  
10,785,548  
2,450,730  
1,314,039  
11,578,785

1,038,074  
1,531,293  
203,349  

---

34,329,220

---

(4,446,688)

4,558,633  
(2,554,133)  
12,470,000  
1,132,682  

---

15,607,182

---

11,160,494

30,766,147

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\$ 41,926,641  

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**CITY OF EL MIRAGE, ARIZONA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2016**

**Changes in fund balances - total governmental funds** **\$ 11,160,494**

Amounts reported for *governmental activities* in the Statement of Activities are different because:

Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.

Expenditures for capitalized assets	\$ 11,636,254	
Less current year depreciation	<u>(2,724,674)</u>	8,911,580

Issuance of long-term debt provides current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Position.

Issuance of bonds	(12,470,000)	
Premium on bond issuance	<u>(1,132,682)</u>	(13,602,682)

Property tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

15,250

Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Capital lease principal retirement	3,074	
Bond principal retirement	<u>1,035,000</u>	1,038,074

Governmental funds report pension contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension liability, adjusted for deferred pension items, is reported as pension expense in the Statement of Activities.

Current year pension contributions	1,533,442	
Pension expense	<u>(1,155,939)</u>	377,503

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Loss on disposal of assets	(113,265)	
Amortization of premium, discount and deferred bond items	102,587	
Compensated absences	<u>(25,532)</u>	(36,210)

**Changes in net position in governmental activities** **\$ 7,864,009**

**The notes to the basic financial statements are an integral part of this statement.**

**CITY OF EL MIRAGE, ARIZONA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2016**

	Enterprise Funds		
	Water	Sewer	Non-Major Enterprise Funds
<b><u>ASSETS</u></b>			
Current assets:			
Cash and investments	\$ 12,677,104	\$ 5,375,974	\$ 462,042
Accounts receivable	1,108,893	327,265	139,329
Inventory	4,347,444		
Total current assets	<u>18,133,441</u>	<u>5,703,239</u>	<u>601,371</u>
Noncurrent assets:			
Capital assets, non-depreciable	129,768	894,170	
Capital assets, depreciable (net)	20,572,757	19,815,151	
Total noncurrent assets	<u>20,702,525</u>	<u>20,709,321</u>	
<b>Total assets</b>	<u>38,835,966</u>	<u>26,412,560</u>	<u>601,371</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred charge on refunding	87,903		
Pension plan items	164,250	60,844	
<b>Total deferred outflows of resources</b>	<u>252,153</u>	<u>60,844</u>	
<b><u>LIABILITIES</u></b>			
Current liabilities:			
Accounts payable	339,125	454,431	75,702
Accrued payroll and employee benefits	46,477	16,623	
Accrued interest	203,457	31,227	
Compensated absences payable	15,117	6,838	
Customer deposits	1,744,728		
Loans payable	1,150,383	152,941	
Total current liabilities	<u>3,499,287</u>	<u>662,060</u>	<u>75,702</u>
Noncurrent liabilities:			
Compensated absences payable	30,692	13,883	
Loans payable	13,170,654	2,049,174	
Net pension liability	1,713,734	667,522	
Total noncurrent liabilities	<u>14,915,080</u>	<u>2,730,579</u>	
<b>Total liabilities</b>	<u>18,414,367</u>	<u>3,392,639</u>	<u>75,702</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pension plan items	185,582	68,746	
<b><u>NET POSITION</u></b>			
Net investment in capital assets	6,381,488	18,507,205	
Unrestricted	14,106,682	4,504,814	525,669
<b>Total net position</b>	<u>\$ 20,488,170</u>	<u>\$ 23,012,019</u>	<u>\$ 525,669</u>

The notes to the basic financial statements are an integral part of this statement.

Enterprise Funds

Totals

\$ 18,515,120  
1,575,487  
4,347,444  
24,438,051

1,023,938  
40,387,908  
41,411,846  
65,849,897

87,903  
225,094  
312,997

869,258  
63,100  
234,684  
21,955  
1,744,728  
1,303,324  
4,237,049

44,575  
15,219,828  
2,381,256  
17,645,659  
21,882,708

254,328

24,888,693  
19,137,165  
\$ 44,025,858

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**CITY OF EL MIRAGE, ARIZONA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Enterprise Funds		
	Water	Sewer	Non-Major Enterprise Funds
<b>Operating revenues:</b>			
Charges for services	\$ 9,544,865	\$ 3,164,369	\$ 1,598,383
<b>Total operating revenues</b>	<u>9,544,865</u>	<u>3,164,369</u>	<u>1,598,383</u>
<b>Operating expenses:</b>			
Cost of sales and services	3,506,170	1,340,655	1,076,709
Depreciation	1,540,092	961,723	
<b>Total operating expenses</b>	<u>5,046,262</u>	<u>2,302,378</u>	<u>1,076,709</u>
<b>Operating income (loss)</b>	<u>4,498,603</u>	<u>861,991</u>	<u>521,674</u>
<b>Nonoperating revenues (expenses):</b>			
Investment income	11,803	27,432	
Interest expense	(424,061)	(62,455)	
<b>Total nonoperating revenues (expenses)</b>	<u>(412,258)</u>	<u>(35,023)</u>	
<b>Income (loss) before capital contributions and transfers</b>	<u>4,086,345</u>	<u>826,968</u>	<u>521,674</u>
<b>Transfers in</b>	350,750	249,000	
<b>Transfers out</b>	(1,525,250)	(810,000)	(269,000)
<b>Capital contributions</b>	573,879		
<b>Changes in net position</b>	<u>3,485,724</u>	<u>265,968</u>	<u>252,674</u>
<b>Total net position, beginning of year</b>	17,002,446	22,746,051	272,995
<b>Total net position, end of year</b>	<u>\$ 20,488,170</u>	<u>\$ 23,012,019</u>	<u>\$ 525,669</u>

The notes to the basic financial statements are an integral part of this statement.

Enterprise Funds

Totals  
\$ 14,307,617  
14,307,617

5,923,534  
2,501,815  
8,425,349  
5,882,268

39,235  
(486,516)  
(447,281)

5,434,987

599,750  
(2,604,250)  
573,879

4,004,366

40,021,492

\$ 44,025,858

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**CITY OF EL MIRAGE, ARIZONA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2016**

	<b>Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Non-Major Enterprise</b>
<b><u>Increase (Decrease) In Cash and Cash Equivalents</u></b>			
Cash flows from operating activities:			
Cash received from customers	\$ 9,508,530	\$ 3,157,184	\$ 1,601,927
Cash payments to suppliers for goods and services	(3,049,174)	(562,681)	(1,149,603)
Cash payments to employees for services	(1,206,950)	(409,019)	
<b>Net cash provided by operating activities</b>	<b>5,252,406</b>	<b>2,185,484</b>	<b>452,324</b>
Cash flows from noncapital and related financing activities:			
Interfund borrowing	(2,125,000)		
Interfund transfers in	350,750	249,000	
Interfund transfers out	(1,525,250)	(810,000)	(269,000)
<b>Net cash used for noncapital financing activities</b>	<b>(3,299,500)</b>	<b>(561,000)</b>	<b>(269,000)</b>
Cash flows from capital and related financing activities:			
Proceeds from loans	439,399		
Principal paid on loans	(1,118,316)	(148,951)	
Interest paid on loans	(437,369)	(64,575)	
Acquisition and construction of capital assets	(281,335)	(688,078)	
<b>Net cash used for capital and related financing activities</b>	<b>(1,397,621)</b>	<b>(901,604)</b>	
Cash flows from investing activities:			
Interest on investments	11,803	27,432	
<b>Net cash provided by investing activities</b>	<b>11,803</b>	<b>27,432</b>	
<b>Net increase in cash and cash equivalents</b>	<b>567,088</b>	<b>750,312</b>	<b>183,324</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>12,110,016</b>	<b>4,625,662</b>	<b>278,718</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 12,677,104</b>	<b>\$ 5,375,974</b>	<b>\$ 462,042</b>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities</u></b>			
<b>Operating income (loss)</b>	<b>\$ 4,498,603</b>	<b>\$ 861,991</b>	<b>\$ 521,674</b>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	1,540,092	961,723	
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable	(96,986)	(7,185)	3,544
Increase in inventories	(572,965)		
Increase (decrease) in accounts payable	(138,837)	375,005	(72,894)
Increase in accrued payroll and employee benefits	9,574	4,211	
Increase (decrease) in compensated absences payable	(11,117)	3,300	
Increase in deposits held for others	60,651		
Decrease in pension items	(36,609)	(13,561)	
<b>Total adjustments</b>	<b>753,803</b>	<b>1,323,493</b>	<b>(69,350)</b>
<b>Net cash provided by (used for) operating activities</b>	<b>\$ 5,252,406</b>	<b>\$ 2,185,484</b>	<b>\$ 452,324</b>
<b><u>Non-cash capital and financing activities</u></b>			
Contribution of assets from governmental funds	\$ 573,879		

The notes to the basic financial statements are an integral part of this statement.

**Enterprise Funds**

**Totals**

\$ 14,267,641  
(4,761,458)  
(1,615,969)  
7,890,214

(2,125,000)  
599,750  
(2,604,250)

(4,129,500)

439,399  
(1,267,267)  
(501,944)  
(969,413)

(2,299,225)

39,235  
39,235

1,500,724

17,014,396

\$ 18,515,120

5,882,268

2,501,815

(100,627)  
(572,965)  
163,274  
13,785  
(7,817)  
60,651  
(50,170)

2,007,946

\$ 7,890,214

\$ 573,879

DRAFT

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of El Mirage, Arizona have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

During the year ended June 30, 2016, the City implemented the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements and establishes a hierarchy of inputs to valuation techniques used to measure fair value. This Statement also enhances accountability and transparency through revised note disclosures.

The more significant of the City's accounting policies are described below.

**A. Reporting Entity**

The City is a municipal entity governed by an elected mayor and council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the City, the primary government.

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The City is a primary government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, component units combined with the City for financial statement presentation purposes, and the City, are not included in any other governmental reporting entity. Consequently, the City's financial statements include the funds of those organizational entities for which its elected governing body is financially accountable.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about the City as a whole. For the most part, the effect of internal activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the City. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, unrestricted state revenues, investment income and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and the major individual enterprise funds are reported as separate columns in the fund financial statements. The City does not present funds that do not have activity.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

**Government-wide Financial Statements** – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule, the effect of internal activity has been eliminated from the government-wide financial statements; however, the effects of interfund services provided and used between functions are reported as expenses and program revenues at amounts approximating their external exchange value.

**Fund Financial Statements** – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Property taxes, sales taxes, franchise taxes, licenses and permits, charges for services, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Other income is not susceptible to accrual because generally they are not measurable until received in cash. Unearned revenue arise when resources are received by the City before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

Delinquent property taxes and other receivables that will not be collected within the available period have been reported as unavailable revenues on the governmental fund financial statements.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

The City reports the following major governmental funds.

General Fund – This fund accounts for all financial resources of the City, except those required to be accounted for in other funds. The General Fund includes the Municipal Court Fund. This fund is maintained as a separate fund for accounting and budgeting purposes but does not meet the criteria for separate reporting in the financial statements.

Streets Fund – This fund accounts for the construction and acquisition of streets and street department facilities.

The City reports the following major proprietary funds.

Water Fund – This fund is used to account for all water operations.

Sewer Fund – This fund is used to account for all wastewater operations.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise fund are charges to customers for water, sewer and solid waste. Operating expenses for these funds include the cost of sales and services and depreciation expense. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**D. Cash and Investments**

For purposes of the Statement of Cash Flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents at year end were cash on hand and unrestricted cash in bank and investments.

Arizona statutes authorize the City to invest public monies in the State Treasurer's local government investment pools, the County Treasurer's investment pool, in obligations of the U.S. Government and its agencies, obligations of the State and certain local government subdivisions, interest-bearing savings accounts and certificates of deposit, collateralized repurchase agreements, certain obligations of U.S. corporations, and certain other securities. By identification of permitted investments, all other investments are prohibited by the same statutes. The statutes do not include any requirements for credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for the City's investments.

Arizona statute requires a pooled collateral program for public deposits and a Statewide Collateral Pool Administrator (Administrator) in the State Treasurer's Office. The purpose of the pooled collateral program is to ensure that governmental entities' public deposits placed in participating depositories are secured with collateral of 102 percent of the public deposits, less any applicable deposit insurance. An eligible depository may not retain or accept any public deposit unless it has deposited the required collateral with a qualified escrow agent or the Administrator. The Administrator manages the pooled collateral program, including reporting on each depository's compliance with the program.

Nonparticipating interest-earning investment contracts are stated at cost. Money market investments and participating interest investment contracts with a remaining maturity of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value.

Certain resources are classified as cash and investments-restricted in the General Fund and Streets Fund related to unspent bond proceeds to be utilized in the construction of municipal facilities and street improvements.

**E. Investment Income**

Investment income is composed of interest, dividends, and net changes in the fair value of applicable investments.

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**F. Receivables and Payables**

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Interfund balances between governmental funds are eliminated on the Statement of Net Position. All trade and property tax receivables, are shown net of an allowance for uncollectibles.

**G. Property Tax Calendar**

The County Treasurer is responsible for collecting property taxes for all governmental entities within the county. The county levies real and personal property taxes on or before the third Monday in August, that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May. The billings are considered past due after these dates, at which time the applicable property is subject to penalties and interest.

Pursuant to A.R.S., a lien against assessed real and personal property attaches on the first day of January preceding assessment and levy; however according to case law, an enforceable legal claim to the asset does not arise.

**H. Inventory**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories consist of water credits purchased and held for future consumption. Inventories are recorded as assets when purchased and expenses when consumed in the proprietary and government-wide financial statements.

**I. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are recorded as expenses when consumed in the proprietary and government-wide financial statements and as expenditures when purchased in the fund financial statements.

**CITY OF EL MIRAGE, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**J. Capital Assets**

Capital assets, which include land; land improvements; buildings and improvements; sewer plant; water mains and lines; sewer collection system, vehicles, machinery, and equipment; construction in progress; and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation. General government infrastructure capital assets include only those assets acquired or constructed since July 1, 2003.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Certain capital assets of the City are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>	<u>Assets</u>	<u>Years</u>
Buildings	10-50	Land improvements	10-25
Improvements other than buildings	10-50	Sewer plant	20-50
Vehicles, machinery and equipment	5-20	Sewer collection system	15-25
Streets infrastructure	7-30	Water infrastructure	10

**K. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**L. Compensated Absences**

The City's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay. Vacation benefits vest at the employee's current rate of pay. The current and long-term liabilities for accumulated vacation and sick leave are reported on the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Generally, resources from the General Fund are used to pay for compensated absences.

**M. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**N. Long-term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financials statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Debt premiums and discounts are amortized over the life of the debt using the straight-line method. Deferred amounts on refunding result from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**O. Interfund Activity**

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund statements are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds.

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**P. Net Position Flow Assumption**

In the government-wide and proprietary fund financial statements the City applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted amounts are available.

**Q. Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

***Nonspendable.*** The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact.

***Restricted.*** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

***Committed.*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a City Council resolution adopted prior to the end of the fiscal year. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts (i.e. Council resolution).

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

*Assigned.* Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the City Council or a management official delegated that authority by the formal City Council action. The City Manager is delegated authority to establish intended uses by Council action under City ordinance, Chapter 31.

*Unassigned.* Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had be restricted, committed, or assigned.

The City applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The table below provides detail of the major components of the City’s fund balance classifications at year end.

	<u>General Fund</u>	<u>Streets Fund</u>	<u>Non-Major Governmental Funds</u>
Fund Balances:			
Nonspendable:			
Prepaid items	\$ 2,002	\$	\$ 5,102
Restricted:			
Debt service			477,058
Streets projects		11,622,011	927,514
Court and police programs			169,648
Capital projects	2,138,430		
Other purposes			160,751
Committed:			
Court and police programs			2,870,981
Other purposes	388,197		
Assigned:			
Court and police programs	316,212		
Unassigned:	22,848,735		
Total fund balances	<u>\$ 25,693,576</u>	<u>\$ 11,622,011</u>	<u>\$ 4,611,054</u>

**CITY OF EL MIRAGE, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Excess Expenditures Over Budget** At year end, the City had expenditures in funds that exceeded the budgets, however, this does not constitute a violation of any legal provisions.

**NOTE 4 – CASH AND INVESTMENTS**

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of bank failure the City’s deposits may not be returned to the City. The City does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the City’s deposits was \$14,140,334 and the bank balance was \$14,646,344. The bank balance was covered entirely by FDIC coverage and collateral held by the pledging financial institution in the City’s name.

*Fair Value Measurements.* The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets
- Level 2 inputs are significant other observable inputs
- Level 3 inputs are significant unobservable inputs

The State Treasurer’s pools are external investment pools, the Local Government Investment Pool (Pool 5) and Local Government Investment Pool-Government (Pool 7), with no regulatory oversight. The pools are not required to register (and are not registered) with the Securities and Exchange Commission. The activity and performance of the pools are reviewed monthly by the State Board of Investment. The fair value of each participant’s position in the State Treasurer investment pools approximates the value of the participant’s shares in the pool and the participants’ shares are not identified with specific investments. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy

At year end, the City’s investments consisted of the following:

Investment Type	Average Maturities	Fair Value
State Treasurer’s investment pool 5	22 days	\$ 46,724,964
State Treasurer’s investment pool 7	73 days	2,240,200
Total		\$ 48,965,164

*Interest Rate Risk.* The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**CITY OF EL MIRAGE, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 4 – CASH AND INVESTMENTS**

*Credit Risk.* The City has no investment policy that would further limit its investment choices. As of year end, the City’s investment in the State’s investment pool 5 received a credit quality rating of AAA from Moody’s and the State’s investment pool 7 had a weighted average rating of AAA at year end as it was invested in obligations of the U.S. Government or obligations guaranteed by the U.S. Government.

*Custodial Credit Risk – Investments.* The City’s investment in the State Treasurer’s investment pools represents a proportionate interest in the pool’s portfolio; however, the City’s portion is not identified with specific investments and is not subject to custodial credit risk.

**NOTE 5 – RECEIVABLES**

Receivable balances, net of allowance for uncollectibles, have been disaggregated by type and presented separately in the financial statements with the exception of due from governmental entities. Due from governmental entities, net of allowance for uncollectibles, as of year end for the City’s individual major funds and non-major governmental and proprietary funds in the aggregate were as follows:

	General Fund	Non-Major Governmental Funds
Due from other governmental entities:		
Due from federal government	\$	\$ 30,170
Due from state government	768,242	198,343
Net due from governmental entities	\$ 768,242	\$ 228,513

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 6 – CAPITAL ASSETS**

A summary of capital asset activity for the current fiscal year follows:

<b>Governmental Activities</b>	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 9,426,231	\$ 428,000	\$	\$ 9,854,231
Construction in progress	7,719,515	10,511,542	898,459	17,332,598
Total capital assets, not being depreciated	<u>17,145,746</u>	<u>10,939,542</u>	<u>898,459</u>	<u>27,186,829</u>
Capital assets, being depreciated:				
Land improvements	893,563	622,938		1,516,501
Buildings and improvements	19,232,786			19,232,786
Infrastructure	27,303,737	166,801		27,470,538
Machinery, equipment and vehicles	7,314,002	805,432	1,335,829	6,783,605
Total capital assets being depreciated	<u>54,744,088</u>	<u>1,595,171</u>	<u>1,335,829</u>	<u>55,003,430</u>
Less accumulated depreciation for:				
Land improvements	(492,063)	(78,687)		(570,750)
Buildings and improvements	(2,045,688)	(427,720)		(2,473,408)
Infrastructure	(9,407,899)	(1,491,603)		(10,899,502)
Machinery, equipment and vehicles	(4,265,539)	(726,664)	(1,222,564)	(3,769,639)
Total accumulated depreciation	<u>(16,211,189)</u>	<u>(2,724,674)</u>	<u>(1,222,564)</u>	<u>(17,713,299)</u>
Total capital assets, being depreciated, net	38,532,899	(1,129,503)	113,265	37,290,131
Governmental activities capital assets, net	<u>\$ 55,678,645</u>	<u>\$ 9,810,039</u>	<u>\$ 1,011,724</u>	<u>\$64,476,960</u>

Governmental activities:

General government	\$ 320,352
Public safety	653,996
Highways and streets	924,472
Culture and recreation	430,227
Health and welfare	395,627
Total depreciation expense	<u>\$ 2,724,674</u>

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 6 – CAPITAL ASSETS**

<u>Business-Type Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 921,620	\$	\$	\$ 921,620
Construction in progress		1,366,357	1,264,039	102,318
Total	<u>921,620</u>	<u>1,366,357</u>	<u>1,264,039</u>	<u>1,023,938</u>
Capital assets, being depreciated:				
Sewer plant	20,455,101			20,455,101
Water mains and lines	32,196,320	782,710		32,979,030
Sewer collection system	8,541,009	481,329		9,022,338
Land improvements	5,531,190			5,531,190
Buildings and improvements	581,097			581,097
Machinery, equipment and vehicles	2,724,866	179,690	39,995	2,864,561
Infrastructure	11,756			11,756
Total capital assets being depreciated	<u>70,041,339</u>	<u>1,443,729</u>	<u>39,995</u>	<u>71,445,073</u>
Less accumulated depreciation for:				
Sewer plant	(5,112,674)	(465,302)		(5,577,976)
Water mains and lines	(12,909,197)	(1,308,667)		(14,217,864)
Sewer collection system	(5,161,886)	(331,523)		(5,493,409)
Land improvements	(3,993,276)	(93,650)		(4,086,926)
Buildings and improvements	(261,509)	(42,147)		(303,656)
Machinery, equipment and vehicles	(1,144,362)	(259,350)	(37,240)	(1,366,472)
Infrastructure	(9,686)	(1,176)		(10,862)
Total accumulated depreciation	<u>(28,592,590)</u>	<u>(2,501,815)</u>	<u>(37,240)</u>	<u>(31,057,165)</u>
Total capital assets, being depreciated, net	<u>41,448,749</u>	<u>(1,058,086)</u>	<u>2,755</u>	<u>40,387,908</u>
Business-type activities capital assets, net	<u>\$ 42,370,369</u>	<u>\$ 308,271</u>	<u>\$ 1,266,794</u>	<u>\$ 41,411,846</u>

Business-type activities:

Water	\$ 1,540,092
Sewer	961,723
Total depreciation expense – business-type activities	<u>\$ 2,501,815</u>

**Construction Commitments** – At year end, the City had contractual commitments related to the construction of the new City Hall, El Mirage road improvements and sewer storage tank projects. At year end, the City had spent \$17.4 million on the projects and had estimated remaining contractual commitments of \$25.3 million.

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 7 – OBLIGATIONS UNDER CAPITAL LEASES**

The City has acquired copiers under the provisions of a long-term lease agreement classified as a capital lease. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. Revenues from the General Fund are used to pay the capital lease obligation. Amortization of assets recorded under capital leases is included with depreciation expense.

The assets acquired through capital leases that meet the City’s capitalization threshold are as follows:

	Governmental Activities
Asset:	
Vehicles, furniture and equipment	\$ 12,118
Less: Accumulated depreciation	(5,957)
Total	\$ 6,161

The future minimum lease obligations and the net present value of these minimum lease payments at year end were as follows:

		Governmental Activities
Year Ending June 30:		
2017		\$ 3,957
2018		3,957
2019		1,977
Total minimum lease payments		9,891
Less: amount representing interest		991
Present value of minimum lease payments		\$ 8,900
Due within one year		\$ 3,340

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 8 – BONDS PAYABLE**

The City has entered into Greater Arizona Development Authority (GADA) bond agreements and issued other general obligation, revenue and refunding bonds to refund prior year issuances and to finance various municipal, public safety, streets, and park projects. The total outstanding principal does not include related bond premiums and discounts of \$1,841,356 and \$38,378, respectively.

	Original Amount Issued	Interest Rate	Remaining Maturities	Outstanding Principal June 30, 2016
<u>Governmental activities:</u>				
GADA Bond, Series 2007 B	\$ 1,145,000	4.00-5.00%	8/1/17-27	\$ 750,000
GADA Bond, Series 2009 B	9,600,000	3.50-5.00%	7/1/17-29	7,125,000
G.O. Bonds 2012A	14,900,000	3.00-5.00%	7/1/17-42	13,715,000
Refunding Bonds 2012B	3,305,000	2.125-4.00%	7/1/17-24	2,490,000
Excise Tax Obligations 2015	10,470,000	4.00-5.00%	7/1/17-30	10,470,000
G.O. Bonds, Series 2015	2,000,000	3.82%	7/1/17-29	2,000,000
Total				<u>\$ 36,550,000</u>

Principal and interest payments on the governmental activities bonds payable at year end are summarized as follows:

Year ending June 30:	Governmental Activities	
	Principal	Interest
2017	\$ 1,075,000	\$ 1,615,881
2018	1,715,000	1,577,894
2019	1,780,000	1,512,769
2020	1,840,000	1,448,825
2021	1,915,000	1,373,463
2022-26	10,945,000	5,550,685
2027-31	9,730,000	2,939,858
2032-36	2,945,000	1,589,650
2037-41	3,740,000	796,000
2042	865,000	43,250
Total	<u>\$ 36,550,000</u>	<u>\$ 18,448,275</u>

**Pledged revenues – governmental activities.** The City has pledged future sales (excise) tax revenues to repay outstanding revenue bonds of \$10.5 million as of year end. Proceeds from the bond issuance provides financing for street improvements and municipal facilities construction. The bonds are paid from the City’s sales taxes and state shared revenues and are payable through 2030. Total annual principal and interest payments for all sales tax revenue bonds are expected to require approximately seven percent of gross revenues. The total principal and interest to be paid on the bonds is \$15.3 million. The current total city sales taxes and state shared revenues were \$13.9 million and the total principal and interest paid on the bonds was \$389,663, or three percent of gross revenues.

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9 – LOANS PAYABLE**

The City has entered into a number of separate Water Infrastructure Finance Authority (WIFA) loan agreements to refund a prior year issuance and to finance water and sewer facilities and infrastructure upgrades. The funding is drawn-down from the lender as the upgrade costs are incurred, as such not all proceeds have been received as of year-end.

	Original Amount Issued	Interest Rate (Including Fees)	Remaining Maturities	Outstanding Principal June 30, 2016
<u>Business-type activities:</u>				
WIFA Loan, DW 050-2005	\$ 16,550,000	2.93%	7/1/16-25	\$ 8,720,969
WIFA Loan, CW 030-2005	1,108,911	2.96%	7/1/16-25	634,782
WIFA Loan, CW 2008	1,900,000	2.75%	7/1/16-27	848,850
WIFA Loan, DW 2008	4,040,000	2.75%	7/1/16-27	2,905,737
WIFA Loan, ARRA 91A121-10	648,000	2.87%	7/1/16-29	260,983
WIFA Loan, ARRA 91A152-10	140,000	2.68%	7/1/16-29	63,058
WIFA Loan, ARRA 91A153-10	498,000	1.50%	7/1/16-29	128,551
WIFA Loan, 920227-13	4,550,000	2.80%	7/1/16-26	2,502,722
WIFA Loan, 910154-13	500,000	2.80%	7/1/16-32	457,500
Total				<u>\$ 16,523,152</u>

Principal and interest payments on business-type activities loans payable at year end are summarized as follows:

Year ending June 30:	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 1,303,324	\$ 442,066
2018	1,340,666	405,313
2019	1,379,081	376,105
2020	1,418,598	336,020
2021	1,459,250	294,784
2022-26	7,948,088	812,722
2026-31	1,608,532	70,118
2032-33	65,613	1,850
Total	<u>\$ 16,523,152</u>	<u>\$ 2,738,978</u>

**Pledged revenues – business-type activities.** The City has pledged future water and sewer revenues to repay the outstanding WIFA loans of \$16.5 million as of year end. Proceeds from the original loan issuances provided financing for improvements to the City’s water and sewer systems infrastructure and to refund certificates of participation. The loans are paid solely from water and sewer revenues and are payable through 2033. The total principal and interest to be paid on the loans is \$19.3 million. The current total customer gross revenues were \$12.7 million and the total principal and interest paid on the loans was \$1.7 million, or 14 percent of gross revenues.

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 10 – CHANGES IN LONG-TERM LIABILITIES**

Long-term liability activity for the current fiscal year was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Bonds payable	\$ 25,115,000	\$ 12,470,000	\$ 1,035,000	\$ 36,550,000	\$ 1,075,000
Bond premium	825,795	1,132,682	117,121	1,841,356	
Bond discount	(41,330)		(2,952)	(38,378)	
Net bonds payable	<u>25,899,465</u>	<u>13,602,682</u>	<u>1,149,169</u>	<u>38,352,978</u>	<u>1,075,000</u>
Net pension liability	13,526,127	1,091,563		14,617,690	
Compensated absences	551,230	498,717	473,185	576,762	190,331
Obligations under capital leases	11,974		3,074	8,900	3,340
Governmental activity long-term liabilities	<u>\$ 39,988,796</u>	<u>\$ 15,192,962</u>	<u>\$ 1,625,428</u>	<u>\$ 53,556,330</u>	<u>\$ 1,268,671</u>
<b>Business-type activities:</b>					
Compensated absences	\$ 74,347	\$ 81,118	\$ 88,935	\$ 66,530	\$ 21,955
Loans payable	17,679,093	111,326	1,267,267	16,523,152	1,303,324
Net pension liability	2,290,949	90,307		2,381,256	
Business-type activities long-term liabilities	<u>\$ 20,044,389</u>	<u>\$ 282,751</u>	<u>\$ 1,356,202</u>	<u>\$ 18,970,938</u>	<u>\$ 1,325,279</u>

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 11 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

**Due to/from other funds** – At year end, the Municipal Court Enhancement Fund had \$7,946 due to the General Fund for fiscal year court expenses.

**Interfund transfers:**

	Transfers in		
	General Fund	Streets Fund	Non-Major Governmental Funds
Transfers out			
General Fund	\$	\$ 430,000	\$ 581,000
Non-Major Governmental Funds	597,883	594,500	
Water Fund	1,276,250		
Sewer Fund	810,000		
Non-Major Enterprise Fund	269,000		
Total	<u>\$ 2,953,133</u>	<u>\$1,024,500</u>	<u>\$ 581,000</u>

	Transfers in		
	Water Fund	Sewer Fund	Total
Transfers out			
General Fund	\$ 167,750	\$	\$ 1,178,750
Non-Major Governmental Funds	183,000		1,375,383
Water Fund		249,000	1,525,250
Sewer Fund			810,000
Non-Major Enterprise Fund			269,000
Total	<u>\$ 350,750</u>	<u>\$ 249,000</u>	<u>\$ 5,158,383</u>

Transfers between funds were primarily used (1) to move funds to the General Fund to support operations, and (2) to move funds from the General Fund to other funds for capital and major projects.

**NOTE 12 – CONTINGENT LIABILITIES**

**Lawsuits** – The City is a defendant in a number of lawsuits as of June 30, 2016. It is the opinion of management and City counsel that the amount of losses resulting from these litigations at June 30, 2016, would not be material to the financial position of the City.

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 13 – RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City's insurance protection is provided by the Arizona Municipal Risk Retention Pool, of which the City is a participating member. The limit for basic coverage is \$2.0 million per occurrence on a claims made basis. Excess coverage is for an additional \$8.0 million per occurrence on a follow form, claims made basis. The aggregate limit is also \$2.0 million. The Arizona Municipal Risk Retention Pool is structured such that member premiums are based on an actuarial review that will provide adequate reserves to allow the Pool to meet its expected financial obligations. The Pool has the authority to assess its members additional premiums should reserves and annual premiums be insufficient to meet the Pool's obligations. No significant reduction in insurance coverage occurred during the year and no settlements exceeded insurance coverage during any of the past three fiscal years.

The City is self insured through the Arizona Metropolitan Trust (AzMT) for employees medical, dental, life and employee assistance program coverage (EAP). AzMT is a self insured benefits pool established pursuant to A.R.S 11-952 et. seq. that provides coverage for each of its member entities. The City pays a monthly premium to AzMT for the employee's medical, dental, life and EAP coverage. AzMT reinsures through commercial companies for claims in excess of specified and aggregate amounts.

The City is insured by Arizona Municipal Workers Compensation Pool for potential worker related accidents.

**NOTE 14– PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

The City contributes to the pension plans described below. The plans are component units of the State of Arizona.

The City reported \$1.2 million of pension expenditures in the governmental funds related to all pension plans to which it contributes.

**A. Arizona State Retirement System**

**Plan Description.** City employees not covered by the other pension plans described after this section participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on the ASRS website at [www.azasrs.gov](http://www.azasrs.gov).

**CITY OF EL MIRAGE, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Benefits Provided.** The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	Retirement Initial Membership Date:	
	Before July 1, 2011	On or After July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years age 62 5 years age 50* Any years age 65	30 years age 55 25 years age 60 10 years age 62 5 years age 50* Any years age 65
Final average salary is based on	Highest 36 months of last 120 months	Highest 60 months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%
	*With actuarially reduced benefits	

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a members' death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

**Contributions.** In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.47 percent (11.35 percent for retirement and 0.12 percent for long-term disability) of the members' annual covered payroll, and the City was required by statute to contribute at the actuarially determined rate of 11.47 percent (10.85 percent for retirement, 0.50 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the members' annual covered payroll. The City's contributions to the pension plan for the year ended June 30, 2016 were \$604,351.

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

The City’s contributions for the current and two preceding years for the Arizona State Retirement System OPEB, all of which were equal to the required contributions, were as follows:

		Health Benefit Supplement Fund		Long-Term Disability Fund
Year ending June 30:				
2016	\$	27,850	\$	6,684
2015		33,495		6,813
2014		33,592		13,437

**Pension Liability.** At June 30, 2016, the City reported a liability of \$9.5 million for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the City’s proportion was 0.06 percent, which was a decrease of 0.001 from its proportion measured as of June 30, 2014.

**Pension Expense and Deferred Outflows/Inflows of Resources.** For the year ended June 30, 2016, the City recognized pension expense for ASRS of \$407,566 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 260,261	\$ 499,781
Net difference between projected and actual earnings on pension plan investments		305,660
Changes in proportion and differences between contributions and proportionate share of contributions		171,467
Contributions subsequent to the measurement date	604,351	
Total	\$ 864,612	\$ 976,908

**CITY OF EL MIRAGE, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

The deferred outflows of resources related to ASRS pensions resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year Ending June 30:		
	2017	\$ (308,868)
	2018	(400,207)
	2019	(228,219)
	2020	220,647

**Actuarial Assumptions.** The significant actuarial assumptions used to measure the total ASRS pension liability are as follows:

Actuarial valuation date	June 30, 2014
Actuarial roll forward date	June 30, 2015
Actuarial cost method	Entry age normal
Investment rate of return	8.0%
Projected salary increases	3.0-6.75%
Inflation	3.0%
Permanent base increases	Included
Mortality rates	1994 GAM Scale BB

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2013, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.79 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

The target allocation and best estimates of arithmetic real rates of return for each major asset class of ASRS are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	58%	6.79%
Fixed income	25	3.70
Real estate	10	4.25
Multi-asset	5	3.41
Commodities	2	3.93
Total	<u>100%</u>	

**Discount Rate.** The discount rate used to measure the ASRS total pension liability was 8.0 percent, which is less than the long-term expected rate of return of 8.79 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.** The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 8.0 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease (7.0%)</u>	<u>Current Discount Rate (8.0%)</u>	<u>1% Increase (9.0%)</u>
City’s proportionate share of the net pension liability	\$ 12,497,552	\$ 9,537,628	\$ 7,509,110

**Pension Plan Fiduciary Net Position.** Detailed information about the pension plan’s fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at [www.azasrs.gov](http://www.azasrs.gov).

**CITY OF EL MIRAGE, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**B. Public Safety Personnel Retirement System**

**Plan Descriptions.** City public safety employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan. A seven-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

The PSPRS issues a publicly available financial report that includes their financial statements and required supplementary information. The report is available on the PSPRS website at [www.psprs.com](http://www.psprs.com).

**Benefits Provided.** The PSPRS provides retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefits terms. Certain retirement and disability benefits are calculated on the basis of age, average monthly compensation, and service credit as follows. See the publicly available PSPRS financial report for additional benefits information.

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	Retirement Initial Membership Date:	
	Before January 1, 2012	On or After January 1, 2012
Years of service and age required to receive benefit	20 years any age 15 years age 62	25 years and age 52.5
Final average salary is based on	Highest 36 months of last 20 years	Highest 60 months of last 20 years
Normal retirement	50% less 2.0% for each year of credited service less than 20 years or plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	2.5% per year of credited service, not to exceed 80%
Accidental disability retirement	50% or normal retirement, whichever is greater	
Survivor benefit: Retired members	80% of retired member's pension benefit	
Active members	80% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

**CITY OF EL MIRAGE, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on excess investment earning. In addition, from and after December 31, 2015 the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase’s effects on the plan. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

**Employees Covered by Benefit Terms.** At June 30, 2016, the following employees were covered by the agent pension plan’s benefit terms:

	<u>PSPRS – Police</u>	<u>PSPRS – Fire</u>
Retirees and beneficiaries	12	3
Inactive, non-retired members	8	5
Active members	35	25
Total	55	33

**Contributions and Annual OPEB Cost.** State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2016, are indicated below. Rates are a percentage of active members’ annual covered payroll.

	<u>PSPRS – Police</u>	<u>PSPRS – Fire</u>
Active members – pension	11.65%	11.65%
City:		
Pension	25.08	15.58
Health insurance	0.43	0.26

**CITY OF EL MIRAGE, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

For the agent plans, the contributions to the pension plan and annual OPEB cost and contributions for the health insurance premium benefit for the year ended were:

	PSPRS – Police	PSPRS – Fire
Pension:		
Contributions made	\$ 815,189	\$ 271,239
Health insurance premium benefit:		
Annual OPEB cost	13,977	4,526
Contributions made	13,977	4,526

**Pension Liability.** At June 30, 2016, the City reported \$6.3 million in net pension liability for police and \$1.2 million net pension liability for fire. The net pension liabilities were measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability as of June 30, 2015, reflects changes of benefit terms and actuarial assumptions for a court ruling for funding permanent benefit increases and a decrease in the wage growth assumption.

In May 2016 voters approved Proposition 124 that authorized certain statutory adjustments to PSPRS’ automatic cost-of-living adjustments. The statutory adjustments change the basis for future cost-of-living adjustments from excess investment earnings to the change in the consumer price index, limited to a maximum annual increase of two percent. The change in the City’s net pension liability as a result of the statutory adjustments is not known.

**Actuarial Assumptions.** The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Investment rate of return	7.85%
Projected salary increases	4.0 - 8.0%
Inflation	4.0%
Permanent benefit increase	Included
Mortality rates	RP-2000 mortality table, adjusted by 105% for both males and females

Actuarial assumptions used in the June 30, 2015, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2011.

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.85 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Short-term investments	2%	0.75%
Absolute return	5	4.11
Risk parity	4	5.13
Fixed income	7	2.92
Real assets	8	4.77
GTAA	10	4.38
Private equity	11	9.50
Real estate	10	4.48
Credit opportunities	13	7.08
Non-U.S. equity	14	8.25
U.S. equity	16	6.23
Total	<u>100%</u>	

**Pension Discount Rates.** The discount rate of 7.85 was used to measure the total pension liability.

The projection of cash flows used to determine the PSPRS discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the PSPRS pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Changes in the Agent Plans Net Pension Liability**

	Increase/Decrease		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b>PSPRS – Police</b>			
Balances at June 30, 2015	\$ 12,817,742	\$ 7,173,710	\$ 5,644,032
Changes for the year:			
Service cost	530,107		530,107
Interest on the total pension liability	1,006,969		1,006,969
Changes of benefit terms			
Differences between expected and actual experience in the measurement of the pension liability	292,348		292,348
Changes of assumptions or other inputs			
Contributions – employer		593,877	(593,877)
Contributions – employee		321,510	(321,510)
Net investment income		273,401	(273,401)
Benefit payments, including refunds of employee contributions	(510,323)	(510,323)	
Administrative expense		(7,057)	7,057
Other changes		23,149	(23,149)
Net changes	<u>1,319,101</u>	<u>694,557</u>	<u>624,544</u>
Balances at June 30, 2016	<u>\$ 14,136,843</u>	<u>\$ 7,868,267</u>	<u>\$ 6,268,576</u>

**Changes in the Agent Plans Net Pension Liability**

	Increase/Decrease		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b>PSPRS – Fire</b>			
Balances at June 30, 2015	\$ 5,030,099	\$ 4,020,849	\$ 1,009,250
Changes for the year:			
Service cost	336,932		336,932
Interest on the total pension liability	400,223		400,223
Changes of benefit terms			
Differences between expected and actual experience in the measurement of the pension liability	270,625		270,625
Changes of assumptions or other inputs			
Contributions – employer		225,909	(225,909)
Contributions – employee		199,018	(199,018)
Net investment income		159,295	(159,295)
Benefit payments, including refunds of employee contributions	(200,362)	(200,362)	
Administrative expense		(4,277)	4,277
Other changes		244,344	(244,344)
Net changes	<u>807,418</u>	<u>623,927</u>	<u>183,491</u>
Balances at June 30, 2016	<u>\$ 5,837,517</u>	<u>\$ 4,644,776</u>	<u>\$ 1,192,741</u>

**CITY OF EL MIRAGE, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate.** The following presents the City’s net pension liability calculated using the discount rates noted above, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1%	Current Discount Rate	1%
	<u>Decrease</u>		<u>Increase</u>
<b>PSPRS – Police:</b>			
Rate	6.85%	7.85%	8.85%
Net pension liability	\$8,251,480	\$6,268,576	\$4,634,952
 <b>PSPRS – Fire:</b>			
Rate	6.85%	7.85%	8.85%
Net pension liability	\$2,080,027	\$1,192,741	\$469,014

**Pension Plan Fiduciary Net Position.** Detailed information about the pension plan’s fiduciary net position is available in the separately issued PSPRS financial report. The report is available on the PSPRS website at [www.psprs.com](http://www.psprs.com).

**Pension Expense.** For the year ended June 30, 2016, the City recognized the following as pension expense:

	Pension Expense
PSPRS – Police	\$ 810,704
PSPRS – Fire	40,759

**Pension Deferred Outflows/Inflows of Resources.** At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>PSPRS – Police</b>		
Differences between expected and actual experience	\$ 243,587	\$ 192,959
Changes of assumptions or other inputs	802,695	
Net difference between projected and actual earnings on pension plan investments	37,479	
Contributions subsequent to the measurement date	815,189	
Total	<u>\$ 1,898,950</u>	<u>\$ 192,959</u>

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>PSPRS – Fire</b>		
Differences between expected and actual experience	\$ 544,311	\$
Changes of assumptions or other inputs	189,084	
Net difference between projected and actual earnings on pension plan investments	24,727	
Contributions subsequent to the measurement date	271,239	
Total	\$ 1,029,361	\$

The amounts reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	PSPRS – Police	PSPRS – Fire
Year Ending June 30:		
2017	\$ 186,039	\$ 72,973
2018	186,039	72,973
2019	186,039	72,974
2020	255,218	111,283
2021	77,467	76,369
Thereafter		351,550

**Agent Plan OPEB Trend Information.** The table below presents the annual OPEB cost information for the health insurance premium benefit for the current and two preceding years:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
<b>PSPRS – Police:</b>			
June 30, 2016	\$ 12,738	100%	\$ - 0 -
June 30, 2015	26,499	100%	- 0 -
June 30, 2014	22,385	100%	- 0 -
<b>PSPRS – Fire:</b>			
June 30, 2016	\$ 4,881	100%	\$ - 0 -
June 30, 2015	10,628	100%	- 0 -
June 30, 2014	8,682	100%	- 0 -

**CITY OF EL MIRAGE, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Agent Plan OPEB Actuarial Assumptions.** Actuarial valuations involve estimates of the reported amounts' value and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions are subject to continual revision as actual results are compared to past expectations and new estimates are made. The required schedule of funding progress for the health insurance premium benefit presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of the plan's assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits are based on (1) the plan as understood by the City and plan's members and include the types of benefits inforce at the valuation date, and (2) the pattern of sharing benefit costs between the City and plan's members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The actuarial methods and assumptions used to establish the fiscal year 2016 contribution requirements, are as follows:

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	22 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value (80%/120% market)
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4%-8%
includes inflation at	4%

**CITY OF EL MIRAGE, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

The funded status of the PSPRS health insurance premium benefit plan in the June 30, 2015, actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement.

Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	21 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value (80%/120% market)
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases includes inflation at	4%-8% 4%

**Agent Plan OPEB Funded Status.** The following table presents the funded status of the health insurance premium benefit plan as of the most recent valuation date, June 30, 2015.

	<u>PSPRS – Police</u>	<u>PSPRS – Fire</u>
Actuarial value of assets	\$ 283,039	\$ 118,940
Actuarial accrued liability	300,974	109,660
Unfunded actuarial accrued liability (funding excess)	17,935	(9,280)
Funded ratio	94.04%	108.46%
Annual covered payroll	2,769,201	1,765,349
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll	0.65%	0.53%

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF EL MIRAGE, ARIZONA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 1,625,000	\$ 1,625,000	\$ 1,637,982	\$ 12,982
City sales taxes	6,280,000	6,280,000	6,990,668	710,668
Franchise taxes	700,000	700,000	745,088	45,088
Licenses and permits	295,000	295,000	243,974	(51,026)
Intergovernmental	7,880,000	7,880,000	8,109,689	229,689
Charges for services	250,000	250,000	371,669	121,669
Fines and forfeits	15,000	15,000	32,150	17,150
Investment income	20,000	20,000	104,792	84,792
Rents	65,000	65,000	71,753	6,753
Contributions and donations			41,151	41,151
Other income	50,000	50,000	157,919	107,919
<b>Total revenues</b>	17,180,000	17,180,000	18,506,835	1,326,835
<b>Expenditures:</b>				
Mayor and council	249,500	249,500	192,113	57,387
City clerk	195,500	195,500	162,312	33,188
Safety and loss control	304,000	304,000	272,951	31,049
Administration	1,083,000	1,083,000	874,439	208,561
Legal services	1,109,000	1,109,000	424,488	684,512
Human resources	397,500	397,500	360,532	36,968
Financial services	643,500	643,500	618,448	25,052
Information technology	733,500	733,500	622,314	111,186
Recreation	150,500	150,500	71,812	78,688
Parks	737,500	809,500	717,125	92,375
Facilities management	671,000	751,000	677,717	73,283
Fleet maintenance	172,500	172,500	157,041	15,459
Community development	513,000	513,000	451,668	61,332
Police	7,434,500	7,434,500	7,135,621	298,879
Code compliance	320,500	320,500	238,072	82,428
Fire	3,248,500	3,248,500	2,827,290	421,210
Fire and building safety	287,000	287,000	285,220	1,780
Contingency	7,971,000	7,862,500	2,545,340	5,317,160
<b>Total expenditures</b>	26,221,500	26,265,000	18,634,503	7,630,497

(continued)

See accompanying notes to this schedule

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(9,041,500)</u>	<u>(9,085,000)</u>	<u>(127,668)</u>	<u>(8,957,332)</u>
<b>Other financing sources (uses):</b>				
Transfers in	2,997,000	2,997,000	2,981,633	(15,367)
Transfers out	(1,593,500)	(1,593,500)	(1,534,750)	58,750
Issuance of bonds	4,500,000	4,500,000	4,500,000	
Premium on sale of bonds			270,459	270,459
<b>Total other financing sources (uses)</b>	<u>5,903,500</u>	<u>5,903,500</u>	<u>6,217,342</u>	<u>313,842</u>
<b>Change in fund balances</b>	<u>(3,138,000)</u>	<u>(3,181,500)</u>	<u>6,089,674</u>	<u>(9,271,174)</u>
<b>Fund balances, beginning of year</b>			19,287,690	19,287,690
<b>Fund balances (deficits), end of year</b>	<u>\$ (3,138,000)</u>	<u>\$ (3,181,500)</u>	<u>\$ 25,377,364</u>	<u>\$ 28,558,864</u>

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**CITY OF EL MIRAGE, ARIZONA**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**ARIZONA STATE RETIREMENT SYSTEM**  
**LAST TWO FISCAL YEARS**

	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability (asset)	0.06%	0.06%
City's proportionate share of the net pension liability (asset)	\$ 9,537,628	\$ 9,163,794
City's covered payroll	\$ 5,677,172	\$ 5,598,748
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	168.00%	163.68%
Plan fiduciary net position as a percentage of the total pension liability	68.35%	69.49%

NOTE: The pension schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

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See accompanying notes to this schedule.

**CITY OF EL MIRAGE, ARIZONA**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM - POLICE**  
**LAST TWO FISCAL YEARS**

	<u>2016</u>	<u>2015</u>
<b>Total pension liability</b>		
Service cost	\$ 530,107	\$ 522,850
Interest	1,006,969	849,641
Changes of benefit terms		190,732
Differences between expected and actual experience	292,348	(284,861)
Changes of assumptions		1,185,003
Benefit payments, including refunds of employee	<u>(510,323)</u>	<u>(415,304)</u>
<b>Net change in total pension liability</b>	1,319,101	2,048,061
<b>Total pension liability—beginning</b>	<u>12,817,742</u>	<u>10,769,681</u>
<b>Total pension liability—ending</b>	<u>\$ 14,136,843</u>	<u>\$ 12,817,742</u>
<b>Plan fiduciary net position</b>		
Contributions—employer	\$ 593,877	\$ 531,345
Contributions—employee	321,510	326,197
Net investment income	273,401	845,982
Benefit payments, including refunds of employee	(510,323)	(415,304)
Administrative expense	(7,057)	(6,813)
Other	<u>23,149</u>	<u>(141,456)</u>
<b>Net change in plan fiduciary net position</b>	694,557	1,139,951
<b>Plan fiduciary net position—beginning</b>	<u>7,173,710</u>	<u>6,033,759</u>
<b>Plan fiduciary net position—ending</b>	<u>\$ 7,868,267</u>	<u>\$ 7,173,710</u>
<b>Net pension liability—ending</b>	<u>\$ 6,268,576</u>	<u>\$ 5,644,032</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	55.66%	55.97%
<b>Covered payroll</b>	\$ 3,031,570	\$ 2,869,871
<b>Net pension liability as a percentage of covered payroll</b>	206.78%	196.67%

NOTE: The pension schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

See accompanying notes to this schedule.

**CITY OF EL MIRAGE, ARIZONA**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM - FIRE**  
**LAST TWO FISCAL YEARS**

	<u>2016</u>	<u>2015</u>
<b>Total pension liability</b>		
Service cost	\$ 336,932	\$ 318,083
Interest	400,223	317,292
Changes of benefit terms		16,409
Differences between expected and actual experience	270,625	361,588
Changes of assumptions		228,856
Benefit payments, including refunds of employee	<u>(200,362)</u>	<u>(190,050)</u>
<b>Net change in total pension liability</b>	<b>807,418</b>	<b>1,052,178</b>
<b>Total pension liability—beginning</b>	<b>5,030,099</b>	<b>3,977,921</b>
<b>Total pension liability—ending</b>	<b><u>\$ 5,837,517</u></b>	<b><u>\$ 5,030,099</u></b>
<b>Plan fiduciary net position</b>		
Contributions—employer	\$ 225,909	\$ 258,272
Contributions—employee	199,018	182,336
Net investment income	159,295	468,516
Benefit payments, including refunds of employee	(200,362)	(190,050)
Administrative expense	(4,277)	(3,773)
Other	<u>244,344</u>	<u>(16,919)</u>
<b>Net change in plan fiduciary net position</b>	<b>623,927</b>	<b>698,382</b>
<b>Plan fiduciary net position—beginning</b>	<b>4,020,849</b>	<b>3,322,467</b>
<b>Plan fiduciary net position—ending</b>	<b><u>\$ 4,644,776</u></b>	<b><u>\$ 4,020,849</u></b>
<b>Net pension liability—ending</b>	<b><u>\$ 1,192,741</u></b>	<b><u>\$ 1,009,250</u></b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>79.57%</b>	<b>79.94%</b>
<b>Covered payroll</b>	<b>\$ 1,840,401</b>	<b>\$ 1,736,352</b>
<b>Net pension liability as a percentage of covered payroll</b>	<b>64.81%</b>	<b>58.12%</b>

NOTE: The pension schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

See accompanying notes to this schedule.

**CITY OF EL MIRAGE, ARIZONA  
SCHEDULE OF CONTRIBUTIONS  
ALL PENSION PLANS  
LAST TWO FISCAL YEARS**

	<u>2016</u>	<u>2015</u>
<b>Arizona State Retirement System:</b>		
Actuarially determined contribution	\$ 604,351	\$ 618,244
Contributions in relation to the actuarially determined contribution	<u>604,351</u>	<u>618,244</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 5,570,055	\$ 5,677,172
Contributions as a percentage of covered payroll	10.85%	10.89%
 <b>Public Safety Personnel Retirement System - Police:</b>		
Actuarially determined contribution	\$ 815,189	\$ 598,735
Contributions in relation to the actuarially determined contribution	<u>815,189</u>	<u>598,735</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 3,250,355	\$ 3,031,570
Contributions as a percentage of covered payroll	25.08%	19.75%
 <b>Public Safety Personnel Retirement System - Fire:</b>		
Actuarially determined contribution	\$ 271,239	\$ 229,498
Contributions in relation to the actuarially determined contribution	<u>271,239</u>	<u>229,498</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 1,740,944	\$ 1,840,401
Contributions as a percentage of covered payroll	15.58%	12.47%

NOTE: The pension schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

**See accompanying notes to this schedule.**

**CITY OF EL MIRAGE, ARIZONA  
SCHEDULE OF FUNDING PROGRESS  
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM  
OTHER POSTEMPLOYMENT BENEFITS  
LAST THREE ACTUARIAL VALUATIONS**

<u>Actuarial Valuation Date</u>	<u>Actuarial Valuation of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a percentage of Covered Payroll</u>
<b>Public Safety Personnel Retirement System - Police:</b>						
2015	\$ 283,039	\$ 300,974	\$ (17,935)	94.04 %	\$ 2,769,201	(0.65) %
2014	249,081	283,104	(34,023)	87.98	2,738,838	(1.24)
2013	-	256,469	(256,469)	-	2,726,506	(9.41)
<b>Public Safety Personnel Retirement System - Fire:</b>						
2015	\$ 118,940	\$ 109,660	\$ 9,280	108.46 %	\$ 1,765,349	0.53 %
2014	102,992	92,837	10,155	110.94	1,735,841	0.58
2013	-	80,685	(80,685)	-	1,622,055	(4.97)

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See accompanying notes to this schedule.

**CITY OF EL MIRAGE, ARIZONA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2016**

**NOTE 1 – BUDGETARY BASIS OF ACCOUNTING**

The City budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, except for certain activities reported in the General Fund that are budgeted separately in a special revenue fund.

The following schedule reconciles expenditures and fund balances at the end of the year:

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 19,242,778	\$ 25,693,576
Activity budgeted as special revenue funds	(608,275)	(316,212)
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 18,634,503	\$ 25,377,364

**NOTE 2 – PENSION PLAN SCHEDULES**

**Change in Accounting Principle.** For the year ended June 30, 2016, the City implemented the provisions of GASB Statement No. 82, *Pension Issues*. The statement changed the measure of payroll that is required to be presented in required supplementary information from covered-employee payroll to covered payroll. Accordingly, payroll amounts presented in the pension plan schedules and related ratios for prior periods have been restated.

**Actuarial Assumptions for Valuations Performed.** The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated, which is the most recent actuarial valuation. The actuarial assumptions used are disclosed in the notes to the financial statements.

**Factors that Affect Trends.** The actuarial assumptions used in the June 30, 2014, valuation for ASRS were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2014, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

The actuarial assumptions used in the June 30, 2015, valuation for PSPRS were based on the results of an actuarial experience study for the five-year period ended June 30, 2011. The total pension liability used to calculate the net pension liability for PSPRS was determined by an actuarial valuation as of that date. The total pension liability as of June 30, 2015, reflects changes of benefit terms and actuarial assumptions for a court ruling for funding permanent benefit increases and a decrease in the wage growth assumption from 4.5% to 4.0%.

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**COMBINING AND INDIVIDUAL  
FUND FINANCIAL STATEMENTS  
AND SCHEDULES**

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**GOVERNMENTAL FUNDS**

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**CITY OF EL MIRAGE, ARIZONA**  
**COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**JUNE 30, 2016**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total Non-Major Governmental Fund</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 4,138,395	\$ 460,470	\$ 4,598,865
Accounts receivable	3,845		3,845
Property taxes receivable		62,368	62,368
Due from governmental entities	228,513		228,513
Prepaid items	5,102		5,102
<b>Total assets</b>	<b><u>\$ 4,375,855</u></b>	<b><u>\$ 522,838</u></b>	<b><u>\$ 4,898,693</u></b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 218,749	\$	\$ 218,749
Accrued payroll and employee benefits	7,361		7,361
Due to governmental entities	3,255		3,255
Due to other funds	7,946		7,946
Customer deposits	4,548		4,548
<b>Total liabilities</b>	<b><u>241,859</u></b>		<b><u>241,859</u></b>
Deferred inflows of resources:			
Unavailable revenues - property taxes		<u>45,780</u>	<u>45,780</u>
Fund balances:			
Nonspendable	5,102		5,102
Restricted	1,257,913	477,058	1,734,971
Committed	2,870,981		2,870,981
<b>Total fund balances</b>	<b><u>4,133,996</u></b>	<b><u>477,058</u></b>	<b><u>4,611,054</u></b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b><u>\$ 4,375,855</u></b>	<b><u>\$ 522,838</u></b>	<b><u>\$ 4,898,693</u></b>

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**CITY OF EL MIRAGE, ARIZONA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**YEAR ENDED JUNE 30, 2016**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total Non-Major Governmental Funds</u>
<b>Revenues:</b>			
Property taxes	\$	\$ 2,009,931	\$ 2,009,931
Intergovernmental	3,346,050		3,346,050
Fines and forfeits	2,348,944		2,348,944
Investment income	1,603	660	2,263
Other income		453	453
<b>Total revenues</b>	<u>5,696,597</u>	<u>2,011,044</u>	<u>7,707,641</u>
<b>Expenditures:</b>			
Current -			
General government	1,101,744		1,101,744
Public safety	417,813		417,813
Highways and streets	1,950,730		1,950,730
Capital outlay	898,439		898,439
Debt service -			
Principal retirement		1,035,000	1,035,000
Interest and fiscal charges		1,141,213	1,141,213
<b>Total expenditures</b>	<u>4,368,726</u>	<u>2,176,213</u>	<u>6,544,939</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>1,327,871</u>	<u>(165,169)</u>	<u>1,162,702</u>
<b>Other financing sources (uses):</b>			
Transfers in	481,000	100,000	581,000
Transfers out	(1,375,383)		(1,375,383)
<b>Total other financing sources (uses):</b>	<u>(894,383)</u>	<u>100,000</u>	<u>(794,383)</u>
<b>Changes in fund balances</b>	<u>433,488</u>	<u>(65,169)</u>	<u>368,319</u>
<b>Fund balances, beginning of year</b>	3,700,508	542,227	4,242,735
<b>Fund balances, end of year</b>	<u>\$ 4,133,996</u>	<u>\$ 477,058</u>	<u>\$ 4,611,054</u>

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## **SPECIAL REVENUE FUNDS**

The Special Revenue Funds account for the proceeds of specific revenue sources, other than major capital projects, that are restricted to expenditures for specified purposes.

**Municipal Court** – accounts for the operations of the City’s municipal court.

**Municipal Court Enhance** – accounts for the technology and functional improvements of court operations.

**Court Photo Enforcement** – accounts for the operations of the City’s photo enforcement.

**Streets (HURF)** – accounts for state shared highway use tax revenues for street improvements, maintenance, and capital additions.

**Dial-A-Ride (LTAF)** – accounts for state funding for taxi voucher service and street construction.

**Police Towing** – accounts for charges for services to be used to enhance police department operations.

**Community Development Block Grant** – accounts for the CDBG grant activities.

**Special Projects** – accounts for the funding for various City special projects.

**CITY OF EL MIRAGE, ARIZONA**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2016**

	<u>Municipal Court Enhance Fund</u>	<u>Court Photo Enforcement</u>	<u>Streets (HURF)</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 1,083,312	\$ 1,896,129	\$ 471,063
Accounts receivable			
Due from governmental entities			186,776
Prepaid items			
<b>Total assets</b>	<u>\$ 1,083,312</u>	<u>\$ 1,896,129</u>	<u>\$ 657,839</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 13,510	\$ 82,456	\$ 93,489
Accrued payroll and employee benefits			7,361
Due to governmental entities			
Due to other funds	7,946		
Customer deposits	4,548		
<b>Total liabilities</b>	<u>26,004</u>	<u>82,456</u>	<u>100,850</u>
Fund balances:			
Nonspendable			
Restricted			556,989
Committed	1,057,308	1,813,673	
<b>Total fund balances</b>	<u>1,057,308</u>	<u>1,813,673</u>	<u>556,989</u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,083,312</u>	<u>\$ 1,896,129</u>	<u>\$ 657,839</u>

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<u>Dial-A-Ride (LTAF)</u>	<u>Police Towing</u>	<u>Special Projects</u>	<u>Totals</u>
\$ 368,151	\$ 169,648	\$ 150,092	\$ 4,138,395
2,374		1,471	3,845
		41,737	228,513
		5,102	5,102
<u>\$ 370,525</u>	<u>\$ 169,648</u>	<u>\$ 198,402</u>	<u>\$ 4,375,855</u>
\$	\$	\$ 29,294	\$ 218,749
			7,361
		3,255	3,255
			7,946
			4,548
		<u>32,549</u>	<u>241,859</u>
		5,102	5,102
370,525	169,648	160,751	1,257,913
<u>370,525</u>	<u>169,648</u>	<u>165,853</u>	<u>2,870,981</u>
<u>\$ 370,525</u>	<u>\$ 169,648</u>	<u>\$ 198,402</u>	<u>\$ 4,375,855</u>

**CITY OF EL MIRAGE, ARIZONA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2016**

	<u>Municipal Court Enhance Fund</u>	<u>Court Photo Enforcement</u>	<u>Streets (HURF)</u>
<b>Revenues:</b>			
Intergovernmental	\$	\$	\$ 2,053,186
Fines and forfeits	384,094	1,894,950	
Investment income	1,603		
<b>Total revenues</b>	<u>385,697</u>	<u>1,894,950</u>	<u>2,053,186</u>
<b>Expenditures:</b>			
Current -			
General government	187,446	914,298	
Public safety			
Highways and streets			1,887,300
Capital outlay	269,182		29,660
<b>Total expenditures</b>	<u>456,628</u>	<u>914,298</u>	<u>1,916,960</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(70,931)</u>	<u>980,652</u>	<u>136,226</u>
<b>Other financing sources (uses):</b>			
Transfers in			481,000
Transfers out		(1,189,000)	(183,000)
<b>Total other financing sources (uses):</b>		<u>(1,189,000)</u>	<u>298,000</u>
<b>Changes in fund balances</b>	<u>(70,931)</u>	<u>(208,348)</u>	<u>434,226</u>
<b>Fund balances, beginning of year</b>	1,128,239	2,022,021	122,763
<b>Fund balances, end of year</b>	<u>\$ 1,057,308</u>	<u>\$ 1,813,673</u>	<u>\$ 556,989</u>

Dial-A-Ride (LTAF)	Police Towing	Community Development Block Grant	Special Projects	Totals
\$ 240,436	\$ 69,900	\$ 588,156	\$ 464,272	\$ 3,346,050
				2,348,944
				1,603
<u>240,436</u>	<u>69,900</u>	<u>588,156</u>	<u>464,272</u>	<u>5,696,597</u>
				1,101,744
	29,042		388,771	417,813
63,430		588,407	11,190	1,950,730
<u>63,430</u>	<u>29,042</u>	<u>588,407</u>	<u>399,961</u>	<u>4,368,726</u>
				898,439
<u>177,006</u>	<u>40,858</u>	<u>(251)</u>	<u>64,311</u>	<u>1,327,871</u>
				481,000
		(3,383)		(1,375,383)
		(3,383)		(894,383)
<u>177,006</u>	<u>40,858</u>	<u>(3,634)</u>	<u>64,311</u>	<u>433,488</u>
193,519	128,790	3,634	101,542	3,700,508
<u>\$ 370,525</u>	<u>\$ 169,648</u>	<u>\$</u>	<u>\$ 165,853</u>	<u>\$ 4,133,996</u>

**CITY OF EL MIRAGE, ARIZONA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2016**

	Municipal Court		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
<b>Revenues:</b>			
Intergovernmental	\$	\$	\$
Fines and forfeits	300,000	387,980	87,980
Investment income			
<b>Total revenues</b>	<u>300,000</u>	<u>387,980</u>	<u>87,980</u>
<b>Expenditures:</b>			
Current -			
General government	748,500	608,275	140,225
Public safety			
Highways and streets			
Capital outlay			
<b>Total expenditures</b>	<u>748,500</u>	<u>608,275</u>	<u>140,225</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(448,500)</u>	<u>(220,295)</u>	<u>228,205</u>
<b>Other financing sources (uses):</b>			
Transfers in	327,500	327,500	
Transfers out			
<b>Total other financing sources (uses):</b>	<u>327,500</u>	<u>327,500</u>	
<b>Changes in fund balances</b>	<u>(121,000)</u>	<u>107,205</u>	<u>228,205</u>
<b>Fund balances, beginning of year</b>		209,007	209,007
<b>Fund balances (deficits), end of year</b>	<u>\$ (121,000)</u>	<u>\$ 316,212</u>	<u>\$ 437,212</u>

Municipal Court Enhance Fund			Court Photo Enforcement		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 330,000	\$ 384,094	\$ 54,094	\$ 1,525,000	\$ 1,894,950	\$ 369,950
	1,603	1,603			
<u>330,000</u>	<u>385,697</u>	<u>55,697</u>	<u>1,525,000</u>	<u>1,894,950</u>	<u>369,950</u>
1,394,500	187,446	1,207,054	1,225,000	914,298	310,702
	269,182	(269,182)			
<u>1,394,500</u>	<u>456,628</u>	<u>937,872</u>	<u>1,225,000</u>	<u>914,298</u>	<u>310,702</u>
<u>(1,064,500)</u>	<u>(70,931)</u>	<u>993,569</u>	<u>300,000</u>	<u>980,652</u>	<u>680,652</u>
			(1,189,000)	(1,189,000)	
			(1,189,000)	(1,189,000)	
<u>(1,064,500)</u>	<u>(70,931)</u>	<u>993,569</u>	<u>(889,000)</u>	<u>(208,348)</u>	<u>680,652</u>
	1,128,239	1,128,239		2,022,021	2,022,021
<u>\$ (1,064,500)</u>	<u>\$ 1,057,308</u>	<u>\$ 2,121,808</u>	<u>\$ (889,000)</u>	<u>\$ 1,813,673</u>	<u>\$ 2,702,673</u>

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**CITY OF EL MIRAGE, ARIZONA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2016**

	Streets (HURF)		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Intergovernmental	\$ 1,825,000	\$ 2,053,186	\$ 228,186
Fines and forfeits			
Investment income			
<b>Total revenues</b>	<u>1,825,000</u>	<u>2,053,186</u>	<u>228,186</u>
<b>Expenditures:</b>			
Current -			
General government			
Public safety			
Highways and streets	2,123,000	1,887,300	235,700
Capital outlay		29,660	(29,660)
<b>Total expenditures</b>	<u>2,123,000</u>	<u>1,916,960</u>	<u>206,040</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(298,000)</u>	<u>136,226</u>	<u>434,226</u>
<b>Other financing sources (uses):</b>			
Transfers in	553,000	481,000	(72,000)
Transfers out	(183,000)	(183,000)	
<b>Total other financing sources (uses):</b>	<u>370,000</u>	<u>298,000</u>	<u>(72,000)</u>
<b>Changes in fund balances</b>	<u>72,000</u>	<u>434,226</u>	<u>362,226</u>
<b>Fund balances, beginning of year</b>		122,763	122,763
<b>Fund balances (deficits), end of year</b>	<u>\$ 72,000</u>	<u>\$ 556,989</u>	<u>\$ 484,989</u>

Dial-A-Ride (LTAF)			Police Towing		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 94,000	\$ 240,436	\$ 146,436	\$ 70,000	\$ 69,900	\$ (100)
<u>94,000</u>	<u>240,436</u>	<u>146,436</u>	<u>70,000</u>	<u>69,900</u>	<u>(100)</u>
294,000	63,430	230,570	180,000	29,042	150,958
<u>294,000</u>	<u>63,430</u>	<u>230,570</u>	<u>180,000</u>	<u>29,042</u>	<u>150,958</u>
(200,000)	177,006	377,006	(110,000)	40,858	150,858
<u>(200,000)</u>	<u>177,006</u>	<u>377,006</u>	<u>(110,000)</u>	<u>40,858</u>	<u>150,858</u>
	193,519	193,519		128,790	128,790
<u>\$ (200,000)</u>	<u>\$ 370,525</u>	<u>\$ 570,525</u>	<u>\$ (110,000)</u>	<u>\$ 169,648</u>	<u>\$ 279,648</u>

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**CITY OF EL MIRAGE, ARIZONA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2016**

	Community Development Block Grant		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Intergovernmental	\$ 595,000	\$ 588,156	\$ (6,844)
Fines and forfeits			
Investment income			
<b>Total revenues</b>	<u>595,000</u>	<u>588,156</u>	<u>(6,844)</u>
<b>Expenditures:</b>			
Current -			
General government			
Public safety			
Highways and streets			
Capital outlay	595,000	588,407	6,593
<b>Total expenditures</b>	<u>595,000</u>	<u>588,407</u>	<u>6,593</u>
<b>Excess (deficiency) of revenues over expenditures</b>		(251)	(251)
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out	(3,500)	(3,383)	117
<b>Total other financing sources (uses):</b>	<u>(3,500)</u>	<u>(3,383)</u>	<u>117</u>
<b>Changes in fund balances</b>	<u>(3,500)</u>	<u>(3,634)</u>	<u>(134)</u>
<b>Fund balances, beginning of year</b>		3,634	3,634
<b>Fund balances (deficits), end of year</b>	<u>\$ (3,500)</u>	<u>\$</u>	<u>\$ 3,500</u>

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Special Projects			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$ 338,500	\$ 464,272	\$ 125,772	\$ 2,852,500	\$ 3,346,050	\$ 493,550
			2,225,000	2,736,924	511,924
				1,603	1,603
<u>338,500</u>	<u>464,272</u>	<u>125,772</u>	<u>5,077,500</u>	<u>6,084,577</u>	<u>1,007,077</u>
			3,368,000	1,710,019	1,657,981
322,500	388,771	(66,271)	502,500	417,813	84,687
			2,417,000	1,950,730	466,270
16,000	11,190	4,810	611,000	898,439	(287,439)
<u>338,500</u>	<u>399,961</u>	<u>(61,461)</u>	<u>6,898,500</u>	<u>4,977,001</u>	<u>1,921,499</u>
	64,311	64,311	(1,821,000)	1,107,576	2,928,576
			880,500	808,500	(72,000)
			(1,375,500)	(1,375,383)	117
			(495,000)	(566,883)	(71,883)
	64,311	64,311	(2,316,000)	540,693	2,856,693
	101,542	101,542		3,909,515	3,909,515
<u>\$</u>	<u>\$ 165,853</u>	<u>\$ 165,853</u>	<u>\$ (2,316,000)</u>	<u>\$ 4,450,208</u>	<u>\$ 6,766,208</u>

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## **DEBT SERVICE FUND**

**Debt Service (GADA)** – accounts for the accumulation of resources and the payment of long-term debt principal, interest, and related costs.

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**CITY OF EL MIRAGE, ARIZONA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR DEBT SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2016**

	Debt Service - GADA		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Property taxes	\$ 2,030,000	\$ 2,009,931	\$ (20,069)
Investment income		660	660
Other income		453	453
<b>Total revenues</b>	<u>2,030,000</u>	<u>2,011,044</u>	<u>(18,956)</u>
<b>Expenditures:</b>			
Debt service -			
Principal retirement	1,005,000	1,035,000	(30,000)
Interest and fiscal charges	1,125,000	1,141,213	(16,213)
<b>Total expenditures</b>	<u>2,130,000</u>	<u>2,176,213</u>	<u>(46,213)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(100,000)</u>	<u>(165,169)</u>	<u>(65,169)</u>
<b>Other financing sources (uses):</b>			
Transfers in	100,000	100,000	
<b>Total other financing sources (uses):</b>	<u>100,000</u>	<u>100,000</u>	
<b>Changes in fund balances</b>		<u>(65,169)</u>	<u>(65,169)</u>
<b>Fund balances, beginning of year</b>		542,227	542,227
<b>Fund balances, end of year</b>	<u>\$</u>	<u>\$ 477,058</u>	<u>\$ 477,058</u>

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## **CAPITAL PROJECTS FUND**

Capital Projects Funds are created to account for the purchase or construction of major capital facilities which are not financed by the general, enterprise, or special revenue funds.

**Streets** – accounts for the construction and acquisition of streets and street department facilities.

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**CITY OF EL MIRAGE, ARIZONA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2016**

	Streets		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Intergovernmental	\$ 10,553,000	\$ 3,280,076	\$ (7,272,924)
<b>Total revenues</b>	<u>10,553,000</u>	<u>3,280,076</u>	<u>(7,272,924)</u>
<b>Expenditures:</b>			
Current -			
Highways and streets		500,000	(500,000)
Capital outlay	26,702,000	7,606,676	19,095,324
Debt service -			
Interest and fiscal charges	430,000	295,507	134,493
Bond issuance costs		139,320	(139,320)
<b>Total expenditures</b>	<u>27,132,000</u>	<u>8,541,503</u>	<u>18,590,497</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(16,579,000)</u>	<u>(5,261,427)</u>	<u>11,317,573</u>
<b>Other financing sources (uses):</b>			
Transfers in	1,024,500	1,024,500	
Issuance of bonds	11,679,500	7,970,000	(3,709,500)
Premium on sale of bonds		862,223	862,223
<b>Total other financing sources (uses):</b>	<u>12,704,000</u>	<u>9,856,723</u>	<u>(2,847,277)</u>
<b>Changes in fund balances</b>	<u>(3,875,000)</u>	<u>4,595,296</u>	<u>8,470,296</u>
<b>Fund balances, beginning of year</b>		7,026,715	7,026,715
<b>Fund balances (deficits), end of year</b>	<u>\$ (3,875,000)</u>	<u>\$ 11,622,011</u>	<u>\$ 15,497,011</u>

## STATISTICAL SECTION

The statistical section presents financial statement trends as well as detailed financial and operational information not available elsewhere in the report. The statistical section is intended to enhance the reader's understanding of the information presented in the financial statements, notes to the financial statements, and other supplementary information presented in this report. The statistical section is comprised of the five categories of statistical information presented below.

### **Financial Trends**

These schedules contain information on financial trends to help the reader understand how the City's financial position and financial activities have changed over time.

### **Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the City's ability to generate property revenue.

### **Debt Capacity**

These schedules present information to help the reader evaluate the City's current levels of outstanding debt as well as assess the City's ability to make debt payments and/or issue additional debt in the future.

### **Demographic and Economic Information**

These schedules present various demographic and economic indicators to help the reader understand the environment in which the City's financial activities take place and to help make comparisons with other municipalities.

### **Operating Information**

These schedules contain information about the City's operations and various resources to help the reader draw conclusions as to how the City's financial information relates to the services provided by the City.

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**CITY OF EL MIRAGE, ARIZONA**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>Net Position:</b>					
<b>Governmental activities</b>					
Net investment in capital assets	\$ 34,794,822	\$ 30,947,824	\$ 31,357,672	\$ 28,939,841	\$ 30,394,556
Restricted	15,546,294	8,155,286	9,768,498	15,870,123	3,787,197
Unrestricted	5,335,865	8,709,862	12,788,899	7,656,179	13,128,085
Total governmental activities net position	<u>\$ 55,676,981</u>	<u>\$ 47,812,972</u>	<u>\$ 53,915,069</u>	<u>\$ 52,466,143</u>	<u>\$ 47,309,838</u>
<b>Business-type activities</b>					
Net investment in capital assets	\$ 24,888,693	\$ 24,691,276	\$ 25,975,719	\$ 29,473,825	\$ 31,646,838
Restricted					
Unrestricted	19,137,165	15,330,216	11,634,797	5,487,935	1,010,211
Total business-type activities net position	<u>\$ 44,025,858</u>	<u>\$ 40,021,492</u>	<u>\$ 37,610,516</u>	<u>\$ 34,961,760</u>	<u>\$ 32,657,049</u>
<b>Primary government</b>					
Net investment in capital assets	\$ 59,683,515	\$ 55,639,100	\$ 57,333,391	\$ 58,413,666	\$ 62,041,394
Restricted	15,546,294	8,155,286	9,768,498	15,870,123	3,787,197
Unrestricted	24,473,030	24,040,078	24,423,696	13,144,114	14,138,296
Total primary government net position	<u>\$ 99,702,839</u>	<u>\$ 87,834,464</u>	<u>\$ 91,525,585</u>	<u>\$ 87,427,903</u>	<u>\$ 79,966,887</u>
	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
<b>Net Position:</b>					
<b>Governmental activities</b>					
Net investment in capital assets	\$ 31,113,879	\$ 32,963,664	\$ 30,325,304	\$ 16,414,625	\$ 11,712,399
Restricted	1,640,241				
Unrestricted	11,952,271	9,846,990	11,269,370	18,202,006	15,001,274
Total governmental activities net position	<u>\$ 44,706,391</u>	<u>\$ 42,810,654</u>	<u>\$ 41,594,674</u>	<u>\$ 34,616,631</u>	<u>\$ 26,713,673</u>
<b>Business-type activities</b>					
Net investment in capital assets	\$ 29,826,764	\$ 27,967,960	\$ 28,096,706	\$ 27,467,007	\$ 24,736,784
Restricted		1,372,070	1,372,070		
Unrestricted	2,808,527	3,613,194	3,745,828	5,679,870	7,317,330
Total business-type activities net position	<u>\$ 32,635,291</u>	<u>\$ 32,953,224</u>	<u>\$ 33,214,604</u>	<u>\$ 33,146,877</u>	<u>\$ 32,054,114</u>
<b>Primary government</b>					
Net investment in capital assets	\$ 60,940,643	\$ 60,931,624	\$ 58,422,010	\$ 43,881,632	\$ 36,449,183
Restricted	1,640,241	1,372,070	1,372,070		
Unrestricted	14,760,798	13,460,184	15,015,198	23,881,876	22,318,604
Total primary government net position	<u>\$ 77,341,682</u>	<u>\$ 75,763,878</u>	<u>\$ 74,809,278</u>	<u>\$ 67,763,508</u>	<u>\$ 58,767,787</u>

**Source:** The source of this information is the City's financial records.

**CITY OF EL MIRAGE, ARIZONA**  
**GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES EXPENSE**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 5,793,877	\$ 5,563,291	\$ 6,066,519	\$ 5,740,420	\$ 5,217,013
Public safety	11,167,283	11,638,718	11,083,112	10,474,809	10,207,265
Highways and streets	3,367,393	2,998,087	3,391,878	2,224,551	2,386,465
Culture and recreation	1,739,508	1,739,595	1,594,482	1,463,716	1,243,125
Redevelopment and housing					105,336
Health and welfare	395,627	395,627	395,851	396,127	469,933
Interest on long-term debt	1,428,706	1,080,786	1,111,716	1,118,359	623,167
Total governmental activities expenses	<u>23,892,394</u>	<u>23,416,104</u>	<u>23,643,558</u>	<u>21,417,982</u>	<u>20,252,304</u>
Business-type activities:					
Water and sewer	\$ 5,470,323	\$ 5,687,906	\$ 9,234,221	\$ 5,369,790	\$ 9,370,528
Water	2,364,833	2,250,655	2,242,448	2,305,425	
Sewer	1,076,709	1,054,154	1,036,762	945,224	1,482,640
Solid waste	8,911,865	8,992,715	12,513,431	8,620,439	10,853,168
Total business-type activities expenses	<u>8,911,865</u>	<u>8,992,715</u>	<u>12,513,431</u>	<u>8,620,439</u>	<u>10,853,168</u>
<b>Total primary government expenses</b>	<u>\$ 32,804,259</u>	<u>\$ 32,408,819</u>	<u>\$ 36,156,989</u>	<u>\$ 30,038,421</u>	<u>\$ 31,105,472</u>

(Continued)

**CITY OF EL MIRAGE, ARIZONA**  
**GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES EXPENSE**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 5,559,107	\$ 6,505,436	\$ 5,699,131	\$ 5,054,911	\$ 5,031,078
Public safety	9,899,205	10,748,374	11,167,552	9,355,876	6,360,485
Highways and streets	3,692,419	2,035,720	2,205,517	1,804,617	1,436,644
Culture and recreation	1,563,881	1,645,357	1,479,963	1,232,624	880,332
Redevelopment and housing	557,830	487,603	171,758	621,504	292,338
Health and welfare	497,956	587,306	471,004	498,598	402,143
Interest on long-term debt	646,132	722,153	237,188	262,285	205,057
Total governmental activities expenses	<u>22,416,530</u>	<u>22,731,949</u>	<u>21,432,113</u>	<u>18,830,415</u>	<u>14,608,077</u>
Business-type activities:					
Water and sewer	\$ 8,132,429	\$ 7,754,833	\$ 7,688,567	\$ 7,293,423	\$ 6,731,838
Water					
Sewer					
Solid waste	865,111	926,067	858,629	896,410	899,035
Total business-type activities expenses	<u>8,997,540</u>	<u>8,680,900</u>	<u>8,547,196</u>	<u>8,189,833</u>	<u>7,630,873</u>
<b>Total primary government expenses</b>	<u>\$ 31,414,070</u>	<u>\$ 31,412,849</u>	<u>\$ 29,979,309</u>	<u>\$ 27,020,248</u>	<u>\$ 22,238,950</u>

**Source:** The source of this information is the City's financial records.

**Notes:** (1) In fiscal year 2013 the City separated the Water and Sewer funds from a combined reporting fund into individual reporting funds.

**(Concluded)**

**CITY OF EL MIRAGE, ARIZONA**  
**PROGRAM REVENUES AND NET (EXPENSE)/REVENUE**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 2,706,401	\$ 2,574,115	\$ 3,050,487	\$ 3,670,957	\$ 2,661,625
Public safety	858,161	884,433	759,473	634,969	435,437
Highways and streets			2,500	10,299	46,409
Culture and recreation	91,431	75,609	72,953	74,194	52,055
Revelopment and housing					96,066
Health and welfare					32,000
Operating grants and contributions	2,725,912	2,440,443	2,355,917	1,722,354	1,757,715
Capital grants and contributions	4,350,917	2,482,244	1,787,244	1,328,998	642,943
<b>Total governmental activities program revenues</b>	<u>10,732,822</u>	<u>8,456,844</u>	<u>8,028,574</u>	<u>7,441,771</u>	<u>5,724,250</u>
Business-type activities:					
Charges for services:					
Water and sewer	\$ 9,544,865	\$ 9,424,373	\$ 8,777,834	\$ 8,003,552	\$ 9,768,612
Water	3,164,369	3,198,445	3,127,298	3,203,962	
Sewer	1,598,383	1,582,522	1,558,263	1,409,148	1,267,723
Solid Waste			521,870		
Capital grants and contributions					
<b>Total business-type activities program revenues</b>	<u>14,307,617</u>	<u>14,205,340</u>	<u>13,985,265</u>	<u>12,616,662</u>	<u>11,036,335</u>
<b>Total primary government revenues</b>	<u>\$ 25,040,439</u>	<u>\$ 22,662,184</u>	<u>\$ 22,013,839</u>	<u>\$ 20,058,433</u>	<u>\$ 16,760,585</u>
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (13,159,572)	\$ (14,959,260)	\$ (15,614,984)	\$ (13,976,211)	\$ (14,528,054)
Business-type activities	5,395,752	5,212,625	1,471,834	3,996,223	183,167
<b>Total primary government net (expense)/revenues</b>	<u>\$ (7,763,820)</u>	<u>\$ (9,746,635)</u>	<u>\$ (14,143,150)</u>	<u>\$ (9,979,988)</u>	<u>\$ (14,344,887)</u>

(Continued)

**CITY OF EL MIRAGE, ARIZONA**  
**PROGRAM REVENUES AND NET (EXPENSE)/REVENUE**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 395,327	\$ 476,296	\$ 415,062	\$ 886,555	\$ 940,728
Public safety	1,005,833	955,739	531,233	98,318	106,417
Highways and streets	36,145	4,666	2,127	2,263	3,704
Culture and recreation	32,456	21,620	9,493	9,400	51,623
Revelopment and housing	128,438	58,322	124,647	312,340	294,766
Health and welfare		1,599	2,885		350
Operating grants and contributions	3,753,356	2,407,165	1,827,229	2,097,098	2,298,062
Capital grants and contributions	2,031,513	1,285,278	7,118,339	3,790,817	3,403,725
Total governmental activities program revenues	<u>7,383,068</u>	<u>5,210,685</u>	<u>10,031,015</u>	<u>7,196,791</u>	<u>7,099,375</u>
Business-type activities:					
Charges for services:					
Water and sewer	\$ 8,707,594	\$ 9,075,408	\$ 8,828,737	\$ 8,502,311	\$ 8,828,318
Solid Waste	1,122,709	908,033	911,504	935,224	961,324
Capital grants and contributions		642,039		417,795	1,237,978
Total business-type activities program revenues	<u>9,830,303</u>	<u>10,625,480</u>	<u>9,740,241</u>	<u>9,855,330</u>	<u>11,027,620</u>
<b>Total primary government revenues</b>	<u>\$ 17,213,371</u>	<u>\$ 15,836,165</u>	<u>\$ 19,771,256</u>	<u>\$ 17,052,121</u>	<u>\$ 18,126,995</u>
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (15,033,462)	\$ (17,521,264)	\$ (11,401,098)	\$ (11,633,624)	\$ (7,508,702)
Business-type activities	832,763	1,944,580	1,193,045	1,665,497	3,396,747
<b>Total primary government net (expense)/revenues</b>	<u>\$ (14,200,699)</u>	<u>\$ (15,576,684)</u>	<u>\$ (10,208,053)</u>	<u>\$ (9,968,127)</u>	<u>\$ (4,111,955)</u>

**Source:** The source of this information is the City's financial records.

**(Concluded)**

**CITY OF EL MIRAGE, ARIZONA**  
**GENERAL REVENUES, TRANSFERS, AND TOTAL CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>General Revenues:</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 3,663,163	\$ 3,505,551	\$ 3,587,541	\$ 3,738,856	\$ 3,068,722
City sales taxes	6,990,668	6,685,666	6,480,147	6,051,967	5,534,445
Franchise taxes	745,088	692,154	688,216	687,341	667,559
Unrestricted state shared revenues	8,086,986	7,970,499	7,447,112	6,914,460	6,188,822
Investment income	107,055	50,727	30,894	41,983	23,535
Transfers	1,430,621	2,000,000	(1,170,000)	1,697,909	1,648,418
<b>Total governmental activities</b>	<b>\$ 21,023,581</b>	<b>\$ 20,904,597</b>	<b>\$ 17,063,910</b>	<b>\$ 19,132,516</b>	<b>\$ 17,131,501</b>
Business-type activities:					
Investment income	\$ 39,235	\$ 5,764	\$ 6,922	\$ 6,397	\$ 5,546
Transfers	(1,430,621)	(2,000,000)	1,170,000	(1,697,909)	(1,648,418)
<b>Total business-type activities</b>	<b>\$ (1,391,386)</b>	<b>\$ (1,994,236)</b>	<b>\$ 1,176,922</b>	<b>\$ (1,691,512)</b>	<b>\$ (1,642,872)</b>
<b>Changes in Net Position</b>					
Governmental activities	\$ 7,864,009	\$ 5,945,337	\$ 1,448,926	\$ 5,156,305	\$ 2,603,447
Business-type activities	4,004,366	3,218,389	2,648,756	2,304,711	(1,459,705)
<b>Total primary government</b>	<b>\$ 11,868,375</b>	<b>\$ 9,163,726</b>	<b>\$ 4,097,682</b>	<b>\$ 7,461,016</b>	<b>\$ 1,143,742</b>

(Continued)

**CITY OF EL MIRAGE, ARIZONA**  
**GENERAL REVENUES, TRANSFERS, AND TOTAL CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>General Revenues:</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 2,998,935	\$ 2,914,705	\$ 2,045,848	\$ 1,879,993	\$ 1,812,217
City sales taxes	5,368,649	5,366,105	5,908,742	5,931,713	5,819,145
Franchise taxes	654,999	622,259	636,826	643,844	617,759
Unrestricted state shared revenues	6,620,951	7,567,145	8,450,717	8,744,518	8,016,571
Investment income	23,200	54,459	14,750	839,564	534,942
Development impact fees	49,677	24,494	114,829	428,434	66,257
Miscellaneous					
Transfers	1,212,788	2,254,544	1,207,429	1,068,516	377,644
<b>Total governmental activities</b>	<u>\$ 16,929,199</u>	<u>\$ 18,803,711</u>	<u>\$ 18,379,141</u>	<u>\$ 19,536,582</u>	<u>\$ 17,244,535</u>
Business-type activities:					
Investment income	\$ 5,116	\$ 11,052	\$ 22,859	\$ 331,023	\$ 215,125
Development impact fees	56,976	37,532	59,252	155,212	331,939
Miscellaneous				9,547	14,663
Transfers	(1,212,788)	(2,254,544)	(1,207,429)	(1,068,516)	(377,644)
<b>Total business-type activities</b>	<u>\$ (1,150,696)</u>	<u>\$ (2,205,960)</u>	<u>\$ (1,125,318)</u>	<u>\$ (572,734)</u>	<u>\$ 184,083</u>
<b>Changes in Net Position</b>					
Governmental activities	\$ 1,895,737	\$ 1,282,447	\$ 6,978,043	\$ 7,902,958	\$ 9,735,833
Business-type activities	(317,933)	(261,380)	67,727	1,092,763	3,580,830
<b>Total primary government</b>	<u>\$ 1,577,804</u>	<u>\$ 1,021,067</u>	<u>\$ 7,045,770</u>	<u>\$ 8,995,721</u>	<u>\$ 13,316,663</u>

**Source:** The source of this information is the City's financial records.

**(Concluded)**

**CITY OF EL MIRAGE, ARIZONA**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>	<u><b>2012</b></u>
General Fund:					
Nonspendable	\$ 2,002	\$ 3,731	\$ 2,665	\$ 2,585	\$ 130,827
Restricted	2,138,430		158,508		
Committed	388,197	322,037	151,041	80,500	59,267
Assigned	316,212	209,007	270,978		163,436
Unassigned	22,848,735	18,961,922	14,032,607	16,754,043	13,398,103
Total General Fund	<u>\$ 25,693,576</u>	<u>\$ 19,496,697</u>	<u>\$ 14,615,799</u>	<u>\$ 16,837,128</u>	<u>\$ 13,751,633</u>
All Other Governmental Funds:					
Nonspendable	\$ 5,102	\$ 400			
Restricted	13,356,982	8,118,790	\$ 9,567,702	\$ 15,824,795	\$ 4,395,075
Committed	2,870,981	3,150,260	3,688,958	3,346,167	989,644
Assigned			26,868		
Unassigned					(54,168)
Total all other governmental funds	<u>\$ 16,233,065</u>	<u>\$ 11,269,450</u>	<u>\$ 13,283,528</u>	<u>\$ 19,170,962</u>	<u>\$ 5,330,551</u>

(Continued)

**CITY OF EL MIRAGE, ARIZONA**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund:					
Nonspendable	\$ 12,688				
Committed	170,634				
Assigned	148,381				
Unassigned	10,875,367				
Unreserved		\$ 8,368,983	\$ 11,804,555	\$ 16,180,323	\$ 13,980,358
Total General Fund	<u>\$ 11,207,070</u>	<u>\$ 8,368,983</u>	<u>\$ 11,804,555</u>	<u>\$ 16,180,323</u>	<u>\$ 13,980,358</u>
All Other Governmental Funds:					
Nonspendable					
Restricted	\$ 5,907,367				
Committed	914,719				
Assigned	75,651				
Unassigned	(73,300)				
Reserved					
Unreserved, reported in:					
Special revenue funds		\$ 7,388,557	\$ 5,556,943	\$ 589,948	\$ 770,996
Capital projects funds		(30,029)	52,420	1,373,303	2,285,035
Debt service fund		(189,503)	(36,138)	(22,871)	1,701
Total all other governmental funds	<u>\$ 6,824,437</u>	<u>\$ 7,169,025</u>	<u>\$ 5,573,225</u>	<u>\$ 1,940,380</u>	<u>\$ 3,057,732</u>

**Source:** The source of this information is the City's financial records.

**Note:** The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 54 were adopted in fiscal year 2011. The standard replaces the previous reserved and unreserved fund balance categories with the following five fund balance classifications: nonspendable, restricted, committed, assigned, and unassigned fund balance.

**(Concluded)**

**CITY OF EL MIRAGE, ARIZONA  
GOVERNMENTAL FUNDS REVENUES  
LAST TEN FISCAL YEARS  
(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Revenues:</b>					
Property taxes	\$ 3,647,913	\$ 3,516,609	\$ 3,596,707	\$ 3,756,880	\$ 3,104,974
City sales taxes	6,990,668	6,685,666	6,480,147	6,051,967	5,534,445
Franchise taxes	745,088	692,154	688,216	687,341	667,559
Licenses and permits	243,974	344,937	333,821	369,465	193,211
Intergovernmental	14,735,815	12,893,186	10,862,941	10,012,341	8,503,662
Charges for services	371,669	441,040	300,296	224,086	208,970
Fines and forfeits	2,769,074	2,525,323	3,078,326	3,641,326	2,695,603
Investment income (loss)	107,055	50,727	30,894	41,983	23,535
Rents	71,753	67,487	61,854	49,029	34,952
Development impact fees					38,094
Contributions and donations	41,151	47,848	6,524	4,800	2,100
Miscellaneous	158,372	107,522	97,624	141,804	181,597
<b>Total revenues</b>	<u>\$ 29,882,532</u>	<u>\$ 27,372,499</u>	<u>\$ 25,537,350</u>	<u>\$ 24,981,022</u>	<u>\$ 21,188,702</u>

(Continued)

**CITY OF EL MIRAGE, ARIZONA  
GOVERNMENTAL FUNDS REVENUES  
LAST TEN FISCAL YEARS  
(Modified accrual basis of accounting)**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Revenues:</b>					
Property taxes	\$ 3,028,998	\$ 2,917,548	\$ 1,993,173	\$ 1,755,750	\$ 1,812,217
City sales taxes	5,368,649	5,366,105	5,908,742	5,931,713	5,819,145
Franchise taxes	654,999	622,259	636,826	643,844	617,759
Licenses and permits	190,237	167,934	138,369	205,823	439,521
Intergovernmental	12,323,411	11,927,801	12,271,224	13,666,097	12,234,579
Charges for services	190,847	150,519	185,355	350,475	453,168
Fines and forfeits	1,092,123	976,780	485,999	470,211	286,698
Investment income (loss)	23,199	54,459	14,750	839,564	534,942
Rents	29,486	28,064	26,552	25,105	24,542
Development impact fees	49,677	24,494	114,829	428,434	66,257
Contributions and donations	2,500	7,010	6,901	809,351	
Miscellaneous	143,678	195,045	251,646	782,757	200,888
<b>Total revenues</b>	<u>\$ 23,097,804</u>	<u>\$ 22,438,018</u>	<u>\$ 22,034,366</u>	<u>\$ 25,909,124</u>	<u>\$ 22,489,716</u>

**Source:** The source of this information is the City's financial records.

**(Concluded)**

**CITY OF EL MIRAGE, ARIZONA**  
**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Expenditures:</b>					
Current -					
General government	\$ 5,427,402	\$ 5,285,104	\$ 5,243,949	\$ 5,461,931	\$ 4,876,034
Public safety	10,785,548	10,713,942	10,364,107	10,050,592	9,469,637
Highways and streets	2,450,730	2,057,440	2,510,736	1,121,260	1,308,612
Culture and recreation	1,314,039	1,315,472	1,283,670	1,158,665	954,131
Redevelopment and housing					53,003
Health and welfare					5,370
Capital outlay	11,578,785	5,018,031	10,979,663	5,600,612	4,201,944
Debt service -					
Principal retirement	1,038,074	1,007,829	971,329	932,252	630,868
Interest and fiscal charges	1,531,293	1,107,861	1,138,791	1,117,939	615,426
Bond issuance costs	203,349			380,705	
<b>Total expenditures</b>	<u>\$ 34,329,220</u>	<u>\$ 26,505,679</u>	<u>\$ 32,492,245</u>	<u>\$ 25,823,956</u>	<u>\$ 22,115,025</u>
Expenditures for capitalized assets	\$ 11,636,254	\$ 5,007,725	\$ 10,969,912	\$ 4,943,382	\$ 3,470,798
Debt service as a percentage of noncapital expenditures	11%	10%	10%	12%	7%

(Continued)

**CITY OF EL MIRAGE, ARIZONA**  
**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Expenditures:</b>					
Current -					
General government	\$ 5,407,094	\$ 6,226,614	\$ 5,614,024	\$ 5,736,434	\$ 6,130,812
Public safety	9,366,020	10,498,529	11,284,832	10,827,987	7,353,015
Highways and streets	1,084,093	1,315,079	9,409,296	6,455,341	3,349,117
Culture and recreation	1,292,708	1,568,919	5,567,939	1,389,734	835,658
Redevelopment and housing	535,952	485,052	607,800	1,745,732	1,242,338
Health and welfare	101,698	189,644	431,889	480,694	391,781
Capital outlay	3,363,750	5,010,337			
Debt service -					
Principal retirement	609,599	517,714	230,000	210,000	175,000
Interest and fiscal charges	638,391	714,412	239,423	234,520	205,792
Bond issuance costs			140,473		
<b>Total expenditures</b>	<u>\$ 22,399,305</u>	<u>\$ 26,526,300</u>	<u>\$ 33,525,676</u>	<u>\$ 27,080,442</u>	<u>\$ 19,683,513</u>
Expenditures for capitalized assets	\$ 818,462	\$ 4,926,075	\$ 13,269,637	\$ 8,777,111	
Debt service as a percentage of noncapital expenditures	6%	6%	3%	2%	2%

**Source:** The source of this information is the City's financial records.

**(Concluded)**

**CITY OF EL MIRAGE, ARIZONA**  
**OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (4,446,688)	\$ 866,820	\$ (6,954,895)	\$ (842,934)	\$ (926,323)
<b>Other financing sources (uses):</b>					
Issuance of bonds	12,470,000			18,205,000	
Premium on sale of bonds	1,132,682			864,326	
Payment to refunded bond escrow agent				(3,363,986)	
Capital lease agreements			16,132		
Transfers in	4,558,633	4,628,554	8,224,707	2,936,500	2,764,716
Transfers out	(2,554,133)	(2,628,554)	(9,394,707)	(873,000)	(787,716)
Total other financing sources (uses)	<u>15,607,182</u>	<u>2,000,000</u>	<u>-</u>	<u>17,768,840</u>	<u>1,977,000</u>
<b>Changes in fund balances</b>	<u>\$ 11,160,494</u>	<u>\$ 2,866,820</u>	<u>\$ (8,108,763)</u>	<u>\$ 16,925,906</u>	<u>\$ 1,050,677</u>
	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ 698,499	\$ (4,088,282)	\$ (11,491,310)	\$ (1,647,318)	\$ 2,806,203
<b>Other financing sources (uses):</b>					
Issuance of bonds			9,600,000		
Discount on sale of bonds			(59,042)		
Loan proceeds				1,145,000	
Capital lease agreements		60,433			
Transfers in	2,726,317	5,990,234	6,843,403	3,669,608	1,878,684
Transfers out	(931,317)	(3,735,690)	(5,635,974)	(2,084,677)	(551,040)
Total other financing sources (uses)	<u>1,795,000</u>	<u>2,314,977</u>	<u>10,748,387</u>	<u>2,729,931</u>	<u>1,327,644</u>
<b>Changes in fund balances</b>	<u>\$ 2,493,499</u>	<u>\$ (1,773,305)</u>	<u>\$ (742,923)</u>	<u>\$ 1,082,613</u>	<u>\$ 4,133,847</u>

**Source:** The source of this information is the City's financial records.

**CITY OF EL MIRAGE, ARIZONA  
TAXABLE SALES BY CATEGORY  
LAST TEN FISCAL YEARS**

	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Construction	\$ 376,265	\$ 246,914	\$ 353,889	\$ 210,964	\$ 238,256
Retail trade	3,067,046	3,082,885	2,830,200	2,765,499	2,517,612
Communications and utilities	1,347,177	1,375,321	1,308,741	1,305,915	1,234,096
Restaurant and bar	299,083	262,924	232,918	248,927	250,297
Real estate, rental and leasing	973,584	1,048,292	1,060,021	942,324	673,735
Accommodation	162,821	180,105	182,758	160,274	175,383
Services	140,777	116,345	132,962	142,586	117,129
Other	509,391	363,134	362,329	277,488	256,347
Total	<u>\$ 6,876,144</u>	<u>\$ 6,675,920</u>	<u>\$ 6,463,818</u>	<u>\$ 6,053,977</u>	<u>\$ 5,462,855</u>

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Construction	\$ 220,055	\$ 326,776	\$ 577,636	\$ 611,544	\$ 1,631,054
Retail trade	2,518,800	2,529,084	2,847,174	2,794,950	1,428,371
Communications and utilities	1,214,447	1,218,109	1,187,770	1,262,128	1,201,177
Restaurant and bar	229,159	207,132	207,181	165,313	128,344
Real estate, rental and leasing	585,101	521,487	587,217	527,449	773,134
Accommodation	161,364	167,379	114,177	146,253	126,976
Services	99,732	128,749	131,616	130,634	126,095
Other	225,765	260,092	232,112	291,297	213,133
Total	<u>\$ 5,254,423</u>	<u>\$ 5,358,808</u>	<u>\$ 5,884,883</u>	<u>\$ 5,929,568</u>	<u>\$ 5,628,284</u>

**Source:** The source of this information is the Arizona Department of Revenue.

**CITY OF EL MIRAGE, ARIZONA  
TRANSACTION PRIVILEGE (SALES) TAX REVENUE PAYERS BY INDUSTRY  
FISCAL YEARS 2016 AND 2007**

<u>Description of Payers Business</u>	<u>Fiscal Year 2016</u>				<u>Fiscal Year 2007</u>			
	<u>Number of Filers</u>	<u>Percentage of Total</u>	<u>Tax Collections</u>	<u>Percentage of Total</u>	<u>Number of Filers</u>	<u>Percentage of Total</u>	<u>Tax Collections</u>	<u>Percentage of Total</u>
Construction	48	2%	\$ 376,265	5%	596	28%	\$ 1,631,054	29%
Retail trade	586	29%	3,067,046	45%	557	26%	1,428,371	25%
Communications and utilities	64	3%	1,347,177	20%	89	4%	1,201,177	21%
Restaurant and bar	18	1%	299,083	4%	26	1%	128,344	2%
Real estate, rental and leasing	608	30%	973,584	14%	276	13%	773,134	14%
Accommodation	5	0%	162,821	2%	2	0%	126,976	2%
Services		0%		0%	188	9%	126,095	2%
Other	684	34%	650,168	7%	395	19%	213,133	4%
<b>Total</b>	<b>2,013</b>	<b>100%</b>	<b>\$6,876,144</b>	<b>100%</b>	<b>2,129</b>	<b>100%</b>	<b>\$5,628,284</b>	<b>100%</b>
Tax Collections from top ten taxpayers	10	<1%	3,720,993	54%	10	<1%	3,097,720	55%

**Source:** Arizona Department of Revenue

**Note:** Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the state's revenue.

Arizona Department of Revenue collections only, does not include local audits.

Arizona Department of Revenue changed its way of reporting number of filers and categories effective June 2016.

**CITY OF EL MIRAGE, ARIZONA  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Direct Rates</b>			<b>Overlapping Rates</b>	
	<b>Basic Rate</b>	<b>General Obligation Debt Service</b>	<b>City of El Mirage</b>	<b>Peoria Unorganized</b>	<b>Dysart #89 Unified</b>
2016	1.73	2.12	3.85	16.08	22.04
2015	1.74	1.80	3.54	15.66	22.09
2014	1.86	2.18	4.04	16.24	23.25
2013	1.86	2.03	3.89	15.35	22.44
2012	1.67	1.20	2.87	13.41	18.67
2011	1.35	0.94	2.29	11.00	15.94
2010	0.93	0.64	1.57	9.33	14.23
2009	0.98	0.22	1.20	8.70	14.78
2008	1.08	0.20	1.28	9.37	16.02
2007	1.17	0.30	1.47	10.30	18.18

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**Source:** The source of this information is the Maricopa County Department of Finance Annual Tax Rate Report.  
**Note:** The City rounds the rate to two digits from the four presented by the County.

**CITY OF EL MIRAGE, ARIZONA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Primary Taxes Levied for the Fiscal Year</b>	<b>Primary Taxes Collected within the Fiscal Year of the Levy</b>		<b>Primary Taxes Collected in Subsequent Fiscal Years (2)</b>	<b>Primary Taxes Collected to the End of the Current Fiscal Year</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2016	\$ 1,661,854	\$ 1,614,373	97.14 %	\$	\$ 1,614,373	97.14 %
2015	1,654,937	1,570,135	94.88	31,735	1,601,870	96.79
2014	1,663,972	1,608,532	96.24	35,472	1,644,004	98.80
2013	1,784,458	1,717,299	96.37	63,468	1,780,767	99.79
2012	1,784,422	1,719,599	94.90	60,914	1,780,514	99.78
2011	1,756,305	1,666,807	95.46	77,551	1,744,358	99.32
2010	1,665,797	1,590,138	95.18	64,309	1,654,447	99.32
2009	1,583,021	1,506,643	94.80	68,458	1,575,101	99.50
2008	1,506,629	1,428,276	95.05	71,514	1,499,790	99.55
2007	1,408,982	1,339,278	94.65	57,851	1,397,129	99.16

**Source:** The source of this information is the Maricopa County Treasurer- Secured Levy Report.

**Notes:** 1) Amounts collected are on a cash basis.

2) Includes collections and resolutions.

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**CITY OF EL MIRAGE, ARIZONA**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Real Property</b>		<b>Less: Tax Exempt Real Property</b>	<b>Total Taxable Assessed Valuation</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Ratio of Net Assessed to Estimated Actual Value</b>
	<b>Assessed Value Residential Property</b>	<b>Assessed Value Commercial Property</b>					
2016	\$ 101,978,841	\$ 44,831,478	\$ 20,199,683	\$ 126,610,636	3.8440	\$ 1,286,131,251	9.84 %
2015	74,983,878	44,634,235	18,393,917	101,224,196	3.5406	1,012,776,750	9.99
2014	57,040,759	41,454,636	17,329,628	81,165,767	4.0400	810,973,826	10.01
2013	60,334,448	39,588,129	11,598,951	88,323,626	3.8900	814,853,756	10.84
2012	66,285,384	44,371,128	12,947,874	97,708,638	2.8740	912,660,076	10.71
2011	82,991,005	62,613,120	14,825,157	130,778,968	2.2939	1,151,047,161	11.36
2010	170,216,747	47,573,428	12,389,673	205,400,502	1.5713	1,953,011,602	10.52
2009	149,700,332	39,050,414	10,580,425	178,170,321	1.2028	1,700,811,041	10.48
2008	93,434,779	34,926,242	8,562,279	119,798,742	1.2787	1,114,835,777	10.75
2007	89,081,374	28,590,098	7,832,931	109,838,541	1.4701	1,041,782,657	10.54

**Source:** The source of this information is the State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

**CITY OF EL MIRAGE, ARIZONA  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT FISCAL YEAR AND NINE YEARS PRIOR**

Taxpayer	2016			Taxpayer	2007		
	Secondary Assessed Valuation	Rank	Percentage of Net Assessed Valuation		Secondary Assessed Valuation	Rank	Percentage of Net Assessed Valuation
ARIZONA PUBLIC SERVICE COMPANY	\$ 3,759,153	1	2.97%	ARIZONA PUBLIC SERVICE COMPANY	\$ 3,081,227	1	3.42%
PUEBLO EL MIRAGE LLC	2,735,703	2	2.16%	BNSF RAILWAY COMPANY	2,335,163	2	2.49%
WAL MART STORES INC	2,526,696	3	2.00%	ROBERTS PROPERTIES LTD	2,301,907	3	2.30%
CLAYTON HOMES INC	1,594,107	4	1.26%	CLAYTON HOMES INC	1,658,231	4	1.45%
BNSF RAILWAY COMPANY	1,537,360	5	1.21%	HANSON PIPE & PRODUCTS INC	1,585,951	5	1.40%
PIPE PORTFOLIO OWNER (MULTI) LP	1,081,091	6	0.85%	JDL & COMPANY L L C	1,045,745	6	0.98%
COYOTE PASS RV AND MINI STORAGE LLC	899,532	7	0.71%	PREMIERE RV & MINI STORAGE LLC	1,037,413	7	0.82%
JIA CORP	639,559	8	0.51%	UNION ROCK & MATERIAL CORP	801,413	8	0.58%
QWEST CORPORATION	575,733	9	0.45%	ARIZONA SAND & ROCK CO	737,441	9	0.52%
PREMIERE RV & MINI STORAGE LLC	564,372	10	0.45%	MCS ENTERPRISES LLC	626,033	10	0.51%
LILI RUBIN INVESTMENT PROPERTIES 3 LLC	563,200	11	0.44%	T BAR C LAND AND CAMEL COMPANY LLC	624,000	11	0.51%
EPCOR - SUN CITY WATER DIVISION	552,143	12	0.44%	SOUTHWEST GAS CORPORATION (T&D)	588,066	12	0.50%
DAKOTA FABRICATING INC	549,346	13	0.43%	HANLEY PROPERTIES IV LLC	564,007	13	0.50%
ARIZONA SAND & ROCK CO	539,843	14	0.43%	MAX TAYLOR AND COMPANY LLC	556,105	14	0.49%
IIP OASIS LLC	532,656	15	0.42%	CMH PARKS INC	527,207	15	0.48%
EPCOR - SUN CITY SEWER	527,050	16	0.42%	COYOTE PASS RV AND MINI STORAGE LLC	498,519	16	0.48%
T BAR C LAND AND CAMEL COMPANY LLC	477,576	17	0.38%	KETCHUM REAL ESTATE INVESTMENTS EL MIRAGE LLC	491,202	17	0.43%
UNION ROCK & MATERIAL CORP	462,700	18	0.37%	DREISESZUN HERBERT E/PATRICIA A/JEROME V	490,560	18	0.42%
REALTY INCOME PROPERTIES 25 LLC	438,066	19	0.35%	SUMERLIN LLC	479,653	19	0.40%
SUMERLIN LLC	417,560	20	0.33%	PARTNERSHIP FOR QUALITY AFFORD HOUS #1	440,000	20	0.38%
MCS ENTERPRISES LLC	389,286	21	0.31%	NAMWEST-PALMS LLC	413,750	21	0.35%
MAX TAYLOR AND COMPANY LLC	389,062	22	0.31%	ASI EL MIRAGE LLC	407,153	22	0.35%
CASA MIRAGE PROPERTIES LLC	368,874	23	0.29%	QWEST CORPORATION	398,152	23	0.34%
SOUTHWEST GAS CORPORATION (T&D)	364,494	24	0.29%	PREMIER STORAGE CONDOMINIUMS OF EL MIRAGE	377,692	24	0.33%
ASI EL MIRAGE LLC	364,104	25	0.29%	WESTERN SKY INVESTMENTS LLC	358,575	25	0.33%

Source: The source of this information is the Maricopa County Assessor's Office- Data Request Report.

**CITY OF EL MIRAGE, ARIZONA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds (Greater Arizona Development Authority Loan)	Revenue Bonds	Capital Leases	Certificates of Participation	Water and Sewer Revenue Bonds	Certificates of Participation	Water Infrastructure Financing Authority Loan			
2016	\$ 26,825,808	\$ 11,527,170	\$ 8,900	\$	\$	\$	16,523,152	\$ 54,885,030	N/A	\$ 1,617
2015	25,899,465		11,974				17,679,093	43,590,532	N/A	1,327
2014	26,943,122		14,803				18,614,362	45,572,287	0.03	1,403
2013	27,999,013						16,716,896	44,715,909	0.03	1,373
2012	13,121,296		7,252				14,220,261	27,348,809	0.02	858
2011	13,738,373		28,120				15,216,844	28,983,337	0.02	912
2010	14,235,000						16,335,810	30,570,810	0.02	953
2009	14,740,000						16,244,887	30,984,887	0.02	960
2008	5,370,000						15,636,439	21,006,439	0.01	648
2007	4,435,000						15,949,696	20,384,696	0.01	644

**Source:** The source of this information is the City's financial records.

**Note:** Details of the outstanding debt can be found in the notes to the financial statements.

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**CITY OF EL MIRAGE, ARIZONA  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
2016	\$ 26,825,808	\$ 477,058	\$ 26,348,750	2.049 %	\$ 776
2015	25,899,465	542,227	25,357,238	2.504	772
2014	26,943,122	643,861	25,476,139	3.141	775
2013	27,999,013	695,004	27,304,009	3.367	838
2012	13,121,296	152,811	12,968,485	1.592	407
2011	13,738,373	67,028	13,671,345	1.498	430
2010	14,235,000	(30,029)	14,265,029	1.239	445
2009	14,740,000	(36,138)	14,776,138	0.757	458
2008	5,370,000	(22,871)	5,392,871	0.317	166
2007	4,435,000	1,701	4,433,299	0.398	140

**Source:** The source of this information is the City's financial records.

**Note:** N/A indicates that the information is not available.

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**CITY OF EL MIRAGE, ARIZONA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**JUNE 30, 2016**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to City</u>	<u>Estimated Amount Applicable to City</u>
Debt repaid with property taxes:			
Dysart Unified School District No. 89	\$ 160,327,000	10.0000 %	<u>\$ 16,032,700</u>
Subtotal, Overlapping Debt			<u>16,032,700</u>
Direct:			
City of El Mirage			<u>38,361,878</u>
Total Direct and Overlapping Debt			<u><u>\$ 54,394,578</u></u>

**Source:** The source of this information is the City's records and the State and County Abstract of the Assessment Roll, Arizona Department of Revenue and the applicable governmental unit.

**Note:** Estimated percentage of debt outstanding applicable to the City is calculated based on the City's secondary assessed valuation as a percentage of the secondary assessed valuation of the overlapping jurisdiction.

**CITY OF EL MIRAGE, ARIZONA**  
**LEGAL DEBT MARGIN INFORMATION UNRESTRICTED AND RESTRICTED**  
**LAST TEN FISCAL YEARS**

	<b>Unrestricted</b>									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt limit 6%	8,049,641	6,540,468	6,540,468	5,762,741	6,483,550	8,261,491	11,757,479	12,754,025	11,102,578	7,618,653
Total net debt applicable to limit	6,093,600	4,097,905	5,762,741	5,762,741						
Unrestricted legal debt margin	1,956,041	2,442,563	777,727	-	6,483,550	8,261,491	11,757,479	12,754,025	11,102,578	7,618,653
Total net debt applicable to the 6% limit as a percentage of 6% debt limit	75.70%	62.65%	88.11%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	<b>Restricted</b>									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt limit 20%	26,832,138	21,801,560	21,804,560	19,209,136	21,611,833	27,538,305	39,191,596	42,513,415	37,008,592	25,395,509
Total net debt applicable to limit	19,986,400	21,801,560	21,180,381	22,236,272	22,236,272	27,999,013	14,740,000	5,370,000	5,370,000	4,435,000
Restricted legal debt margin	6,845,738	-	624,179	(3,027,136)	(624,439)	(460,708)	24,451,596	37,143,415	31,638,592	20,960,509
Total net debt applicable to the 20% limit as a percentage of 20% debt limit	74.49%	100.00%	97.14%	115.76%	102.89%	101.67%	37.61%	12.63%	14.51%	17.46%

**Source:** Arizona Department of Revenue - Bonded Indebtedness and Debt Limitations

**Note:** A decrease in the 2013 assessed valuation resulted in the debt margin exceeding the restricted debt limit. The City is prohibited from issuing new debt until there is a positive debt margin.

**CITY OF EL MIRAGE, ARIZONA  
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

<u>Year</u>	<u>City of El Mirage Population</u>	<u>Maricopa County Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>
2016	33,935	4,167,947	\$ N/A	\$ N/A	5.2 %
2015	32,857	4,008,651	N/A	N/A	6.1
2014	32,472	3,944,859	168,483,421	41,222	7.4
2013	32,067	3,884,705	160,498,000	40,030	8.8
2012	31,862	3,843,370	156,763,000	39,781	9.6
2011	31,797	3,817,117	148,687,000	38,431	11.5
2010	32,076	3,821,136	142,091,618	35,319	9.3
2009	32,280	3,808,829	146,898,132	37,112	13.9
2008	32,396	3,753,413	145,880,680	37,666	8.1
2007	31,629	3,663,915	139,069,591	35,046	4.9

**Source:** The source of this information is the Arizona Department of Administration, the U.S. Department of Commerce, and the U.S. Department of Labor.

**Note:** Personal and per capita income figures are for Maricopa County  
N/A indicates that the information is not available.

**CITY OF EL MIRAGE, ARIZONA  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND TEN YEARS PRIOR**

<u>Employer</u>	<u>2015</u>		<u>2005</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Dysart Unified School District 89	554	19.89 %	522	29.41 %
Walmart	219	7.86		
City Of El Mirage	170	6.10	63	3.55
DVC Construction Company Inc.	160	5.75		
Parks & Sons Sanitation Service	120	4.31		
Bnsf Railway Co	112	4.02		
Southwest Steel Inc	100	3.59		
Sutter Masonry Inc	78	2.80	90	5.07
Look Trailers	66	2.37		
Bashas	62	2.23		
Haulmark Industries of Arizona			70	3.94
Southwest Stair Inc			65	3.66
Bunneys Inc			50	2.82
County of Maricopa			50	2.82
Kevens Landscaping Co			50	2.82
Westside Social Services Inc			45	2.54
Total	<u>1,641</u>	<u>58.92 %</u>	<u>1,005</u>	<u>56.63 %</u>
Total employment	<u>2,785</u>		<u>1,775</u>	

**Source:** The source of this information is the City of El Mirage and Maricopa Association of Governments

**Note:** Amounts presented are as of December 31.

There is no information available for 2006.

**CITY OF EL MIRAGE, ARIZONA**  
**FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY TYPE**  
**LAST TEN FISCAL YEARS**

	<b>Full-time Equivalent Employees as of June 30</b>									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>General Government</b>	31.20	31.20	29.30	23.50	24.50	26.00	26.00	26.00	24.00	24.00
<b>Public Safety</b>										
Police	61.20	60.20	58.50	56.00	48.50	53.50	59.00	53.00	54.00	49.00
Fire	29.00	29.00	29.00	28.00	25.00	27.00	21.00	21.00	22.00	18.00
Court	13.10	13.10	12.20	13.10	10.10	9.10	9.00	6.50	6.50	6.50
<b>Public Works</b>				4.00	3.00	10.00	10.00	10.00	13.00	10.00
Streets	6.00	6.00	6.00	6.00	6.00	7.00	8.00	8.00	9.00	12.00
<b>Development Services</b>	4.00	4.00	3.00	3.00	10.25	12.75	13.50	13.50	13.00	10.00
<b>Parks and Recreation</b>	4.80	4.80	4.80	4.80	6.00	5.50	9.50	10.00	10.50	8.50
<b>Health and Welfare</b>							1.50	2.00	4.00	3.00
Water	16.70	16.70	18.00	18.00	18.00	11.00	11.00	11.00	13.00	14.00
Sewer	8.00	8.00	9.00	10.00	10.00	10.00	11.00	11.00	10.00	9.00
<b>Customer Service</b>	5.40	4.50	4.50	4.50	4.00	5.00	4.00	4.00	3.00	4.00
	<u>179.40</u>	<u>177.50</u>	<u>174.30</u>	<u>170.90</u>	<u>165.35</u>	<u>176.85</u>	<u>183.50</u>	<u>176.00</u>	<u>182.00</u>	<u>168.00</u>

**Source:** The source of this information is the City of El Mirage Annual Budget

**CITY OF EL MIRAGE, ARIZONA  
CAPITAL ASSETS INFORMATION  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30

<u>Function/Program</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	43	43	43	43	41	41	41	38	36	28
<b>Fire</b>										
Fire stations	1	1	1	1	1	1	1	1	1	1
Fire engines and ladder trucks	3	3	3	3	3	3	3	3	3	3
<b>Other Public Works</b>										
Street miles	240	240	240	240	240	240	240	240	240	240
Traffic signals	11	11	11	10	10	10	10	10	9	6
<b>Community Development</b>										
Inspection vehicles	8	8	8	8	8	8	8	8	6	8
<b>Culture and recreation</b>										
Parks acreage	52.3	52.3	52.3	44.8	44.8	9.5	9.5	9.5	9.5	1.5
Parks	13	13	13	12	12	2	2	2	2	1
Softball fields	2	2	2	2	2	3	3	3	3	1
Baseball fields	3	3	3	3	3	3	3	3	3	1
Libraries	1	1	1	1	1	1	1	1	1	1
<b>Water</b>										
Maximum pump capacity (MGD)(1)	11.58	11.58	11.58	11.58	25.07	25.07	25.07	25.07	25.07	25.07
Total Storage (MGD)	7.36	7.36	7.36	7.36						
Wells	10	10	10	10						
Miles of water lines	120	120	120	120						
Valves	2,626	2,514	2,501	2,501						
Hydrants	1,171	1,171	1,160	1,160						
<b>Sewer</b>										
Sewer treatment plants	1	1	1	1	1	1	1	1	1	1
Maximum daily treatment capacity	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Miles of sewer lines	63	63	63	63						

**Source:** The source of this information is the various government departments.

**Note:** (1) MGD= million gallons per day

**CITY OF EL MIRAGE, ARIZONA  
OPERATING INDICATORS BY FUNCTION  
LAST TEN CALENDAR YEARS**

<u>Function/Program</u>	<u>Calendar Year</u>									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Public Safety</b>										
<b>Police</b>										
Calls/incidents responded to	28,597	29,530	29,587	29,884	32,412	37,347	38,121	30,141		
Citations issued	2,241	2,246	1,807	1,825	1,785	2,549	3,050	2,994		
<b>Fire</b>										
Number of responses	4,513	4,054	4,564	3,685	3,372	2,997	3,312	2,989	3,089	2,254
Inspections	302	267	214	295	298	244	429	30	14	4
<b>Public Works and Streets</b>										
Square feet of buildings to maintain	87,654	87,654	87,654	76,425	63,425	63,425	63,425	63,425	63,425	60,737
Vehicles/equipment maintained per month	125	123	119	113	108	108	108	108	108	91
Street miles maintained	240	240	240	240	240	240	240	240	240	240
<b>Community Development</b>										
Building safety inspections performed	3,143	3,919	3,978	2,681	1,989	2,533	2,447			
Annual new residential starts	48	58	77	47	18		1	15	21	261
<b>Water</b>										
Water accounts billed										
Residential	10,308	10,447	10,630	10,015	12,787	12,029	12,498			
Commercial	634	611	512	584	652	573	579			
Acre feet of water delivered	4,543	4,612	4,415	4,426	4,460	4,246	4,777			
<b>Sewer</b>										
Sewage treated (million gallons per day)	1.93	1.87	1.87	1.87	1.87	1.77	1.79	1.77	1.69	1.60
Sewer service connections	10,614	10,606	9,077	9,077	11,754	11,284	11,963			

**Source:** The source of this information is the various government departments.

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DRAFT



**REQUEST FOR COUNCIL ACTION**

<b>DATE SUBMITTED:</b> <u>11/21/2016</u>	<b>TYPE OF ACTION:</b> ___ RESOLUTION # _____ ___ ORDINANCE # _____ <input checked="" type="checkbox"/> <b>OTHER:</b> Workshop	<b>SUBJECT:</b> Discussion regarding Addendum #4 of the YMCA Landlord/Tenant agreement.
<b>DATE ACTION REQUESTED:</b> <u>12/06/2016</u>		
<input checked="" type="checkbox"/> <b>REGULAR</b> ___ <b>CONSENT</b>		

<b>TO:</b> Mayor and Council
<b>FROM:</b> Dr. Spencer A. Isom – City Manager
<b>RECOMMENDATION:</b> N/A
<b>PROPOSED MOTION:</b> N/A
<b>ATTACHMENTS:</b> YMCA Lease Agreement - Addendum #4

**DISCUSSION:** At the request of two Council members, this workshop item is for discussion regarding Addendum #4 of the YMCA Landlord/Tenant agreement.

**FISCAL IMPACT:** Not to exceed \$50,000 per year until the YMCA reaches profitability.

**DEPARTMENT LINE ITEM ACCOUNT:** N/A

**BALANCE IN LINE ITEM IF APPROVED:** N/A

Deputy City Manager/Finance Director:

Robert Nilles                      12/2/16  
 Robert Nilles                      Date

Approved as to form:

Robert M. Hall, City Attorney                      12/1/16  
 Robert M. Hall, City Attorney                      Date

City Manager:

Dr. Spencer A. Isom                      12/2/16  
 Dr. Spencer A. Isom                      Date

**ADDENDUM #4  
CITY OF EL MIRAGE AND THE NORTHWEST VALLEY FAMILY YMCA, LLC  
LEASE AGREEMENT**

This Addendum to the Lease Agreement dated September 1, 2012, is hereby made and entered into this XX<sup>th</sup> day of December, 2016, by and between the City of El Mirage ("Landlord"), and the Northwest Valley Family YMCA, LLC ("Tenant").

**RECITALS**

WHEREAS, the Landlord and Tenant entered into a lease agreement on September 1, 2012; and  
WHEREAS, the Landlord and Tenant entered into Addendum #1 on August 20, 2013; and  
WHEREAS, the Landlord and Tenant entered into Addendum #2 on May 8, 2014; and  
WHEREAS, the Landlord and Tenant entered into Addendum #3 on July 20, 2015; and  
WHEREAS, the Landlord and the Tenant desire to further amend their lease agreement; and  
WHEREAS, the Lease may be amended in writing by the parties.

**ADDENDUM**

NOW, THEREFORE, the Landlord and the Tenant hereby agree to amend the Lease and Addendums as follows and to add Article XXIV below:

"Section 3.01(a) – Base Rent" is hereby replaced with a new Section 3.01(a) that reads as follows:

(a) Tenant agrees to pay Landlord Base Rent for the Premises in equal monthly installments of Eight Thousand Three Hundred Thirty-Three and 34/100 Dollars (\$8,333.34) per Lease Year commencing on the Commencement Date. A "Lease Year" shall be a period of twelve (12) consecutive calendar months, the first of which shall commence on the Commencement Date, except that if the Commencement Date is a day other than the first day of the month, the Commencement Date shall be the first day of the next succeeding calendar month. Each succeeding Lease Year shall commence on the anniversary thereof. All such Base Rent shall be payable to Landlord on the first day of the month. Base Rent shall be payable to Landlord at the address set forth in the first paragraph hereof, unless Landlord directs otherwise in writing.

Notwithstanding the first paragraph of this Section "3.01(a)" above the Landlord hereby reduces the ~~first thirty (30) months~~ of Base Rent to \$1.00 per month and the rate will automatically renew for additional 12 month terms during the remainder of the agreement unless notice is provided by the Landlord. ~~The Tenant agrees to provide annual financial reports at each fiscal year end during the term of this Agreement. If during the first thirty (30) months of this Agreement (i) resident memberships exceed 1,100 during any month, or (ii) if total "Gross Revenue and Support" exceeds \$2,000,000 during any twelve (12) consecutive months,~~ The Landlord may reinstate the Base Rent in equal monthly installments of Eight Thousand Three Hundred Thirty-Three and 34/100 Dollars (\$8,333.34) per Lease Year by giving written notice

ninety (90) days before the start of the calendar year, and the Tenant agrees to begin paying the reinstated monthly Base Rent the first of the following month, and no more reductions in Base Rent shall be granted unless otherwise agreed to by the parties. ~~“Gross Revenue and Support” includes Public Support from individuals, businesses, Strong Kids, United Way, Government Contracts; Memberships from Family, Adult, Youth, Military, Silver Sneakers, Senior, Group, Corporate, and Others to the Northwest Valley Family YMCA; and Programs from Aquatics, Child Care, Day Camp, Team Sports, Sports & Recreation, Health, Wellness, Community Initiatives, and Others to the Northwest Valley Family YMCA; and Other Revenue identified to support the Northwest Valley Family YMCA.~~

**Section 7.04 – Resident Discounts and Rates:** City of El Mirage resident discounts and rates, as shown in the table below, are hereby established and shall not change, decrease, or be reduced through the end of June 30, 2019. For the purpose of this provision, City of El Mirage employees will receive the same discounts and rates as “Residents.” The discounts and rates shall continue to be provided after June 30, 2019 unless the parties agree, in writing, to new discounts and rates. To compensate the Tenant for the difference between resident and nonresident rates and fees, the Landlord agrees to compensate the Tenant on a per membership basis. The Landlord will pay the greater of the guaranteed minimum monthly discount or the difference between the published Northwest Valley Family YMCA facility/nonresident rate and the resident rates identified in the following chart for each membership type, as defined by the Tenant. If the membership type is not identified below, the Landlord does not provide a discount or reimbursement for that membership type.

Northwest Valley Family YMCA Membership Type	Maximum Resident Monthly Rate Through June 30, 2019	Guaranteed Minimum Monthly Discount Through June 30, 2019
Youth	\$11.00	\$4.00
Student/Teen	\$11.00	\$4.00
Adult	\$36.00	\$4.00
Couple	\$54.00	\$6.00
Family 1	\$52.00	\$4.00
Family 2	\$63.00	\$4.00
Senior 1	\$35.00	\$4.00
Senior 2	\$53.00	\$6.00

Further, the Tenant will not charge and hereby waives initial joining fees for residents for each such resident’s first time applying for membership to Northwest Valley Family YMCA facility. The waiver does not apply to Phoenix Metro-Area memberships. Should a resident discontinue their membership or allow it to lapse, then established nonresident joining fees apply at the resident’s expense.

The Landlord will pay to the Tenant the lesser of \$75.00 or the actual joining fee for initial annual (first twelve consecutive months) resident membership for use of the Northwest

Valley Family YMCA facility. The payment will not apply to resident memberships for terms shorter than one year or to residents applying for a Phoenix Metro-Area membership with Tenant's affiliate operations. The payment from Landlord to Tenant for initial annual resident memberships will take one of two forms: (1) if the resident pays for the annual membership upfront, the Landlord will pay the lesser of \$75.00 or the actual joining fee to the Tenant upon Tenant's submission of an invoice to the Landlord documenting receipt of upfront payment; (2) if the resident signs an agreement for an annual membership and makes monthly payments, the Landlord will pay \$6.25 one-twelfth of the lesser of \$75.00 or the actual joining fee per month to the Tenant for the first twelve months of the resident's membership upon Tenant's submission of an invoice to the Landlord documenting receipt of resident's monthly payment.

The Tenant will also provide a discount rate of 50% to non-member residents for use of the pool during "open/free swim" times as defined by the Tenant. The Tenant's practice(s) for establishing "open/free" swim times shall be similar to established practices at Tenant's nearby YMCA facilities.

Discounts, rates, waivers, and transactions discussed and contemplated in this Section will be handled separate and apart from "Rent" as established and set forth in Article III, entitled "Rent."

## **ARTICLE XIX**

### **NOTICES**

**Section 19.01 – Notices:** No notice or other communication given under this Lease or by law shall be effective unless the same is in writing and is delivered in person or mailed by registered or certified mail, return receipt requested, first class, postage prepaid, addressed:

(1) If to Landlord, to the address set forth in the first paragraph hereof, attention:

City Manager,  
City of El Mirage  
~~12145 NW Grand Avenue~~  
**10000 N. El Mirage Road**  
El Mirage, AZ 85335

(2) If to Tenant, to the address set forth in the first paragraph hereof, attention:

President/Chief Executive Officer  
The Valley of the Sun Young Men's Christian Association (YMCA)  
350 N. First Ave  
Phoenix, AZ 85003

The address for notices may be changed by the Landlord or Tenant by notice to the other party. The date of service of any notice given by mail shall be the date on which such notice is deposited in the U.S. Mail.

**ARTICLE XXIV**

**EXECUTIVE DIRECTOR ASSISTANCE**

**Section 24.01 – Executive Director Assistance:** The Landlord directly benefits from the ability of the Tenant to operate the Northwest Valley Family YMCA. The Tenant has identified a need for financial assistance to recruit and retain a qualified Executive Director solely dedicated to the Northwest Valley Family YMCA. In exchange for financial assistance from the Landlord the Tenant agrees to consistently staff the Northwest Valley Family YMCA with a qualified Executive Director who will ensure that the Northwest Valley Family YMCA meets its membership, programming, operations, public support, and community obligations.

The initial annual amount of financial assistance is \$40,000 plus potential incentives of \$10,000. The Tenant shall invoice the Landlord promptly for financial assistance. The expectation of the parties is that hiring a qualified Executive Director will enable the Tenant to meet its aforementioned obligations. Beginning in January 2018 the Landlord and Tenant agree to conduct an annual performance review prior to January 31<sup>st</sup> to determine the appropriate reductions to the Executive Director financial assistance.

The above referenced \$10,000 incentive is provided in a separate document.

*This constitutes the entire addendum/amendment to the adopted lease agreement. All other terms and conditions contained in the lease agreement and prior addendums remain in force and effect.*

*(Signature pages to follow)*

IN WITNESS WHEREOF, the parties have set their hand this XX<sup>th</sup> day of December, 2016.

**LANDLORD:**

City of El Mirage, Arizona,  
A political subdivision of the State of Arizona

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

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF ARIZONA        )  
  )SS  
County of Maricopa        )

Before me, the undersigned, a Notary Public for Maricopa County, personally, appeared \_\_\_\_\_ the duly authorized \_\_\_\_\_ of The City of El Mirage, Arizona, a political subdivision of the State of Arizona, the Landlord in the foregoing instrument who acknowledged the signing of the foregoing instrument to be his free act and deed on behalf of the Landlord for the uses and purpose set forth therein.

IN WITNESS WHEREOF, I have hereunto signed by name and affixed my official seal on the XX<sup>th</sup> day of December, 2016.

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Type or Print Name

**TENANT:**

Northwest Valley Family YMCA, LLC  
An Arizona limited liability company

By: Valley of the Sun Young Men's Christian  
Association, an Arizona non-profit  
corporation, its sole member

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

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF ARIZONA        )  
                                      )SS  
County of Maricopa        )

Before me, the undersigned, a Notary Public for Maricopa County, personally, appeared \_\_\_\_\_ the duly authorized \_\_\_\_\_ of Valley of the Sun Young Men's Christian Association, an Arizona non-profit corporation, which is the sole member of Northwest Valley Family YMCA, LLC, and Arizona limited liability company, the Tenant in the foregoing instrument who acknowledged the signing of the foregoing instrument to be his free act and deed on behalf of the Landlord for the uses and purpose set forth therein.

IN WITNESS WHEREOF, I have hereunto signed by name and affixed my official seal on the XXth day of December, 2016.

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Type or Print Name



AGENDA ITEM 1.

**REQUEST FOR COUNCIL ACTION**

<b>DATE SUBMITTED:</b> <u>11/28/2016</u>	<b>TYPE OF ACTION:</b> <input type="checkbox"/> RESOLUTION # <u>                    </u> <input type="checkbox"/> ORDINANCE # <u>                    </u> <input checked="" type="checkbox"/> OTHER: <u>Approval of Minutes</u>	<b>SUBJECT:</b> Consideration and action approving the minutes of the Regular Council Meeting held Tuesday, November 1, 2016.
<b>DATE ACTION REQUESTED:</b> <u>12/06/2016</u>		
<input type="checkbox"/> REGULAR <input checked="" type="checkbox"/> CONSENT		

<b>TO:</b> Mayor and Council
<b>FROM:</b> Sharon Antes, City Clerk
<b>RECOMMENDATION:</b> Approve minutes of the Regular Council Meeting held Tuesday, November 1, 2016.
<b>PROPOSED MOTION:</b> I move to approve minutes of Council meetings as presented.
<b>ATTACHMENTS:</b> Draft Minutes

**DISCUSSION:** Draft minutes are attached for Council's review and approval.

**FISCAL IMPACT:** N/A

**DEPARTMENT LINE ITEM ACCOUNT:** N/A

**BALANCE IN LINE ITEM IF APPROVED:** N/A

Deputy City Manager/Finance Director:

*Robert Nilles*  
Robert Nilles

12/2/16  
Date

Approved as to Form:

*Robert M. Hall* 12/1/16  
Robert M. Hall Date

City Manager:

*Dr. Spencer A. Isom*  
Dr. Spencer A. Isom

12/2/16  
Date

**REGULAR MEETING OF THE COMMON COUNCIL  
OF THE CITY OF EL MIRAGE  
EL MIRAGE CITY COUNCIL CHAMBERS  
14010 N. EL MIRAGE ROAD  
6:00 PM – TUESDAY, NOVEMBER 1, 2016**

**Minutes**

**I. ROLL CALL**

Present: Mayor Lana Mook, Vice Mayor Joe Ramirez, Councilmember Roy Delgado, Councilmember Bob Jones, Councilmember Jack Palladino, Councilmember Lynn Selby, Councilmember David Shapera

**II. CALL TO ORDER**

The meeting was called to order at 6:00 pm.  
Pledge of Allegiance  
Moment of Silence  
Silence Cell Phones & Pagers

**III. CALL TO THE PUBLIC**

Citizens desiring to speak on a matter that IS NOT on this agenda may do so at this time. Comments shall be limited to three (3) minutes per person and shall be addressed to the City Council as a whole. At the conclusion of the Call to the Public, individual City Council Members may (1) respond to criticism made by those who have spoken (2) direct staff to review or respond to the matter, and/or (3) direct that the matter be put on a future agenda.

Alyson Clyne, from Friends of the Surprise Library, reported that in one month \$8,265.66 was raised during the fundraiser for books to be purchased for El Mirage Elementary School. As of the end of October, \$2,744.11 was spent on new books that have been sent to the school leaving \$5,495.55 to purchase more books. Ms. Clyne presented a Certificate of Appreciation to the City of El Mirage for supporting the El Mirage Elementary School Library book drive. Mayor Mook thanked Ms. Clyne for all her efforts to promote this event.

**IV. CONSENT AGENDA**

All items listed under the Consent Agenda will be voted on with one motion. If discussion is desired regarding any Consent Agenda Item, that item will be removed from the Consent Agenda and voted on separately.

1. Consideration and action approving the minutes of the Regular Council Meeting held Monday, October 4, 2016. (City Clerk)

2. Consideration and action to approve Resolution R16-11-23 amending the City of El Mirage Personnel Policy Manual dated June 30, 2008, Section 6.3 Travel and Expense Reimbursement. (Human Resources)
3. Consideration and action to approve the destruction of municipal documents that have reached the end of their retention period as authorized under A.R.S. §41-151.19. (City Clerk)
4. Consideration and action to approve the destruction of personnel records that have reached the end of their retention period as authorized under A.R.S. §41-151.19. (Human Resources)

**Vice Mayor Ramirez moved to approve all items listed on the Consent Agenda as presented; seconded by Councilor Delgado. Motion carried unanimously (7/0).**

**V. REGULAR AGENDA**

- A. Consideration and action to authorize the City Manager to award and enter into formal contracts (one primary and two alternate awards) for vehicle towing services, terms not to exceed five years; estimated annual not-to-exceed expense of \$5,000 for towing City vehicles, as needed, is budgeted in the FY 2016-17 budget. (Police)

Police Chief Terry McDonald reported that within this proposed contract there is a direct City expenditure of not-to-exceed \$5,000 for towing City vehicles, as needed which is included in the FY 2016-17 Budget. The agreement will also award the primary responsibility for towing of vehicles on behalf of the Police Department in a variety of situations. One area he hoped to address as a concern when he became Police Chief was vehicle towing. The City assumes a level of liability when it either takes possession of a vehicle, or acts as a conduit in directing citizens to a specific vendor. As Police Chief, his goal is to ensure that when a citizen experiences an event in which their vehicle is towed and impounded, the charges are fair and appropriate and the ability to arrange release is in close proximity. He needs a vendor to be able to respond quickly and upon arrival, provide quality service to officers on scene. It is his desire to utilize one vendor as the primary provider of towing services for the City.

The Police Department currently utilizes the City of Surprise Police Department as contracted vendor to provide dispatch services, who in turn contacts and controls the dispatching of contract towing services for a variety of police situations. In recent history, the Police Department has utilized a rotation of three towing companies. As such, when the Police Department receives inquiries regarding a towed vehicle, there is added research involved to provide accurate information on the inquiry. With the impending move to the Tolleson Police

Department for dispatch services in January of 2017, Chief stated his desire to switch to a single vendor seemed logical at this time.

Chief McDonald introduced Procurement Administrator Cadle Collins who, in his opinion, professionally conducted the process of the Request for Proposal for the Towing contract and he expressed sincere appreciation to Cadle for his assistance and expertise in handling this process.

Mr. Collins explained the scoring system using a Request for Proposal that established a set evaluation criteria. Six to seven people in the Police Department determined the criteria using best practices of other West Valley cities. Criteria scored included qualifications, experience of the contractor, references from similar projects, conformance to the Request for Proposal, and overall evaluation and perceived ability to provide the service. Three evaluators who reviewed and ranked the proposals were the Acting Public Works Director, the Police Department Supervisor and the Police Chief. Scores were combined and the contractor with the highest total got the award and the second two highest got the two alternate awards. Four proposals were received and evaluated.

Councilor Selby asked Chief McDonald if there were any complaints with the current system. Chief McDonald reported he has had no complaints.

Councilor Shapera asked if one vendor currently being used was excluded and since that vendor has been providing service for many years, why they could not be allowed to continue. Chief McDonald reported there were no formal complaints about the particular vendor in question but that vendor did not score high enough in the evaluation criteria.

Dr. Isom explained that the process is very consistent with the purchasing process and practices of other cities and the City relied on Chief McDonald's expertise to set the criteria. Location of the vendor is important as far as the nearness to the scene so officers can go back to work as well as providing convenience of service to residents. The further from the location of the incident to the resident's home, the more the cost to the resident.

Councilor Shapera stated he believed excluding the current vendor is a disservice to the community and while he understands the Chief's rationale, he disagrees with the end result.

Chief McDonald reported staff researched radio logs and the ability to respond and of the three current vendors, Coco's Roadside Service has only had two occasions where they were unable to respond since 2013.

Vice Mayor Ramirez asked if performance is part of the rating criteria and stated it does not matter how long the vendor may have worked for the City if they failed to meet the established criteria.

Mayor Mook asked if there was anything negative regarding Coco's and Chief McDonald responded there were none. He stated that, in fact, Coco's has had exceptional responses to their service and he is very comfortable with the award of this contract. Mayor Mook reported there is no one more capable than the Chief of Police to handle this process.

Councilor Jones asked how many tows there are annually and Chief McDonald reported there are 2,500 to 2,700 per year on average. Dr. Isom summarized by stating Chief McDonald selected the process using one primary and two alternates before the Request for Proposals went out.

**Vice Mayor Ramirez moved to authorize the City Manager to award and enter into formal contracts (one primary and two alternate awards) for vehicle towing services, terms not to exceed five years; estimated annual not-to-exceed expense of \$5,000 for towing City vehicles, as needed, is budgeted in the FY 2016-2017 budget; seconded by Councilor Delgado. (5/2) Councilor Shapera and Councilor Selby cast nay votes.**

- B. Consideration and action to adopt Ordinance O16-11-10 amending City Code Section §71.13 DEFINITIONS - MOTORIZED PLAY VEHICLE and Section §71.15 MOTORIZED PLAY VEHICLES; PROHIBITION, REGULATIONS, VIOLATIONS. (Police)

Assistant Police Chief Laura Liuzzo requested approval of amendments to Section §71.13 DEFINITIONS – MOTORIZED PLAY VEHICLE by excluding motorized electric or gas powered bicycles or tricycles with helper motors with 49cc or less motors and that are operated at speeds less than 25 MPH. The second amendment is to Section §71.15 removing motorized skateboards from the violation because it falls under the definition of Motorized Play Vehicle.

Mayor Mook asked for an explanation of the problem and Chief Liuzzo reported that bicycles with helper motors are lawfully permitted by A.R.S. Title 28 but the current definition of Motorized Play Vehicles in the City Code makes them unlawful. This amendment will allow Motorized Gas Bicycles or Tricycles with 49cc or less motors as long as they are operated at 25 MPH or less.

Councilor Jones stated that if this amendment is meant to make City Code coincide with State Code he believed it to be a good idea.

Councilor Selby asked if this would affect little motorized cars and Chief Liuzzo stated it would not.

Councilor Shapera asked if 49 cc was allowed and Chief Liuzzo stated they will be allowed as long as they run at less than 25 MPH.

Councilor Delgado commented this refers to vehicles on the streets but asked about motorized skateboards on sidewalks. Chief Liuzzo responded that all the laws of the Arizona Revised Statutes apply which means those vehicles are not allowed on sidewalks.

Councilor Selby remarked that forcing motorized skateboards and some of the motorized bikes onto the streets might pose a safety issue but Chief Liuzzo pointed out that a motorized skateboard would not fall under the amendments to this ordinance.

Dr. Isom addressed Councilor Delgado and Councilor Selby's concerns by stating part of their concerns will be resolved at least on the main thoroughfares with the installation of bike lanes along the roadways under construction.

**Vice Mayor Ramirez moved to adopt Ordinance O16-11-10 amending City Code Section §71.13 DEFINITIONS – MOTORIZED PLAY VEHICLE and Section §71.15 MOTORIZED PLAY VEHICLES; PROHIBITION, REGULATIONS, VIOLATIONS; seconded by Councilor Jones. Motion carried unanimously (7/0).**

- C. Consideration and action to approve Ordinance O16-11-11 amending Chapter 33: City Court, Presiding Officer, Section §33.15 Presiding Judge; Appointment; Judges Pro Tempore; Qualification; Judicial Selection and Advisory Review Board, of the City of El Mirage City Code. (Administration)

Human Resources Director, Sandra King presented this ordinance stating the purpose is to streamline the process for the selection of City Judge and do away with the Review Board. Staff does not feel the City is well served by this lengthy and cumbersome process.

Mayor Mook commented that the proposed process would be similar to other recruitment processes. The current Review Board process is cumbersome and she asked Ms. King to explain the number of people involved; Ms. King reported the Judicial Selection and Advisory Review Board (JSARB), by code requirement, consists of seven members that includes the Presiding Judge for the Superior Court (or his/her designee), an attorney from the Bar Association, a judge from the West Valley, three El Mirage citizens, and the Human Resources Director. She explained that not only is coordination of such a diverse committee awkward, but the review process takes over a year to complete. The proposed process would be a standard recruitment process similar to other Directors.

**Vice Mayor Ramirez moved to approve Ordinance O16-11-11 amending Chapter 33: City Court, Presiding Officer, Section §33.15 Presiding Judge; Appointment; Judges Pro Tempore; Qualification; Judicial Selection and Advisory Review Board, of the City of El Mirage City**

**Code, seconded by Councilor Delgado. Motion carried unanimously (7/0).**

- D. Public hearing, closure of public hearing, followed by consideration and action to approve a Conditional Use Permit for a wireless communication facility, a Verizon Wireless Small Cell Site at 14010 N. El Mirage, Road, Arizona 85335 and authorize the City Manager to enter into a lease agreement. (Development & Community Services)

Development Services Coordinator Jose Macias presented this Conditional Use Permit application regarding a cell tower to be located at 14010 N. El Mirage Road reviewing the elevation, photographic simulation, and type of wireless communication facility. City staff technical review presented no objections. The lease agreement has been negotiated and agreed upon by both parties. The Planning and Zoning Commission recommended approval at their October 11, 2016 hearing with a 3-0 vote. Staff is seeking Council approval and authorization for the City Manager to enter into a lease agreement with Verizon. Mr. Rick Shaw from Shaw and Associates was present to answer questions.

Councilor Jones asked if it is necessary for another cell tower with a large one so close to Gentry Park and Mr. Macias responded they are different vendors with different equipment. The tower at Gentry Park is AT&T and the new one is Verizon.

Vice Mayor Ramirez asked if there were any citizen complaints at the Planning & Zoning meeting and was advised by Mr. Macias that none were received.

Mayor Mook opened the Public Hearing and receiving no public comments, closed the Public Hearing.

**Vice Mayor Ramirez moved to approve a Conditional Use Permit for a wireless communication facility, a Verizon Wireless Small Cell Site at 14010 N. El Mirage Road, Arizona 85335 and authorize the City Manager to enter into a lease agreement; seconded by Councilor Delgado. Motion carried unanimously (7/0).**

- E. Public hearing, closure of public hearing, followed by consideration and action to approve a Conditional Use Permit for a Religious Assembly at the Mirage Oasis Center located at 13015 W. Greenway Road, Arizona 85335. (Development & Community Services)

Development Services Coordinator, Jose Macias presented this Conditional Use Permit regarding a Religious Assembly for the Reveal Church @ Mirage Oasis located at 13015 W. Greenway Road within a UC Urban Corridor zoning. Mr. Macias then reviewed the elevation and location map, reviewed City goals and

case history. There are 23 churches in El Mirage. The City staff Technical Review Committee recommends the following stipulations:

1. Traffic Impact: If additional uses beyond standard church activities are added in the future, the City may request additional information such as an updated Traffic Impact, Parking Study, etc. at that time.
2. Fresh coat of paint: The entire complex must be re-painted. The painted walls have faded and it is visible where graffiti and/or signage have been painted over.
3. Parking Lot Asphalt: The entire asphalt parking lot must be re-surfaced, including crack filled.
4. Parking Lot Striping: The entire parking lot striping has faded and must be re-striped.
5. Fire Lanes: All of the Fire Lanes must be re-painted.
6. Curbing: Some of the existing concrete curbing is broken and must be replaced to prevent traffic to access dirt areas (rear of buildings).

The Planning and Zoning Commission recommended approval with stipulations to City Council at their October 11, 2016 hearing with a 2-1 vote. Jim Zeiter, from IIP Oasis LLC and Pastor Marty Kiser were present to answer questions.

Mayor Mook opened the Public Hearing.

Councilor Jones asked if the parking lot is ADA compliant and was advised by Mr. Macias that it is, in fact, ADA compliant.

Councilor Selby asked whether the owner, tenant or a combination of both is responsible for the stipulations and whether all the stipulations needed to be completed prior to issuance of the Certificate of Occupancy. Mr. Macias advised that the responsibility for improvements and completing the stipulations is a combination of owner and tenant and, yes, all must be completed before the Certificate of Occupancy is issued.

Councilor Shapera stated he believed the language “standard church activities” is too general and suggested more specific language to include a day care center or food bank as may be appropriate. He then directed two questions to property representative, Mr. Zeiter, asking if the property is being marketed for sale and whether there would be parking lot lighting at the front of the building. Mr. Zeiter reported it is being marketed both for sale and for lease and that there should be lighting in front of the building. Councilor Shapera recommended adding lighting to the stipulations.

Councilor Delgado asked whether the building is fire proofed with a sprinkler system, what is the name of the church and when meetings would take place. Mr. Zeiter reported there is a sprinkler system installed. Pastor Kiser stated the name of the church is “Reveal Church” and there would be two services on Sunday,

possibly a Saturday night service at 5 PM and normal business hours during the week inside the building.

Pastor Kiser addressed Council and reported the church started eight years ago in El Mirage and have actively participated in the community both independently and through partnerships with the Valley View Food Bank, the El Mirage Fire Department and volunteering in the City's Community Uplift Program (CUP). Children have been provided with 600 backpacks for the Back-To-School program, and received free haircuts. Over 1,000 pounds of food has been purchased for the food bank, addresses have been added to curbs in front of homes, smoke detectors have been purchased and supplied to homeowners, homes have been painted and repaired, parks have been renovated, plants have been planted in front of the Council Chambers and the El Mirage Branch Library has been painted. The church has also worked with projects at the River View School and he read several thank you letters from Assistant Principal Stephanie Lawrence for the assistance provided by the Church.

Mr. Zeiter advised Council that he has been involved with the Mirage Oasis Center for over two years and noted this property has been vacant for a very long time. He fully supports the Church and encouraged the Council to approve the CUP stating he believes doing so provides an opportunity for not only the parishioners but the City as well; church activity could increase additional business in the center.

Christine Sanchez from a clothing shop in El Mirage reported that volunteers from the church has been a tremendous help by painting the interior of her shop on Beautification Day and has provided other clean up assistance in the past; she stated they are an asset to the community.

Mayor Mook added that she agrees this church has done a fantastic job for the community and hopes other shops might come to the Center that will be sales tax revenue-generating businesses.

Mayor Mook closed the Public Hearing.

**Vice Mayor Ramirez moved to approve the Conditional Use Permit with the following stipulations which must be made prior to issuance of the Certificate of Occupancy:**

- 1. The City will request additional information such as an updated Traffic Impact, Parking Study, etc. if additional uses beyond standard church activities, such as a food bank, day care center, etc., are added in the future**
- 2. The entire complex must be re-painted**
- 3. The entire asphalt parking lot must be re-surfaced, including crack seal**
- 4. The entire parking lot striping must be re-striped**

- 5. All of the Fire Lanes must be re-painted**
- 6. Existing broken concrete curbing must be replaced**
- 7. Lighting added;**  
**seconded by Councilor Shapera. Motion carried unanimously (7/0).**

- F. Consideration and action to authorize the City Manager to approve a contract modification to the construction services contract with Haydon Building Corp for City Hall in the amount not-to-exceed \$103,324. (Development & Community Services)

Development & Community Services Director/City Engineer Jorge Gastelum provided a cost review for the Haydon Building Corp Change Order No. 1 which is the addition of the Veteran's Memorial that was not a part of the original contract (\$60K paid for with a grant from Tohono O'odham Nation). Total to date, including the Veteran's Memorial, is still under budget. He then gave a brief update on the New City Hall construction and design of the Veteran Memorial. He reported the New City Hall is on schedule and will be open to the public on Tuesday, December 20, 2016.

Councilor Shapera asked if the Memorial will be illuminated and was advised by Mr. Gastelum that it will be lit on each side from columns, as well as sidewalk and plaza lighting.

Mayor Mook asked if there would be cameras on the Memorial and Mr. Gastelum reported there would be cameras inside and outside.

Mayor Mook asked if pavers would be available. Mr. Gastelum reported there will be 1,000 pavers. There will be 250 on each side. They will measure 8" x 10" with a cost in the \$50 range.

Councilor Shapera asked if the pavers will be better quality than the YMCA pavers which have faded. Mr. Gastelum has been in contact with the engraver who will paint them after they have been engraved.

**Vice Mayor Ramirez moved to authorize the City Manager to approve a contract modification to the construction services contract with Haydon Building Corp. for City Hall in the amount not-to-exceed \$103,324; seconded by Councilor Delgado. Motion carried unanimously (7/0) .**

- G. Consideration and action to authorize the City Manager to waive the formal bidding process and to enter into a construction contract with Kimbrell Electric, Inc. to construct a pedestrian signal at the intersection of Cactus Road and 127th Avenue in an amount of \$90,349 including contingency. (Development & Community Services)

Development & Community Services Director, Jorge Gastelum explained the necessity for a pedestrian signal at Cactus Road and 127<sup>th</sup> Avenue and the reason for waiving of the formal bidding process. The construction contract with a 10% contingency amounts to \$90,349.

Councilor Jones stated it seems like a lot of money but there is no price that can be put on children's safety. Just looking at how traffic goes down Cactus Road dictates the need for this pedestrian signal as soon as possible.

Councilor Palladino stated it is long overdue.

Councilor Shapera thinks it is a reasonable price and complimented Dr. Isom and Mr. Gastelum for moving this project forward.

Councilor Delgado asked if there would be an escape island in the middle of Cactus Road and was advised by Mr. Gastelum there would not be an island because there is not a raised median on Cactus Road.

Mayor Mook asked how long will it take to order and install the new pedestrian signal and was she was told by Mr. Gastelum that the vendor is being asked to move as quickly as possible but he anticipated it will take approximately three months to complete.

**Vice Mayor Ramirez moved to authorize the City Manager to waive the formal bidding process and to enter into a construction contract with Kimbrell Electric, Inc. to construct a pedestrian signal at the intersection of Cactus Road and 127<sup>th</sup> Avenue in an amount of \$90,349 including contingency; seconded by Councilor Delgado. Motion carried unanimously (7/0).**

- H. Consideration and action to authorize APS to perform the required work to convert the current overhead power lines to underground and to install the street lighting related to the El Mirage Road project in an amount of \$4,421,836 and direct City Staff to adjust existing project contracts as necessary to remain within the \$6.4 million local commitment.  
(Development & Community Service)

Development & Community Services Director/City Engineer Jorge Gastelum reported the El Mirage Road Improvements IGA was approved in May 2011; the design Notice to Proceed (NTP) was issued in February, 2012; and the design was completed in September, 2015. El Mirage Road Improvement revisions included green bike lanes, transit style street lighting, traffic signal standards, and raised median w/landscaping. Thunderbird Road revisions also included green bike lanes, transit style street lighting, traffic signal standards, 127<sup>th</sup> Avenue extension, Dollar Store, and ADOT coordination. Actual APS work and land acquisition costs were higher than estimated. Authorization for APS to proceed with their

required work at a cost of \$4,421,836 will also require the City to slightly adjust existing project contracts by \$150,000 to remain within the \$6.4M local commitment. APS representatives Ronnie Gandara and Dawn Tompkins were present to answer questions.

Mr. Gandara addressed Council stating he has been working on the project for about nine years; he said it is a great project and he is very pleased with his partnership with the City of El Mirage.

Mayor Mook told Mr. Gandara that this is a big project for such a small city. He stated there are some overhead lines already down and there will be more coming down soon; a major portion of the project will be done by Thanksgiving. Mayor Mook asked him what is the most difficult part of the project and he responded that it was both the coordination and sheer amount of work.

**Vice Mayor Ramirez moved to authorize APS to perform the required work to convert the current overhead power lines to underground and to install the street lighting related to the El Mirage Road project in an amount of \$4,421,836 and direct City Staff to adjust existing project contracts as necessary to remain within the \$6.4 million local commitment; seconded by Councilor Delgado. Motion carried unanimously (7/0).**

## **VI. CITY MANAGER SUMMARY OF CURRENT EVENTS**

The City Council may not act upon any matter in the City Manager's summary but may have general comment or questions. Items to be discussed will include, but not be limited to, the following:

### **1. New Employees**

Public Works Director James Shano thanked Veterans for their service. He then introduced Juan Escobar, a new employee in the Streets Division. Mr. Escobar is native to Arizona being born and raised in Glendale. He is an electrician by trade with an extensive maintenance background. His hobbies are fishing and coaching his 12-year-old daughter's softball team. He loves camping and volunteers as much as he can. He is married with three children ages 12, 19 and 21 year olds. Mr. Escobar thanked the City for hiring him and stated he has seen the positive growth in El Mirage and is proud to be a part of the City.

### **2. AZDOHS Grant Awards**

Assistant Police Chief Laura Liuzzo spoke on grants received. She gave credit to Grants Writer Janeen Gaskins for her assistance.

- Department of Homeland Security Grant – The City received an award of \$6,000 to support the Terrorism Liaison Officer’s Program. The Police Department has two officers that participate in this program who receive special training and focus on events within the City and other West Valley Cities.
- GOHS – The City received \$17,000 to assist with DUI overtime, vehicle wraps and \$14,000 for enforcement overtime, education and radars.

Assistant Chief Liuzzo also reported that the Vietnam Wall would be escorted on Wednesday to Gateway Park beginning at 3:00 pm with over 100 motorcycles anticipated to participate in the escort including 25-30 motorcyclists from El Mirage and other police agencies.

- GOHS - Battalion Chief Juan Rodriguez reported the City received grant funds of \$5,823 to pay for 105 car seats to be distributed to residents in need and overtime for techs to install them.

### 3. Frontage Road Update

Dr. Isom gave a report on the Frontage Road upgrade and the possibility of getting some the frontage road land dedicated to the City. He commented on the complicated coordination required between agencies to get the project this far but as of this meeting, the project appears to be fully funded. He thanked the Mayor, Mr. Gastelum and Ms. Wakeman for their work in navigating MAG’s process.

### 4. Salute to Veterans Event

Public Relations Manager Amber Wakeman recognized Sgt. Chris Culp for helping coordinate the effort with Avondale, Goodyear, Peoria and Surprise to provide the motor escort for the Vietnam Traveling Wall. Ms. Wakeman invited everyone to the Salute to Veterans event to be held Saturday, November 5, 2016 from 12:00 noon to 9:00 PM at the Gateway Park in El Mirage. She reviewed the calendar of events starting with the arrival of the Vietnam Traveling Wall on November 2<sup>nd</sup> through the Saturday program and ending with the wall removal on November 6<sup>th</sup>.

### 5. C.U.P Program Report

City Manager, Dr. Isom reported that on National Make a Difference Day which was Saturday, October 22<sup>nd</sup>, CUP (Community Uplift Program) had over 150 volunteers working to improve properties throughout the community. Three houses were painted, and one home referred by Police Victims Assistance had numerous repairs done including replacing broken doors and windows, and cleaning and trimming trash inside and out. Six properties were cleaned and had

landscaping trimmed, one house got new rock landscaping installed, and two additional homes will be painted on November 27<sup>th</sup>. A section of landscaping along Myer Lane and El Mirage Road received plants and rock and approximately 225 feet of fencing was painted along 127<sup>th</sup> Avenue. The Clothing Shop had their fence painted and the interior scrubbed clean. Many thanks go out to volunteers from Sunset View Baptist Church, Grace Church, Victory Outreach, Life Spring Church, El Mirage Latter Day Saints, West Valley Bible Church, Reveal Church, Dysart High HOSA (Health Occupational Student Association) Club, El Mirage Firefighter Charities, Dysart Community Center and many El Mirage citizens!

Special thanks go out to supporting businesses that includes Urban Greenhouse (trash bags), Younger Brothers Construction Company (new doors), Clear Cut Glass (new windows), Grand Materials (rock for landscaping), and Coco's Towing (water and paint supplies). Thanks also to Public Works for manpower on that day and trash pick-up after the event.

## **VII. MAYOR'S COMMENTS and COUNCIL SUMMARY OF CURRENT EVENTS**

The Mayor and City Council may not discuss or act upon any matter in the summary unless the specific matter is properly noticed for legal action.

Councilor Jones stated these are exciting times in El Mirage and attributes that to the unification of volunteers.

Councilor Selby reported the BNSF Children's Train came to El Mirage on Saturday, October 29<sup>th</sup> which is an annual program to give disabled and disadvantaged children a train ride. Children are selected to participate from sources like the Children's Hospital, Make-A-Wish Foundation, and burn centers; some are also wards of the State. Many of the 250 people on the train for this year's event had never been on a train before and were awestruck. The event was most successful and he thanked the El Mirage Fire Department EMTs for participating and gave a special thanks to EMT Darrell Tirpak and Fire Engineer Clint Nielson for their participation.

Councilor Palladino stated he is looking forward to viewing the Traveling Vietnam Traveling Wall at the Salute to Veterans event. He stated he has visited the original wall in Washington D.C. and is anxious to view this replica.

Councilor Shapera stated he is still receiving complaints about speeders in Parque de Sol stating he also recently witnessed numerous speeders between 5:30 and 6:30 PM. He asked Chief McDonald to investigate and Chief McDonald stated he would follow up on this matter.

Vice Mayor Ramirez thanked his fellow Councilmembers, Staff and Department Heads for the kindness and thoughtfulness given to him and his children over the

past weeks after his loss. He stated there are not words he can think of to show his appreciation but he wanted to thank all who made a very difficult time for him and his children a bit easier to deal with; he stated he knows he is among friends and wanted all who helped to know he and his family are most appreciative.

**VIII. ADJOURNMENT**

The meeting was adjourned at 8:15 pm.

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Lana Mook, Mayor

ATTEST:

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Sharon Antes, City Clerk

I hereby certify the aforementioned minutes are a true and accurate record of the Regular City Council Meeting held on Tuesday, November 1, 2016 and a quorum was present.

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Sharon Antes, City Clerk



**REQUEST FOR COUNCIL ACTION**

<b>DATE SUBMITTED:</b> <u>11/28/2016</u>  <b>DATE ACTION REQUESTED:</b> <u>12/06/2016</u>  <input type="checkbox"/> REGULAR <input checked="" type="checkbox"/> CONSENT	<b>TYPE OF ACTION:</b>  <input type="checkbox"/> RESOLUTION # _____ <input type="checkbox"/> ORDINANCE # _____ <input checked="" type="checkbox"/> OTHER: Records Destruction	<b>SUBJECT:</b> Consideration and action to approve the destruction of Personnel Records that have reached the end of their retention period as authorized under ARS §41-151.19.
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<b>TO:</b> Mayor and Council
<b>FROM:</b> Sandra King, IPMA-SCP, SPHR, Human Resources Director
<b>RECOMMENDATION:</b> Approve the destruction of personnel records as authorized under ARS §41-151.19.
<b>PROPOSED MOTION:</b> I make a motion to approve the destruction of personnel records as presented.
<b>ATTACHMENTS:</b> Certificate of Records Destruction

**DISCUSSION:** The State of Arizona and the City of El Mirage have determined retention schedules for public records and destruction of those records not meant to be kept indefinitely. Orderly destruction of public records pursuant to the laws of the State of Arizona and the City of El Mirage will provide more space for permanent records in the Human Resources Office and keep the City compliant with state law.

**FISCAL IMPACT:** \$10.00 (estimated)

**DEPARTMENT LINE ITEM ACCOUNT:** 10-500-313

**BALANCE IN LINE ITEM IF APPROVED:** \$7,027.79

Deputy City Manager/Finance Director:

*Robert Nilles*      12/2/16  
 Robert Nilles                      Date

Approved as to Form:

*Robert M. Hall*      12/1/16  
 Robert M. Hall, City Attorney      Date

City Manager:

*Spencer A. Isom*      12/2/16  
 Dr. Spencer A. Isom                      Date



**ARIZONA STATE  
LIBRARY, ARCHIVES AND PUBLIC RECORDS**  
A DIVISION OF THE ARIZONA SECRETARY OF STATE  
**Jean Clark, State Librarian & Director**

PROVIDING  
ACCESS  
to  
Arizona  
State Library,  
Archives and Public Records

**ARCHIVES AND RECORDS MANAGEMENT**

Page 1 of 1

## CERTIFICATE OF RECORDS DESTRUCTION

As authorized under ARS §41-151.19, ...A report of records destruction that includes a list of all records disposed of shall be filed at least annually with the state library on a form prescribed by the state library.  
Failure to comply with these procedures is a violation of ARS §41-151.19.

**Public Body** City of El Mirage

**Division** \_\_\_\_\_

**Department** Human Resources

**Office/Unit** \_\_\_\_\_

Record Series Title as Stated on Approved Schedule	Schedule Number or Date	Item #	Records Start Date	Records End Date	Format: Paper, Digital, Microfilm	# of Files, Boxes, Reels, Electronic File Size
Employee Personnel Records	GS 1006 (Rev)	20704	2/3/1995	11/29/2011	Paper	28 files
Workers' Comp Records Billing (State Compensation Fund)	GS 1006 (Rev)	20763	7/1/2000	6/30/2009	Paper	20 files
Position Descriptions	GS 1006 (Rev)	20742	3/21/2006	4/24/2006	Paper	22 files
Workers' Comp Records-Supervisor Report of Industrial Injury	GS 1006 (Rev)	20765	3/29/2005	5/6/2011	Paper	9 files
Workers' Comp Records-OSHA Form 300	GS 1006 (Rev)	20765	Year 1989	Year 2010	Paper	22 files
Insurance Policies	GS 1006 (Rev)	20725	3/1/2001	6/30/2010	Paper	11 files
Investigation of Personnel Matters	GS 1006 (Rev)	20727	8/19/2002	7/22/2003	Paper	3 binders
Investigation of Personnel Matters	GS 1006 (Rev)	20726	6/28/2001	6/23/2003	Paper	25 files
Employee Personnel Record	GS 1006 (Rev)	20704	9/29/1986	2/8/2006	Paper	1 files
Negotiation Records	GS 1006 (Rev)	20756	3/16/2001	10/27/2006	Paper	18 files
Investigation of Personnel Matters	GS 1006 (Rev)	20726	5/17/2001	11/23/2011	Paper	4 binders

<b>Name (Type or print):</b> <b>Sandra King</b>	<b>Title: Records Officer or Designee (Type or print):</b> <b>Human Resources Director</b>	<b>Phone:</b> <b>623-876-2952</b>
<b>Signature:</b> <i>S King</i>	<b>E-Mail:</b> <b>sking@cityofelmirage.org</b>	<b>Date:</b> <i>11/28/2016</i>

**RECORDS MANAGEMENT CENTER**

1919 West Jefferson Street • Phoenix, Arizona 85009 • Home Page: <http://www.azlibrary.gov/records>  
Phone: (602) 926-3815 • FAX: (602) 256-2838 • E-Mail: [records@azlibrary.gov](mailto:records@azlibrary.gov)



**REQUEST FOR COUNCIL ACTION**

<b>DATE SUBMITTED:</b> <u>11/21/2016</u>	<b>TYPE OF ACTION:</b> <input type="checkbox"/> RESOLUTION # _____ <input type="checkbox"/> ORDINANCE # _____ <input checked="" type="checkbox"/> <b>OTHER:</b> Destruction of Records	<b>SUBJECT:</b> Consideration and action to approve the destruction of municipal construction documents that have reached the end of their retention period as authorized under A.R.S. §41-151.19.
<b>DATE ACTION REQUESTED:</b> <u>12/06/2016</u>		
<input type="checkbox"/> REGULAR <input checked="" type="checkbox"/> CONSENT		

<b>TO:</b> Mayor and Council
<b>FROM:</b> Jorge Gastelum, P.E., Director of Development and Community Services/City Engineer
<b>RECOMMENDATION:</b> Approve destruction of municipal construction documents to maintain Records Management as set by the State of Arizona under A.R.S. §41-151.19.
<b>PROPOSED MOTION:</b> I move to approve the destruction of municipal construction documents as presented.
<b>ATTACHMENTS:</b> Certificate of Records Destruction

**DISCUSSION:** The State of Arizona and the City of El Mirage have determined retention schedules for public records and destruction of those records not meant to be kept indefinitely. Orderly destruction of public records pursuant to the laws of the State of Arizona and the City of El Mirage will provide more space for permanent records in the Development and Community Services Offices and keep the City compliant with state law.

**FISCAL IMPACT:** \$10.00 (estimated)

**DEPARTMENT LINE ITEM ACCOUNT:** 10-540-313

**BALANCE IN LINE ITEM IF APPROVED:** \$11,990.00

Deputy City Manager/Finance Director:

Robert Nilles  
Robert Nilles

12/2/16  
Date

Approved as to form:

Robert M. Hall  
Robert M. Hall, City Attorney

12/1/16  
Date

City Manager:

Dr. Spencer A. Isom  
Dr. Spencer A. Isom

12/2/16  
Date



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**Joan Clark, State Librarian & Director**



ARCHIVES AND RECORDS MANAGEMENT

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## CERTIFICATE OF RECORDS DESTRUCTION

As authorized under ARS §41-151.19, ...A report of records destruction that includes a list of all records disposed of shall be filed at least annually with the state library on a form prescribed by the state library.

Failure to comply with these procedures is a violation of ARS §41-151.19.

**Public Body** City of El Mirage **Division** Engineering

**Department** Development and Community Services **Office/Unit** \_\_\_\_\_

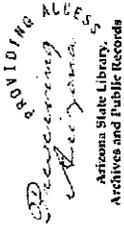
Record Series Title as Stated on Approved Schedule	Schedule Number or Date	Item #	Records Start Date	Records End Date	Format: Paper, Digital, Microfilm	# of Files, Boxes, Reels; Electronic File Size
Completed Construction Records - Walmart	GS 1023	10321	6.19.2006	8.21.2007	Paper	1 Box
Completed Construction Records - Private Development	GS 1023	10321	5.22.2002	12.05.2007	Paper	1 Box

<b>Name</b> (type or print):	<b>Title: Records Officer or Designee</b> (type or print):	<b>Phone :</b>
<b>Signature:</b>	<b>E-Mail:</b>	<b>Date:</b>





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**ARCHIVES AND RECORDS MANAGEMENT**

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**Public Body** CITY OF EL MIRAGE **Division** FINANCE

**Department** FINANCE **Office/Unit** FINANCE

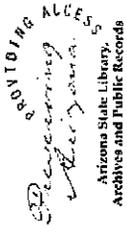
Record Series Title as Stated on Approved Schedule	Schedule Number or Date	Item #	Records Start Date	Records End Date	Format: Paper, Digital, Microfilm	# of Files, Boxes, Reels; Electronic File Size
Federal and State Grants	000.12.45	12/13	7.1.2009	6.30.2011	Paper	.01 Box
Payroll registers and employee time and leave reports	000.12.45	16/18	10.1.2012	11.30.2012	Paper	.01 Box
Payroll registers and employee time and leave reports	000.12.45	16/18	12.1.2012	2.28.2013	Paper	.01 Box
Payroll registers and employee time and leave reports	000.12.45	16/18	3.1.2013	5.31.2013	Paper	.01 Box
Payroll registers and employee time and leave reports	000.12.45	16/18	7.1.2012	9.30.2012	Paper	.01 Box
Payroll employee benefits	000.12.45	20	7.1.2012	6.30.2013	Paper	.01 Box
Electronic Deposits/Withdrawals	000.12.45	11	7.1.2012	6.30.2013	Paper	.01 Box
Electronic Deposits	000.12.45	11	7.1.2012	6.30.2013	Paper	.01 Box
Accounts Payable-Procurement card documentation	000.12.45	14	7.1.2012	1.31.2013	Paper	.01 Box
Accounts Payable-Procurement card documentation	000.12.45	14	2.1.2013	6.30.2013	Paper	.01 Box
Accounts Payable-closed purchase orders	000.12.45	14	7.1.2013	6.30.2014	Paper	.01 Box

<b>Name (type or print):</b> <b>Christy Eusebio</b>	<b>Title: Records Officer or Designee (type or print):</b> <b>Asst. Finance Director</b>	<b>Phone :</b> <b>623-876-2968</b>
<b>Signature:</b> 	<b>E-Mail:</b> <b>ceusebio@cityofelmirage.org</b>	<b>Date:</b> <b>11-22-2016</b>

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**ARCHIVES AND RECORDS MANAGEMENT**

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**Public Body**    CITY OF EL MIRAGE    **Division**    FINANCE

**Department**    FINANCE    **Office/Unit**    FINANCE

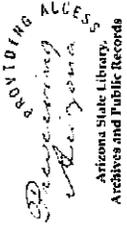
Record Series Title as Stated on Approved Schedule	Schedule Number or Date	Item #	Records Start Date	Records End Date	Format: Paper, Digital, Microfilm	# of Files, Boxes, Reels; Electronic File Size
Accounts Payable A - AR	000.12.45	14	7.1.2013	6.30.2014	Paper	.01 Box
Accounts Payable AU-CH	000.12.45	14	7.1.2013	6.30.2014	Paper	.01 Box
Accounts Payable CI-DY	000.12.45	14	7.1.2013	6.30.2014	Paper	.01 Box
Accounts Payable E-HI	000.12.45	14	7.1.2013	6.30.2014	Paper	.01 Box
Accounts Payable HO-LO	000.12.45	14	7.1.2013	6.30.2014	Paper	.01 Box
Accounts Payable M-PU	000.12.45	14	7.1.2013	6.30.2014	Paper	.01 Box
Accounts Payable Q-TH	000.12.45	14	7.1.2013	6.30.2014	Paper	.01 Box
Accounts Payable TI-Z	000.12.45	14	7.1.2013	6.30.2014	Paper	.01 Box
Accounts Payable UB refunds	000.12.45	14	7.1.2013	6.30.2014	Paper	.01 Box
Accounts Payable Check registers	000.12.45	14	7.1.2013	6.30.2014	Paper	.01 Box

<b>Name (type or print):</b> Christy Eusebio	<b>Title: Records Officer or Designee (type or print):</b> Asst. Finance Director	<b>Phone :</b> 623-876-2968
<b>Signature:</b> 	<b>E-Mail:</b> ceusebio@cityofelmirage.org	<b>Date:</b> 11-22-2016

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**ARCHIVES AND RECORDS MANAGEMENT**

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**Public Body**    CITY OF EL MIRAGE

**Division**    FINANCE

**Department**    FINANCE

**Office/Unit**    FINANCE

Record Series Title as Stated on Approved Schedule	Schedule Number or Date	Item #	Records Start Date	Records End Date	Format: Paper, Digital, Microfilm	# of Files, Boxes, Reels; Electronic File Size
Accounts Payable Approvals	000.12.45	14	7.1.2013	6.30.2014	Paper	.01 Box
	000.12.45				Paper	.01 Box
	000.12.45				Paper	.01 Box
	000.12.45				Paper	.01 Box
	000.12.45				Paper	.01 Box
	000.12.45				Paper	.01 Box
	000.12.45				Paper	.01 Box
	000.12.45				Paper	.01 Box
	000.12.45				Paper	.01 Box
	000.12.45				Paper	.01 Box

<b>Name (type or print):</b> Christy Eusebio	<b>Title: Records Officer or Designee (type or print):</b> Asst. Finance Director	<b>Phone :</b> 623-876-2968
<b>Signature:</b> <i>Christy Eusebio</i>	<b>E-Mail:</b> ceusebio@cityofelmirage.org	<b>Date:</b> 11-22-2016

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**REQUEST FOR COUNCIL ACTION**

<b>DATE SUBMITTED:</b> <u>11/23/2016</u>	<b>TYPE OF ACTION:</b> _____ RESOLUTION # _____ _____ ORDINANCE # _____ <input checked="" type="checkbox"/> <b>OTHER:</b> Annual Financial Report	<b>SUBJECT:</b> Consideration and action to approve the Annual Financial Report as an official record of the City of El Mirage.
<b>DATE ACTION REQUESTED:</b> <u>12/06/2016</u>		
_____ REGULAR <input checked="" type="checkbox"/> CONSENT		

<b>TO:</b> Mayor and Council
<b>FROM:</b> Robert Nilles, Deputy City Manager/Finance Director
<b>RECOMMENDATION:</b> Approve the Annual Financial Report as an official record of the City of El Mirage.
<b>PROPOSED MOTION:</b> I move to approve the Annual Financial Report as presented
<b>ATTACHMENTS:</b> Signed Annual Financial Report to be distributed at meeting

**DISCUSSION:** State law (A.R.S 41-1279.07(C)) requires that an Annual Financial Report be completed and submitted within 9 months of the end of each fiscal year (June 30). The Annual Financial Report is considered the official record of the City's financial activity for that period of time. There are four parts to a Comprehensive Annual Financial Report (CAFR): the Transmittal Letter, the Management Discussion and Analysis (MD&A), the Financial Statements and Notes, and the Statistical Section. The FY2016 CAFR will be submitted for the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting.

**FISCAL IMPACT:** N/A

**DEPARTMENT LINE ITEM ACCOUNT:** N/A

**BALANCE IN LINE ITEM IF APPROVED:** N/A

Deputy City Manager/Finance Director:

12/2/16  
 Robert Nilles Date

Approved as to form:

12/1/16  
 Robert M. Hall, City Attorney Date

City Manager:

12/2/16  
 Dr. Spencer A. Isom Date



**ORDINANCE O16-12-12**

**AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF EL MIRAGE, ARIZONA, ENACTING AND ADOPTING A SUPPLEMENT TO THE CODE OF ORDINANCES FOR THE CITY OF EL MIRAGE, STATE OF ARIZONA, AND DECLARING AN EMERGENCY**

**WHEREAS**, American Legal Publishing corporation of Cincinnati, Ohio, has completed the S7 supplement to the Code of Ordinances of the City of El Mirage, which supplement contains all ordinances of a general and permanent nature enacted since the prior supplement to the Code of Ordinances of this Political Subdivision; and

**WHEREAS**, it is necessary to provide for the usual daily operation of the municipality and for the immediate preservation of the public peace, health, safety and general welfare of the municipality that this ordinance take effect at an early date;

**NOW THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF EL MIRAGE THAT:**

Section 1. The S7 supplement to the Code of Ordinances of the Political Subdivision as submitted by American Legal Publishing Corporation of Cincinnati, Ohio, and as attached hereto, be and the same is hereby adopted by reference as if set out in its entirety.

Section 2. Such supplement shall be deemed published as of the day of this adoption and approval by the Legislative Authority and the Clerk of the City of El Mirage is hereby authorized and ordered to insert such supplement into the copy of the Code of Ordinances kept on file in the Office of the Clerk.

Section 3. This ordinance is declared to be an emergency measure necessary for the immediate preservation of the peace, health, safety and general welfare of the people of this municipality, and shall take effect at the earliest date provided by law.

**PASSED AND ADOPTED** by the Mayor and Council of the City of El Mirage on this 6<sup>th</sup> day of December, 2016.

\_\_\_\_\_  
Lana Mook, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Sharon Antes, City Clerk

\_\_\_\_\_  
Robert M. Hall, City Attorney

El Mirage, Arizona  
Instruction Sheet  
2016 S-7 Supplement

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# **CITY OF EL MIRAGE, ARIZONA**

## **CODE OF ORDINANCES VOLUME 1**

Supplement 2016 S-7 contains:  
Local legislation current through Ord. O16-09-08, passed 9-6-2016

Published by:  
**AMERICAN LEGAL PUBLISHING CORPORATION**  
One West Fourth Street ✧ 3rd Floor ✧ Cincinnati, Ohio 45202  
1-800-445-5588 ✧ [www.amlegal.com](http://www.amlegal.com)

**REQUEST FOR COUNCIL ACTION**

<b>DATE SUBMITTED:</b> 11/21/2016	<b>TYPE OF ACTION:</b> <input checked="" type="checkbox"/> RESOLUTION # R16-12-26 <input type="checkbox"/> ORDINANCE # _____ <input type="checkbox"/> OTHER:	<b>SUBJECT:</b> Consideration and action to approve Resolution R16-12-26 prescribing amended standards of Financial Disclosure For Local Elected Officials pursuant to A.R.S. §38-545.
<b>DATE ACTION REQUESTED:</b> 12/06/2016		
<input type="checkbox"/> REGULAR <input checked="" type="checkbox"/> CONSENT		

<b>TO:</b> Mayor and Council
<b>FROM:</b> Sharon Antes, City Clerk <i>sa</i>
<b>RECOMMENDATION:</b> Approve R16-12-26 prescribing amended standards of Financial Disclosure For Local Elected Officials pursuant to A.R.S. §38-545.
<b>PROPOSED MOTION:</b> I make a motion to approve Resolution R16-12-26 as presented.
<b>ATTACHMENTS:</b> Resolution R16-12-26

**DISCUSSION:** This Resolution is provided by the Arizona League of Cities and Towns to adhere to amendments to the Arizona Revised Statutes made under House Bill 2429, signed into law by Governor Ducey in May, 2016 and becoming effective December 31, 2016. All Council members are required to file with the City Clerk an annual Financial Disclosure statement on or before January 31<sup>st</sup> of each year on the form provided.

**FISCAL IMPACT:**

**DEPARTMENT LINE ITEM ACCOUNT:**

**BALANCE IN LINE ITEM IF APPROVED:**

Deputy City Manager/Finance Director:  
*Robert Nilles*  
 Robert Nilles  
 12/2/16  
 Date

Approved as to Form:  
*Robert M. Hall*  
 Robert M. Hall, City Attorney  
 12/1/16  
 Date

City Manager:  
*Spencer A. Isom*  
 Dr. Spencer A. Isom  
 12/2/16  
 Date

## RESOLUTION R16-12-26

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL MIRAGE, MARICOPA COUNTY, ARIZONA PRESCRIBING STANDARDS OF FINANCIAL DISCLOSURE FOR LOCAL ELECTED OFFICIALS.**

**WHEREAS**, pursuant to the provisions of A.R.S. § 38-545, as amended, the City of El Mirage is required to adopt standards of financial disclosure consistent with the provisions of Title 38, Chapter 3.1, Article 1, Arizona Revised Statutes, as amended; and

**WHEREAS**, the City Council has determined that the standards of financial disclosure hereinafter adopted are, with respect to the City of El Mirage, consistent with such standards of financial disclosure within the meaning of A.R.S § 38-545,

**NOW, THEREFORE, BE IT RESOLVED** BY THE CITY COUNCIL OF THE CITY OF EL MIRAGE, MARICOPA COUNTY, ARIZONA, that the following standards of financial disclosure for local elected officials are hereby adopted:

**Section 1. DEFINITIONS.** In this resolution, unless the context otherwise requires:

1. "Business" includes any enterprise, organization, trade, occupation or profession, whether or not operated as a legal entity or for profit, including any business trust, corporation, partnership, joint venture or sole proprietorship.
2. "Compensation" means anything of value of advantage, present or prospective, including the forgiveness of debt.
3. "Controlled business" means any business in which the local public officer or any member of his household has an ownership or beneficial interest, individually or combined, amounting to more than a fifty percent interest.
4. "Dependent business" means any business in which the local public officer or any member of his household has an ownership or beneficial interest, individually or combined, amounting to more than a TEN PERCENT INTEREST, AND DURING THE PRECEDING CALENDAR YEAR THE BUSINESS RECEIVED FROM A SINGLE SOURCE MORE THAN TEN THOUSAND DOLLARS AND MORE THAN FIFTY PERCENT OF ITS GROSS INCOME. ~~fifty percent interest.~~
5. "Gift" includes any gratuity, special discount, favor, hospitality, service, economic opportunity, loan or other benefit received without equivalent consideration and not provided to members of the public at large. "GIFT" DOES NOT INCLUDE TRAVEL-RELATED EXPENSES THAT ARE PUBLICLY REPORTED AS REQUIRED BY LAW OR POLITICAL CAMPAIGN CONTRIBUTIONS THAT ARE PUBLICLY REPORTED PURSUANT TO TITLE 16, CHAPTER 6.

6. "Local public officer" means a person holding an elective office of the City of El Mirage.
7. "Member of household" means a local public officer's spouse and any minor child of whom the local public officer has legal custody.
8. "TRAVEL-RELATED EXPENSES" MEANS ANY COSTS ASSOCIATED WITH TRANSPORTATION, FOOD, LODGING AND REGISTRATION FEES AND OTHER EXPENSES DIRECTLY RELATED TO TRAVEL TO, OR FROM, A MEETING, CONFERENCE OR OTHER EVENT WHERE THE LOCAL PUBLIC OFFICER IS PARTICIPATING IN THE LOCAL PUBLIC OFFICER'S OFFICIAL CAPACITY.

**Section 2. DUTY TO FILE FINANCIAL DISCLOSURE STATEMENT; CONTENTS; EXCEPTIONS.**

- A. In addition to other statements and reports required by law, every local public officer, as a matter of public record, shall file with the City Clerk on a form prescribed by the City Clerk a verified financial disclosure statement covering the preceding calendar year ending December 31. The statement shall disclose:
  1. The name and HOME OR WORK address of the local public officer, WHETHER THE LOCAL PUBLIC OFFICER'S SPOUSE IS A MEMBER OF THE LOCAL PUBLIC OFFICER'S HOUSEHOLD, THE NUMBER OF MINOR CHILDREN WHO ARE MEMBERS OF THE LOCAL PUBLIC OFFICER'S HOUSEHOLD AND ALL NAMES AND ADDRESSES UNDER WHICH EACH DOES BUSINESS. IF DISCLOSURE OF THE IDENTITY OF THE LOCAL PUBLIC OFFICER'S SPOUSE OR MINOR CHILDREN OTHERWISE BE REQUIRED, A LOCAL PUBLIC OFFICER MAY COMPLY WITH THE IDENTIFICATION REQUIREMENT BY USING THE TERM "SPOUSE" OR "MINOR CHILD," AS APPLICABLE.~~and each member of his household and all names and addresses under which each does business.~~
  2. The name and address of each employer and of each other source of compensation other than gifts amounting to more than one thousand dollars received during the preceding calendar year by the local public officer and members of his household in their own names, or by any other person for the use or benefit of the local public officer or members of his household, a description of the services for which the compensation was received and the nature of the employer's business. This paragraph shall not be construed to require the disclosure of individual items of compensation that constituted a portion of the gross income of the business from which the local public officer or members of his household derived compensation.

3. For a controlled business, a description of the goods or services provided by the business, and if any single source of compensation to the business during the preceding calendar year amounts to more than ten thousand dollars and is more than twenty-five percent of the gross income of the business, the disclosure shall also include a description of the goods or services provided to the source of compensation. For a dependent business the statement shall disclose a description of the goods or services provided by the business and a description of the goods or services provided to the source of compensation from which the dependent business derived the amount of gross income described in Section 1, paragraph 4. If the source of compensation for a controlled or dependent business is a business, the statement shall disclose a description of the business activities engaged in by the source of compensation.
4. The names and addresses of all businesses and trusts in which the local public officer or members of his household, or any other person for the use or benefit of the local public officer or members of his household, had an ownership or beneficial interest of over one thousand dollars at any time during the preceding calendar year, and the name and addresses of all businesses and trusts in which the local public officer or any member of his household held any office or had a fiduciary relationship at any time during the preceding calendar year, together with the amount or value of the interest and a description of the interest, office or relationship.
5. All real property interests and real property improvements, including specific location and approximate size, located in the City of El Mirage, in which the local public officer, any member of his household or a controlled or dependent business held legal title or a beneficial interest at any time during the preceding calendar year, and the value of any such interest, except that this paragraph does not apply to a real property interest and improvements thereon used as the primary personal residence or for the personal recreational use of the local public officer. If a local public officer, any member of his household or a controlled or dependent business acquired or divested any such interest during the preceding calendar year, he shall also disclose that the transaction was made and the date it occurred. If the controlled or dependent business is in the business of dealing in real property interests or improvements, disclosure need not include individual parcels or transactions as long as the aggregate value of all parcels of such property is reported.
6. The names and addresses of all creditors to whom the local public officer or members of his household, in their own names or in the name of any other person, owed a debt of more than one thousand dollars or to whom a controlled business or dependent business owed a debt of more than ten thousand dollars which was also more than thirty percent of the total business indebtedness at any time during the preceding calendar year, listing

each such creditor. This paragraph shall not be construed to require the disclosure of debts owed by the local public officer or any member of his household resulting from the ordinary conduct of a business other than a controlled or dependent business. Nor shall disclosure be required of credit card transactions, retail installment contracts, debts on residences or recreational property exempt from disclosure under paragraph 5 of this subsection, debts on motor vehicles not used for commercial purposes, debts secured by cash values on life insurance or debts owed to relatives. It is sufficient disclosure of a creditor if the name and address or a person to whom payments are made is disclosed. If the local public officer, and any member of his household or a controlled or dependent business incurred or discharged a debt which is reportable under this subsection during the preceding calendar year, the report shall disclose that the transaction was made and the date it occurred.

7. The identification and amount of each debt exceeding one thousand dollars owed at any time during the preceding calendar year to the local public officer and member of his household in their own names, or to any other person for the use or benefit of the local public officer or any member of his household. The disclosure shall include the identification and amount of each debt exceeding ten thousand dollars to a controlled business or dependent business which was also more than thirty percent of the total indebtedness to the business at any time during the preceding calendar year. This paragraph shall not be construed to require the disclosure of debts from the ordinary conduct of a business other than a controlled or dependent business. If the local public officer, any member of his household or a controlled or dependent business incurred or discharged a debt which is reportable under this subsection during the preceding year, the report shall disclose that the transaction was made and the date it occurred.
8. The name of each source of any gift, or accumulated gifts from a single source, of more than five hundred dollars received by the local public officer and members of his household in their own names during the preceding calendar year, or by any other person for the use or benefit of the local public officer or any member of his household except gifts received by will or by virtue of intestate succession, or received by way of distribution from any intervivos or testamentary trust established by a spouse or by an ancestor, of gifts received from any other member of the household or relatives to the second degree of consanguinity. TRAVEL-RELATED EXPENSES AND POLITICAL CAMPAIGN CONTRIBUTIONS SHALL NOT BE CONSTRUED AS GIFTS IF OTHERWISE PUBLICLY REPORTED AS REQUIRED BY LAW.
9. A list of all business licenses issued, by the City of El Mirage, or by any other governmental agency which requires for its issuance the consideration of the application for such license by the City Council of the City of El Mirage, to, held by or in which the local public officer or any member of his

household had an interest at any time during the preceding calendar year, including the name in which the license was issued, the type of business and its location.

10. A list of all bonds, together with their value, issued by the City of El Mirage, any industrial development authority of the City or any nonprofit corporation organized or authorized by the City held at any time during the preceding calendar year by the local public officer or any member of his household, which bonds issued by a single entity had a value in excess of one thousand dollars. If the local public officer or any member of his household acquired or divested any bonds during the preceding calendar year which are reportable under this paragraph, the fact that the transaction occurred and the date shall also be shown.
  11. THE NAME OF EACH MEETING, CONFERENCE OR OTHER EVENT WHERE THE LOCAL PUBLIC OFFICER IS PARTICIPATING IN THE PUBLIC OFFICER'S OFFICIAL CAPACITY IF TRAVEL-RELATED EXPENSES OF ONE THOUSAND DOLLARS OR MORE WERE INCURRED ON BEHALF OF THE LOCAL PUBLIC OFFICER AND THE TRAVEL-RELATED EXPENSES ARE NOT PAID BY THE LOCAL PUBLIC OFFICER.
- B. If an amount or value is required to be reported pursuant to this section, it is sufficient to report whether the amount or value of the equity interest falls within:
1. Category 1, one thousand dollars to twenty-five thousand dollars.
  2. Category 2, more than twenty-five thousand dollars to one hundred thousand dollars.
  3. Category 3, more than one hundred thousand dollars.
- C. This section does not require the disclosure of any information that is privileged by law.
- D. The statement required to be filed pursuant to subsection A shall be filed by all persons who qualified as local public officers at any time during the preceding calendar year on or before January 31 of each year, with the exceptions that a local public officer appointed to fill a vacancy shall, within sixty days following his taking of such office, file a financial disclosure statement covering as his annual period the twelve month period ending with the last full month prior to the date of his taking office, AND A LOCAL PUBLIC OFFICER WHOSE FINAL TERM EXPIRES LESS THAN THIRTY-ONE DAYS INTO THE IMMEDIATELY FOLLOWING CALENDAR YEAR MAY FILE THE LOCAL PUBLIC OFFICER'S FINAL FINANCIAL DISCLOSURE AT THE SAME TIME AS THE DISCLOSURE FOR THE LAST IMMEDIATELY PRECEDING YEAR.

- E. The City Clerk shall prepare written guidelines, forms and samples for completing the financial disclosure statement required by this section. A copy of the guidelines, forms and samples shall be distributed to each local public officer and shall be made available to each candidate required to file a financial disclosure statement pursuant to Section 3 of this resolution.
  
- F. ANY STATEMENTS THAT ARE REQUIRED TO BE FILED BY A LOCAL PUBLIC OFFICER PURSUANT TO THIS ORDINANCE/RESOLUTION ADOPTED PURSUANT TO A.R.S. § 38-545 MAY BE FILED IN AN ELECTRONIC FORMAT AS PRESCRIBED BY THE SECRETARY OF STATE.

**Section 3.** DUTY TO FILE FINANCIAL DISCLOSURE STATEMENT BY CANDIDATE FOR LOCAL PUBLIC OFFICE. A candidate for local public office as specified in Section 1, paragraph 6, shall file a financial disclosure statement covering the preceding twelve month period and containing the information described in Section 2 on a form prescribed by the City Clerk at the time of filing nomination papers.

**Section 4.** This resolution shall become effective on the 31st day of December, 2016.

**PASSED AND ADOPTED** by the City Council of the City of El Mirage, Maricopa County, Arizona, this 6th day of December, 2016.

APPROVED:

\_\_\_\_\_  
Lana Mook, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Sharon Antes, City Clerk

\_\_\_\_\_  
Robert M. Hall, City Attorney

State of Arizona  
House of Representatives  
Fifty-second Legislature  
Second Regular Session  
2016

**CHAPTER 196**  
**HOUSE BILL 2429**

AN ACT

AMENDING SECTION 38-541, ARIZONA REVISED STATUTES; AMENDING SECTION 38-542, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2014, CHAPTER 149, SECTION 1; RELATING TO FINANCIAL DISCLOSURE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 38-541, Arizona Revised Statutes, is amended to  
3 read:

4 38-541. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Business" includes any enterprise, organization, trade, occupation  
7 or profession, whether or not operated as a legal entity or for profit,  
8 including any business trust, corporation, partnership, joint venture or sole  
9 proprietorship.

10 2. "Compensation" means anything of value or advantage, present or  
11 prospective, including the forgiveness of debt.

12 3. "Controlled business" means any business in which the public  
13 officer or any member of his household has an ownership or beneficial  
14 interest, individually or combined, amounting to more than a fifty ~~per cent~~  
15 PERCENT interest.

16 4. "Dependent business" means any business in which the public officer  
17 or any member of his household has an ownership or beneficial interest,  
18 individually or combined, amounting to more than a ten ~~per cent~~ PERCENT  
19 interest, and during the preceding calendar year the business received from a  
20 single source more than ten thousand dollars and more than fifty ~~per cent~~  
21 PERCENT of its gross income.

22 5. "Gift" includes any gratuity, special discount, favor, hospitality,  
23 service, economic opportunity, loan or other benefit received without  
24 equivalent consideration and not provided to members of the public at large.  
25 GIFT DOES NOT INCLUDE:

26 (a) TRAVEL-RELATED EXPENSES THAT ARE PUBLICLY REPORTED PURSUANT TO  
27 THIS ARTICLE.

28 (b) POLITICAL CAMPAIGN CONTRIBUTIONS THAT ARE PUBLICLY REPORTED  
29 PURSUANT TO TITLE 16, CHAPTER 6.

30 6. "Local public officer" means a person holding an elective office of  
31 an incorporated city or town, a county or a groundwater replenishment  
32 district established under title 48, chapter 27.

33 7. "Member of household" means a public officer's spouse and any minor  
34 child of whom the public officer has legal custody.

35 8. "Public officer" means a member of the legislature and any judge of  
36 the court of appeals or the superior court, or a person holding an elective  
37 office the constituency of which embraces the entire geographical limits of  
38 this state. Members of Congress are not public officers as defined in this  
39 paragraph.

40 9. "TRAVEL-RELATED EXPENSES" MEANS ANY COSTS ASSOCIATED WITH  
41 TRANSPORTATION, FOOD, LODGING AND REGISTRATION FEES AND OTHER EXPENSES  
42 DIRECTLY RELATED TO TRAVEL TO OR FROM A MEETING, CONFERENCE OR OTHER EVENT  
43 WHERE THE PUBLIC OFFICER IS PARTICIPATING IN THE PUBLIC OFFICER'S OFFICIAL  
44 CAPACITY.

45 Sec. 2. Section 38-542, Arizona Revised Statutes, as amended by Laws  
46 2014, chapter 149, section 1, is amended to read:

1           38-542. Duty to file financial disclosure statement; contents;  
2                           exceptions

3           A. In addition to other statements and reports required by law, every  
4 public officer, as a matter of public record, shall file with the secretary  
5 of state on a form prescribed by the secretary of state a verified financial  
6 disclosure statement covering the preceding calendar year. The statement  
7 shall disclose:

8           1. The name and HOME OR WORK address of the public officer ~~and each~~  
9 ~~member of his household~~, WHETHER THE PUBLIC OFFICER'S SPOUSE IS A MEMBER OF  
10 THE PUBLIC OFFICER'S HOUSEHOLD, THE NUMBER OF MINOR CHILDREN WHO ARE MEMBERS  
11 OF THE PUBLIC OFFICER'S HOUSEHOLD and all names and addresses under which  
12 each does business. IF DISCLOSURE OF THE IDENTITY OF THE PUBLIC OFFICER'S  
13 SPOUSE OR MINOR CHILD WOULD OTHERWISE BE REQUIRED, A PUBLIC OFFICER MAY  
14 COMPLY WITH THE IDENTIFICATION REQUIREMENT BY USING THE TERM "SPOUSE" OR  
15 "MINOR CHILD", AS APPLICABLE.

16           2. The name and address of each employer and of each other source of  
17 compensation other than gifts amounting to more than one thousand dollars  
18 received during the preceding calendar year by the public officer and members  
19 of his household in their own names, or by any other person for the use or  
20 benefit of the public officer or members of his household, a description of  
21 the services for which the compensation was received and the nature of the  
22 employer's business. This paragraph shall not be construed to require the  
23 disclosure of individual items of compensation that constituted a portion of  
24 the gross income of the business from which the public officer or members of  
25 his household derived compensation.

26           3. For a controlled business, a description of the goods or services  
27 provided by the business, and if any single source of compensation to the  
28 business during the preceding calendar year amounts to more than ten thousand  
29 dollars and is more than ~~twenty-five per cent~~ PERCENT of the gross income of  
30 the business, the disclosure shall also include a description of the goods or  
31 services provided to the source of compensation. For a dependent business  
32 the statement shall disclose a description of the goods or services provided  
33 by the business and a description of the goods or services provided to the  
34 source of compensation from which the dependent business derived the amount  
35 of gross income described in section 38-541, paragraph 4. If the source of  
36 compensation for a controlled or dependent business is a business, the  
37 statement shall disclose a description of the business activities engaged in  
38 by the source of compensation.

39           4. The names and addresses of all businesses and trusts in which the  
40 public officer or members of his household, or any other person for the use  
41 or benefit of the public officer or members of his household, had an  
42 ownership or beneficial interest of over one thousand dollars at any time  
43 during the preceding calendar year, and the names and addresses of all  
44 businesses and trusts in which the public officer or any member of his  
45 household held any office or had a fiduciary relationship at any time during

1 the preceding calendar year, together with the amount or value of the  
2 interest and a description of the interest, office or relationship.

3 5. All Arizona real property interests and real property improvements,  
4 including specific location and approximate size, in which the public  
5 officer, any member of his household or a controlled or dependent business  
6 held legal title or a beneficial interest at any time during the preceding  
7 calendar year, and the value of any such interest, except that this paragraph  
8 does not apply to a real property interest and improvements thereon used as  
9 the primary personal residence or for the personal recreational use of the  
10 public officer. If a public officer, any member of his household or a  
11 controlled or dependent business acquired or divested any such interest  
12 during the preceding calendar year, he shall also disclose that the  
13 transaction was made and the date it occurred. If the controlled or  
14 dependent business is in the business of dealing in real property interests  
15 or improvements, disclosure need not include individual parcels or  
16 transactions as long as the aggregate value of all parcels of such property  
17 is reported.

18 6. The names and addresses of all creditors to whom the public officer  
19 or members of his household, in their own names or in the name of any other  
20 person, owed a debt of more than one thousand dollars or to whom a controlled  
21 business or a dependent business owed a debt of more than ten thousand  
22 dollars which was also more than thirty ~~per-cent~~ PERCENT of the total  
23 business indebtedness at any time during the preceding calendar year, listing  
24 each such creditor. This paragraph shall not be construed to require the  
25 disclosure of debts owed by the public officer or any member of his household  
26 resulting from the ordinary conduct of a business other than a controlled or  
27 dependent business nor shall disclosure be required of credit card  
28 transactions, retail installment contracts, debts on residences or  
29 recreational property exempt from disclosure under paragraph 5 of this  
30 subsection, debts on motor vehicles not used for commercial purposes, debts  
31 secured by cash values on life insurance or debts owed to relatives. It is  
32 sufficient disclosure of a creditor if the name and address of a person to  
33 whom payments are made is disclosed. If the public officer, any member of  
34 his household or a controlled or dependent business incurred or discharged a  
35 debt which is reportable under this subsection during the preceding calendar  
36 year, the report shall disclose that the transaction was made and the date it  
37 occurred.

38 7. The identification and amount of each debt exceeding one thousand  
39 dollars owed at any time during the preceding calendar year to the public  
40 officer and members of his household in their own names, or to any other  
41 person for the use or benefit of the public officer or any member of his  
42 household. The disclosure shall include the identification and amount of  
43 each debt exceeding ten thousand dollars to a controlled business or  
44 dependent business which was also more than thirty ~~per-cent~~ PERCENT of the  
45 total indebtedness to the business at any time during the preceding calendar  
46 year. This paragraph shall not be construed to require the disclosure of

1 debts from the ordinary conduct of a business other than a controlled or  
2 dependent business. If the public officer, any member of his household or a  
3 controlled or dependent business incurred or discharged a debt which is  
4 reportable under this subsection during the preceding year, the report shall  
5 disclose that the transaction was made and the date it occurred.

6 8. The name of each source of any gift, or accumulated gifts from a  
7 single source, of more than five hundred dollars received by the public  
8 officer and members of his household in their own names during the preceding  
9 calendar year, or by any other person for the use or benefit of the public  
10 officer or any member of his household except gifts received by will or by  
11 virtue of intestate succession, or received by way of distribution from any  
12 inter vivos or testamentary trust established by a spouse or by an ancestor,  
13 or gifts received from any other member of the household or relatives to the  
14 second degree of consanguinity. ~~Political campaign contributions shall not~~  
15 ~~be construed as gifts if otherwise publicly reported as political campaign~~  
16 ~~contributions as required by law.~~

17 9. A list of all business licenses issued to, held by or in which the  
18 public officer or any member of his household had an interest at any time  
19 during the preceding calendar year, including the name in which the license  
20 was issued, the type of business and its location.

21 10. A list of all bonds, together with their value, issued by this  
22 state or any political subdivision of this state and held at any time during  
23 the preceding calendar year by the public officer or any member of his  
24 household, which bonds issued by a single entity had a value in excess of one  
25 thousand dollars. If the public officer or any member of his household  
26 acquired or divested any bonds during the preceding calendar year which are  
27 reportable under this paragraph, the fact that the transaction occurred and  
28 the date shall also be shown.

29 11. THE NAME OF EACH MEETING, CONFERENCE OR OTHER EVENT WHERE THE  
30 PUBLIC OFFICER IS PARTICIPATING IN THE PUBLIC OFFICER'S OFFICIAL CAPACITY IF  
31 TRAVEL-RELATED EXPENSES OF ONE THOUSAND DOLLARS OR MORE WERE INCURRED ON  
32 BEHALF OF THE PUBLIC OFFICER AND THE TRAVEL-RELATED EXPENSES ARE NOT PAID BY  
33 THE PUBLIC OFFICER.

34 B. If an amount or value is required to be reported pursuant to this  
35 section, it is sufficient to report whether the amount or value of the equity  
36 interest falls within:

37 1. Category 1, one thousand dollars to twenty-five thousand dollars.

38 2. Category 2, more than twenty-five thousand dollars to one hundred  
39 thousand dollars.

40 3. Category 3, more than one hundred thousand dollars.

41 C. This section does not require the disclosure of any information  
42 that is privileged by law.

43 D. The statement required to be filed pursuant to subsection A shall  
44 be filed by all persons who qualified as public officers at any time during  
45 the preceding calendar year on or before January 31 of each year with the  
46 exceptions that a public officer appointed to fill a vacancy shall, within

1 sixty days following his taking of such office, file a financial disclosure  
2 statement covering as his annual period the twelve month period ending with  
3 the last full month prior to the date of his taking office, and a public  
4 officer whose final term expires less than thirty-one days into the  
5 immediately following calendar year may file the public officer's final  
6 financial disclosure at the same time as the disclosure for the last  
7 immediately preceding year.

8 E. The secretary of state shall prepare written guidelines, forms and  
9 samples for completing the financial disclosure statement required by this  
10 section. A copy of the guidelines, forms and samples shall be distributed to  
11 each public officer and shall be made available to each candidate required to  
12 file a financial disclosure statement pursuant to section 38-543.

13 F. Beginning January 1, 2017, the statement required to be filed in  
14 subsection D of this section may be filed by the public officer in a form  
15 prescribed by the secretary of state that includes authorization for future  
16 filings to be submitted in an electronic format. Any subsequent filings  
17 required to be filed in subsection D of this section may be filed in an  
18 electronic format as prescribed by the secretary of state. BEGINNING  
19 JANUARY 1, 2017, ANY STATEMENTS THAT ARE REQUIRED TO BE FILED BY A LOCAL  
20 PUBLIC OFFICER PURSUANT TO AN ORDINANCE, RULE, RESOLUTION OR REGULATION  
21 ADOPTED PURSUANT TO SECTION 38-545 MAY BE FILED IN AN ELECTRONIC FORMAT AS  
22 PRESCRIBED BY THE SECRETARY OF STATE.

23 Sec. 3. Effective date

24 This act is effective from and after December 31, 2016.

APPROVED BY THE GOVERNOR MAY 11, 2016.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 11, 2016.

**LOCAL PUBLIC OFFICERS  
FINANCIAL DISCLOSURE STATEMENT**

**GENERAL INFORMATION**

1. Who should file a financial disclosure statement?

- A. The Mayor and each member of the City/Town Council (hereafter referred to as local public officers).
- B. Every candidate for mayor and councilmember.

2. Where should a financial disclosure statement be filed?

City/Town Clerk

\_\_\_\_\_

Address

\_\_\_\_\_

3. When should a financial disclosure statement be filed?

- A. By every incumbent local public officer on or before the 31st day of January of each year, covering the previous calendar year.
- B. By every local public officer appointed to fill a vacancy within 60 days following the filling of such vacancy, covering as his annual period the twelve-month period ending with the last full month prior to the date of taking office and thereafter on or before the 31st day of January of each year.
- C. By every candidate for local public officer at the time of filing of the candidate's nomination papers for the preceding twelve-month period.

4. Violations: Penalties – A.R.S. § 38-544.

Any local public officer or candidate for local public office who knowingly fails to file a financial disclosure statement required by an ordinance, rule, resolution or regulation of the City/Town, required by A.R.S. § 38-545, or who knowingly files an incomplete financial disclosure statement, or who knowingly files a false financial disclosure statement is guilty of a class 1 misdemeanor.

Any public officer, local public officer or candidate who violates this chapter is subject to a civil penalty of fifty dollars for each day of noncompliance but not more than five hundred dollars may be imposed as prescribed in A.R.S. § 16-924.

5. Definitions: Section 1 of Resolution No. \_\_\_\_\_.

- A. "Business" includes any enterprise, organization, trade, occupation or profession, whether or not operated as a legal entity or for profit, including any business trust, corporation, partnership, joint venture or sole proprietorship.
- B. "Compensation" means anything of value or advantage, present or prospective, including the forgiveness of debt.

- C. "Controlled business" means any business in which the local public officer or any member of his household has an ownership or beneficial interest, individually or combined, amounting to more than a fifty percent interest.
- D. "Dependent business" means any business in which the local public officer or any member of his household has an ownership or beneficial interest, individually or combined, amounting to more than a ten percent interest, and during the preceding calendar year the business received from a single source more than ten thousand dollars and more than fifty per cent of its gross income.
- E. "Gift" includes any gratuity, special discount, favor, hospitality, service, economic opportunity, loan or other benefit received without equivalent consideration and not provided to members of the public at large. "Gift" does not include travel-related expenses that are publicly reported as required by law or political campaign contributions that are publicly reported pursuant to Title 16, Chapter 6.
- F. "Local public officer" means a person holding an effective office of the City/Town of \_\_\_\_\_.
- G. "Member of household" means a local public officer's spouse and any minor child of whom the local public officer has legal custody.
- H. "Travel-related expenses" means any costs associated with transportation, food, lodging and registration fees and other expenses directly related to travel to, or from, a meeting, conference, or other event where the public officer is participating in the public officer's official capacity.

6. Amount or Value Categories

If an amount or value is required to be reported pursuant to this section, it is sufficient to report whether the amount or value of the equity interest falls within:

- A. CATEGORY 1 – One thousand dollars to twenty-five thousand dollars.
- B. CATEGORY 2 – More than twenty-five thousand dollars to one hundred thousand dollars.
- C. CATEGORY 3 – More than one hundred thousand dollars.

7. Information that is privileged or confidential by law need not be disclosed.

8. If disclosure of the identity of the local public officer's spouse or minor child would otherwise be required, a local public officer may comply with the identification requirement by using the terms "spouse" or "minor child," as applicable.

**FINANCIAL DISCLOSURE STATEMENT**

(For use by Local Public Officers of the City/Town of \_\_\_\_\_)

Date \_\_\_\_\_

For Calendar Year \_\_\_\_\_

\_\_\_\_\_  
(Or other applicable period, please specify)

**1. GENERAL INFORMATION**

List your name and home or work address, whether your spouse is a member of your household and the number of minor children who are members of your household. Also, list all names under which you and members of your household did business. Include controlled and dependent businesses (see definitions) and indicate whether a business is controlled or dependent, or both.

(a) Name of Local Public Officer \_\_\_\_\_

Home or Work Address \_\_\_\_\_

(b) Is the Local Public Officer's Spouse a Member of the Household? \_\_\_\_\_

(c) What is the Number of Minors Who Are Members of the Household? \_\_\_\_\_

\_\_\_\_\_  
(d) Names under which you, your spouse and members of your household (those persons listed in (a), (b) and (c) above) did business. You may use the terms "spouse" or "minor child," as applicable.

Local Public Officers or Member of Household	Business Name	Business Address	Controlled and/or Dependent Business
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____



(1)	(2)	(3)	(4)
Name of Controlled Business (from Item 1 (d))	Goods or Services Provided by the Business	Goods or Services Provided to the Major Customer or Client (more than \$10,000 and 25% of Gross)	Business Activity of the Major Customer or Client, if a Business
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(Use additional sheet if there is more than one such major customer or client of a controlled business.)

**4. INFORMATION ON DEPENDENT BUSINESS**

A "dependent business" is so-called because over half of its income is dependent on one major customer or client. A dependent business may also be a controlled business if the public officer or members of his household also own more than a fifty percent interest in the business. If a dependent business is listed as a controlled business under Item 3, it need not be listed in this item.

Describe the goods or services provided by the business, the goods or services provided to the major customer or client and the business activity if the major customer or client is a business.

**You Need Not List:**

- The identity of any customer or client.
- The amount of income from any customer or client.
- The activities of any customer or client which is not a business.

(1)	(2)	(3)	(4)
Name of Dependent Business (from Item 1 (d))	Goods or Services Provided by the Business	Goods or Services Provided to the Major Customer or Client (more than \$10,000 and 25% of Gross)	Business Activity of the Major Customer or Client, if a Business
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(Use additional sheet if there is more than one such major customer or client of a controlled business.)

5A. **OWNERSHIP/BENEFICIAL INTEREST IN BUSINESS OR TRUST; INVESTMENTS**

List the names and addresses of all businesses and trusts in which you or members of your household had an ownership or beneficial interest of over \$1,000 at any time during the preceding calendar year, together with a description of the interest and value of the equity interest by category number. You should list stocks, partnerships, joint ventures, sole proprietorships and other equity interests. Also, list beneficial interests in trusts.

Name and Address of Business or Trust	Local Public Officer or Member of Household	Description of Interest	Value of Equity by Category #
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

5B. **OFFICES OR FIDUCIARY RELATIONSHIPS IN BUSINESS OR TRUST**

List the names and addresses of all businesses and trusts in which you or any member of your household held any office or had a fiduciary relationship at any time during the preceding calendar year, together with a description of the office or relationship.

Regardless of any financial interest, you should list all businesses and trusts of which you or any member of your household is president, treasurer, secretary or trustee, etc. (Refer to the definition of "Business".)

Name and Address of Business or Trust	Local Public Officer or Member of Household	Description of Office or Relationship
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

6. **REAL PROPERTY OWNERSHIP IN CITY/TOWN OF \_\_\_\_\_**

List all real property interests and real property improvements located in the City/Town of \_\_\_\_\_, including location and approximate size in which you, any member of your household or a controlled or dependent business held legal title or a beneficial interest at any time during the preceding calendar year, and the value, by category, of the equity in any such property.

If you or any member of your household or a controlled or dependent business acquired or divested any such interest during the preceding calendar year, disclose the transaction made and date that it occurred. If the controlled or dependent business is in the business of dealing in real property or improvements, disclosure need not include individual parcels or transactions, but the aggregate value of all such parcels

**You Need Not List:**

- Your primary residence.
- Property used for personal recreation by you.
- Individual parcels and transactions, if a controlled or dependent business is a dealer in real property.\*

Location and Approximate Size of Realty in City/Town	Local Public Officer or Member of Household or Business from Items 3 or 4	Value of Equity by Category	Date Acquired or #Divested
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

\*Business dealers in real property---state only name of controlled or dependent business and aggregate value of equity interests, by category number, of all parcels held during the year.

Name of Controlled or Dependent Business Dealer in Real Property	Aggregate Value of Equity Interests by Category #
_____	_____
_____	_____
_____	_____
_____	_____

**7. DEBTS; EXCEPTIONS**

List names and addresses of creditors for all debts in excess of \$1,000 owed by you or members of your household either in your own names or in the names of any other persons at any time during the preceding calendar year.

List names and addresses of creditors to whom a controlled or dependent business owed a debt of more than \$10,000 which was also more than 30 percent of the total business indebtedness at any time during the preceding calendar year.

If the debt was incurred or discharged during the year, list whether it was incurred or discharged and the date.

**You Need Not List:**

- Debts resulting from the ordinary conduct of a business other than a controlled or dependent business.
- Credit card transactions.
- Debts on residences or recreational property exempt from disclosure.
- Retail installment contracts.
- Debts on motor vehicles not used for commercial purposes.
- Debts secured by cash values on life insurance.
- Debts owed to relatives.
- Any amounts.

**PERSONAL DEBTS OVER \$1,000**

Name and Address of Creditor (or Person to Whom Payments Are Made)	Date Local Public Officer or Member of Household Owing the Debt	Incurred and/or Discharged

**BUSINESS DEBTS OVER \$10,000 AND 30%**

Name and Address of Creditor (or Person to Whom Payments Are Made)	Date Local Public Officer or Member of Household Owing the Debt	Incurred and/or Discharged

8. **DEBTORS**

List the name of the debtor for each debt in excess of \$1,000 owed at any time during the preceding calendar year to you and members of your household or to any other person for the use or benefit of the aforementioned persons.

List the name of the debtor for each debt exceeding \$10,000 owed to a controlled or dependent business which was also more than 30 percent of the total indebtedness to the business at any time during the preceding calendar year.

Give the amount of each debt by category number.

If the debt was incurred or discharged during the year, list whether it was incurred or discharged and the date.

**You Need Not List:**

- Those debts owed to you or members of your household resulting from the ordinary conduct of a business other than a controlled or dependent business.

**DEBTS OVER \$1,000 OWED TO YOU PERSONALLY**

Name of Debtor	Local Public Officer or Member of Household to Whom Debt is Owed	Amount by Category #	Date Incurred and/or Discharged
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**DEBTS OVER \$10,000 AND 30% OWED TO YOUR BUSINESS**

Name of Debtor	Name of Controlled or Dependent Business to Whom the Debt is Owed (Business from Item 3 or 4)	Amount by Category #	Date Incurred and/or Discharged
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

9. **GIFTS**

List each source of any gift or accumulated gifts in excess of \$500 in value received during the preceding calendar year by you, members of your household or by any other person for the use or benefit of the aforementioned persons.

**You Need Not List:**

- Gifts received by will.
- Gifts received by intestate succession.
- Gifts received from intervivos (living) trusts established by a spouse or ancestor.
- Gifts received from testamentary trusts established by a spouse or ancestor.
- Gifts received from any other member of the household or relatives to the second degree of consanguinity. (Parents, grandparents, siblings, children and grandchildren of the recipient.)
- Travel-related expenses that are publicly reported.
- Political campaign contributions if publicly reported as political campaign contributions.
- Amounts.

Name of Donor of Gifts over \$500	Local Public Officer or Member of Household---Recipient

10. **BUSINESS LICENCES**

List all business licenses issued, by the City/Town of \_\_\_\_\_ or by any other governmental agency which requires for its issuance the consideration of the application for such license by the \_\_\_\_\_ council of the \_\_\_\_\_ of \_\_\_\_\_, to, held by or in which you or any member of your household had an interest at any time during the preceding calendar year.

Type of License	Name in Which License is Issued	Local Public Officer or Member of Household Holding Interest, if Not Issued in Own Name	Type of Business	Location of Business

11. **LOCAL GOVERNMENT BONDS**

List all bonds, together with their value, issued by the City/Town of \_\_\_\_\_, any industrial development authority of such city or town or any nonprofit corporation organized or authorized by such city or town held at any time during the preceding calendar year by you or any member of your household, which bonds issued by a single entity had a value in excess of \$1,000.

If the bonds were acquired or divested during the year, list whether they were acquired or divested and the date.

Bonds Over \$1,000	Issuing Agency	Local Public Officer or Member of Household	Value by Category #	Date Acquired and/or Divested

12. **TRAVEL-RELATED EXPENSES**

The name of each meeting, conference, or other event where you participated in your official capacity as a public officer if you incurred \$1,000 or more in travel-related expenses, which were not paid by you.

Meeting/Conference/Other Event	Amount Incurred	Name of Person/Entity Who Paid Expenses

**VERIFICATION**

I verify under penalty of perjury that the information provided in this Financial Disclosure Statement is in true and correct and fully shows all information required to be reported by me pursuant to Resolution No. \_\_\_\_\_.

\_\_\_\_\_  
 Signature of Affiant  
 (Typewritten signature accepted)

## INFORMACION GENERAL

1. ¿Quién debería archivar una declaración de estado financiero?

- A. El Alcalde y cada miembro del Concilio Municipal (de aquí en adelante referido como funcionario público local). (Vea definición 5.)
- B. Cada candidato para funcionario público local.

2. ¿Dónde debería archivarse una declaración de estado financiero?

SECRETARIO(A) MUNICIPAL

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3. ¿Cuándo debería archivarse una declaración de estado financiero?

- A. Por cada funcionario echado público local, en o antes del treinta-un día de Enero de cada año, cubriendo el año calendario previo.
- B. Por cada funcionario público local nombrado a llenar una resulta, antes de 60 días siguiente al archive de tal vacante, cubriendo como su período anual el período de doce meses terminado con el último mes completo antes de la fecha de tomar puesto y después en o antes del treinta-un día de Enero de cada año.
- C. Por candidato para funcionario público local al tiempo de archivar los documentos de nominación de candidato por el período de doce meses anterior.

4. Violaciones: Penas E.R.A. 38-544.

Cualquier funcionario público local o candidato para funcionario público local quien falle archivar una declaración de estado financiero requerida por E.R.A. Sección 38-545, o quien hábilmente archiva una declaración de estado financiero falsa es culpable de una mala conducta clase 1.

Cualquier funcionario público local o candidato para funcionario público local quien infringe este capítulo está sujeto a penalidad civil de cincuenta dólares por cada día de incumplimiento pero no mas que quinientos dólares puede estar impuesto como prescrito en Sección 16-924.

5. Definiciones - Sección 1, Resolución número \_\_\_\_\_.

- A. "Negocio" incluye cualquier empresa, organización, comercio, ocupación o profesión, sea o no sea operada como una entidad legal o para ganancia, incluyendo cualquier negocio, consorcio, corporación, compañía, ventura unida o propietario unico.
- B. "Compensación" significa algo de valor o ventaja, presente o propectiva incluyendo el perdón de deuda.
- C. "Negocio Controlado" significa cualquier negocio en el cual el funcionario público local o cualquier miembro de su familia tiene propiedad o empeño beneficioso, individualmente o combinado, con valor a más de cincuenta por ciento de interés.

- D. "Negocio Dependiente" significa cualquier negocio en el cual el funcionario público local o cualquier miembro de su familia tiene propiedad o empeño beneficioso, individualmente o combinado, con valor a más de diez por ciento de interés, y durante el año calendario anterior el negocio recibió de un solo manantial más de diez mil dólares y más de cincuenta por ciento de sus entradas totales.
- E. "Obsequio" incluye cualquier propina, descuento especial, favor, hospitalidad, servicio, oportunidad económica, préstamo o otro beneficio recibido sin consideración equivalente y no proveído a miembros del público en libertad.
- F. "Funcionario Público Local" significa una persona poseyendo una oficina electiva de la Ciudad de \_\_\_\_\_.
- G. "Miembro de Familia" significa la (el) esposa (o) y cualquier niño menor del cual el funcionario público local tiene custodia legal.

6. Categorías de Cantidad y Valor - Sección 2, Resolución número \_\_\_\_\_.

Si una cantidad o valor es requerido ser reportado de acuerdo con esta sección, es suficiente reportar si la cantidad o valor del interés equidad cae dentro:

- A. CATEGORIA 1 – Mil dólares a veinticinco mil dólares.
- B. CATEGORIA 2 -Más de veinticinco mil dólares a cien mil dólares.
- C. CATEGORIA 3 -Más de cien mil dólares.

7. Información que es privilegiada o confidencial por ley no necesita ser revelada.

**DECLARACION DEL ESTADO FINANCIERA DE FUNCIONARIOS PUBLICOS LOCALES**

Fecha \_\_\_\_\_

Para el año calendario \_\_\_\_\_

\_\_\_\_\_  
(o otra período, por favor especifique)

**1. Información General**

Escriba su nombre y dirección, y el nombre de cada miembro de su familia. También, escriba todos nombres bajo cuales usted y miembros de su familia hicieron negocio. Incluya negocios controlados y dependientes (vea definiciones) y indique si el negocio es controlado o dependiente o ambos.

(a) Nombre del funcionario público local \_\_\_\_\_  
Dirección \_\_\_\_\_

(b) Nombre de la esposa/esposo del funcionario público local \_\_\_\_\_  
\_\_\_\_\_

(c) Miembros de su familiar y/o otros personas que viven en su casa \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(d) Nombres bajo cuales usted, su esposo/esposa y miembros de su familia (las personas escritas en (a), (b) y (c) encima) hicieron negocio.

Funcionario público local o miembro de familia	Nombre del negocio	Dirección del negocio	Negocio controlado y/o Dependiente
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____



**No necesita mencionar:**

- La identidad de cualquier comprador o cliente.
- La cantidad de ingresos de cualquier comprador o cliente.
- Las actividades de cualquier comprador o cliente que no sea negocio.

(1)	(2)	(3)	(4)
Nombre del negocio controlado [de ítem 1 (d)]	Mercaderías y servicios proveídos por el negocio	Mercaderías o Servicios proveídos para el comprador o cliente mayor (más de \$10,000 y venticinco por ciento del grueso)	Actividades de negocio del comprador, o cliente, si es un negocio
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(Use hoja adicional si hay más que un tal comprador y cliente mayor de un negocio controlado.)

**4. Información Sobre Los Negocios Dependientes**

Un "negocio dependiente" es así llamado porque más de la mitad de su ingreso depende de un comprador o cliente mayor. Un negocio dependiente puede también ser un negocio controlado si el funcionario público o miembros de su familia también poseyen más de cincuenta por ciento de interés en el negocio. Si un negocio dependiente esta registrado como un negocio controlado bajo ítem 3, no se necesita registrar en esta ítem.

Describa las mercaderías y servicios proveídos por el negocio, las mercaderías y servicios proveídos al comprador o cliente mayor y las actividades de negocio si el comprador o cliente mayor es un negocio.

**No necesita registrar:**

- La identidad del comprador o cliente.
- La cantidad del ingreso del comprador o cliente.
- Las actividades de un comprador o cliente que no es un negocio.

(1) Nombre del negocio dependiente [de ítem 1 (d)]	(2) Mercaderías o servicios proveídos por el negocio	(3) Mercaderías o servicios proveídos al comprador o cliente mayor (más de \$10,000 y cincuenta por ciento del grueso)	(4) Actividades de negocio del comprador o cliente mayor, si un negocio

(Use hoja adicional si hay más que un tal comprador o cliente mayor de un negocio dependiente.)

**5A. Propiedad/Interes Beneficioso**

Registre los nombres y direcciones de todos los negocios y fondo en custodia el cual usted, o miembros de su familia tuvieron una propiedad o interés beneficioso de más de \$1,000 en cualquier tiempo durante el año calendario anterior, junto con una descripción de interés y valor de interés de equidad por número de categoría. Debería registrar capital, sociedades de comercio, riegos en participación, sociedades de propietario unico y otros intereses de equidad. También, registre intereses beneficiosos en sociedades de comercio.

Nombre y dirección del negocio o sociedad de comercio	Funcionario público local o miembro de familia	Descripción del interés	Valor de la equidad por numero de categoría

**5B. Relocaciones Financieras**

Registre los nombres y direcciones de todos los negocios y sociedades de comercio en cual usted o cualquier miembro de su familia tuvo cargo o tuvo una relación fiduciaria en cualquier tiempo durante el año calendario anterior, junto con una descripción del puesto o relación.

A pesar de cualquier interés financiero, debería registrar todos los negocios y sociedades de comercio en cual usted o cualquier miembro de su familia es presidente, tesorero, secretario, o fideicomisario, etc. (Véase la definición de "negocio".)

Nombre y dirección del negocio o sociedad de comercio	Funcionario público local o miembro de familia	Descripción de puesto o relación
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**6. Interés en Propiedad en La Ciudad de**

Registre todos sus intereses en propiedad inmueble y mejoramientos de propiedad inmueble situados en la Ciudad de \_\_\_\_\_, incluyendo localización y tamaño aproximado en cual usted, cualquier miembro de su familia o un negocio controlado o dependiente tuvo título legal o un interés beneficiario en cualquier tiempo durante el año calendario anterior, y el valor, por categoría, de la equidad en cualquier tal propiedad.

Si usted o cualquier miembro de su familia o negocio controlado o dependiente adquirió o despojo tal durante el año calendario anterior, descubra la transacción hecha y la fecha en que ocurrió. Si el negocio controlado o dependiente está en el negocio de tratar en propiedad inmueble o mejoramientos, descubrimiento no necesita incluir paquetes individuales o transacciones, pero el valor agregado de todos tales paquetes.

**No necesita registrar:**

- Su residencia principal.
- Propiedad usada por usted para recreación personal.
- Paquetes individuales y transacciones, si el negocio controlado y dependiente es un comerciante en propiedad inmueble.\*

Localizacion y tamaño Adaproximado de bienes raíces situados en la Ciudad de _____	Funcionario público local o miembro de su familia o negocio de ítems 3 o 4	Valor de equidad por numero de categoría	Fecha adquidida o des pojada
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

\*Commerciantes de negocio en propiedad inmueble – declare solamente el nombre del negocio controlado o dependiente y el valor agregado de intereses de equidad, por número de categoría, de todos los paquetes que tuvo durante al año.

Nombre del comerciante en propiedad inmueble de negocio controlado o dependiente	Valor agregado de intereses de equidad por numero de categoría
_____	_____
_____	_____
_____	_____
_____	_____

**7. Deudas; Excepciones**

Registre los nombres y direcciones de los acreedores para todas las deudas en exceso de \$1,000 debidas por usted o miembros de su familia ya sea en sus propios nombres o en los nombres de cualquier otras personas en cualquier tiempo durante el año calendario anterior.

Registre los nombres y direcciones de los acreedores a quién un negocio controlado o dependiente debió una deuda de más de \$10,000 que era también más de 30 por ciento de la deuda total del negocio a cualquier tiempo durante el año calendario anterior.

Si la deuda fue incurrida o descargada durante el año, registre si fue incurrida o descargada y la fecha.

**No necesita registrar:**

- Deudas resultando de la conducta ordinaria de un negocio otro que un negocio controlado o dependiente.
- Transacciones de carta de crédito.
- Deudas en propiedad de residencia o recreación exentada de declaración.
- Contratos de pagos parcial de venta por menor.
- Deudas en vehículos de motor no usados para propósitos comerciales.
- Deudas aseguradas por valores de fondos disponibles en seguro de vida.
- Deudas debidas a parientes.
- Cualquier cantidades.

DEUDAS PERSONALES MAS DE \$1,000

Nombre y dirección del acreedor (o la persona a quién son hechos los pagos)	Funcionario público local o miembro de la familia que debe la deuda	Fecha incurrida y/o descargada
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

DEUDAS DE NEGOCIO MAS DE \$10,000 y 30%

Nombre y dirección del acreedor (o la persona a quién son hechos los pagos)	Nombre del negocio controlado o dependiente (de ítem 3 o 4)	Fecha incurrida y/o descargada
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**8. Deudores**

Registre el nombre del deudor para cada deuda en exceso de \$1,000 que durante cualquier tiempo del año calendario anterior fue debida a usted y miembros de su familia o a cualquier otra persona para el uso o beneficio de las personas susodicho.

Registre el nombre del deudor para cada deuda excediendo \$10,000 debida a un negocio controlado o dependiente que era también más de 30 por ciento de la deuda total al negocio a cualquier tiempo durante el año calendario anterior.

De la cantidad de cada deuda por número de categoría.

Si la deuda fue incurrida o descargada durante el año, registre si fue incurrida o descargada y la fecha.

**No necesita registrar:**

- Aquellas deudas que se deben a usted o miembros de su familia resultando de la conducta ordinaria de un negocio otro que un negocio controlado o dependiente.

**DEUDAS MAS DE \$1,000 DEBIDAS A USTED PERSONALMENTE**

Nombre del deudor	Funcionario público local o miembro de familia a quién se le debe la deuda	Cantidad por número de categoría	Fecha incurrida y/o descargada
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**DEUDAS MAS DE \$10,000 Y 30% DEBIDAS A SU NEGOCIO**

Nombre del deudor	Nombre del negocio controlado o dependiente a quién se le debe la deuda (negocio de ítem 3 o 4)	Cantidad por número de categoría	Fecha incurrida y/o descargada
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**9. Regalos**

Registre cada origen de cualquier regalo o regalos acumulados en exceso de \$500 en valor recibidos durante el año calendario anterior por usted, miembros de su familia o por cualquier otra persona para el uso o beneficio de las personas susodicho.

**No necesita registrar:**

- Regalos recibidos por testamento.
- Regalos recibidos por sucesión de intestado.
- Regalos recibidos de combinaciones establecidas por un esposo (a) o antepasados durante su vida.

- Regalos recibidos de combinaciones de testamentario establecidas por un esposo (a) o antepasados.
- Regalos recibidos de cualquier miembro de la casa o pariente en el segundo grado de consanguinidad. (padres, abuelos, hermanos (as), niños y nietos del recipiente).
- Contribuciones de campaña política si reportadas publicamente como contribuciones de campaña política.
- Cantidades.

El nombre del donador de regalos mas de \$500	Funcionario público local o miembro de familia – recipiente

**10. Licencias de Negocio**

Registre todos licencias de negocio expedidas por la Ciudad de \_\_\_\_\_, o por cualquier otra agencia gubernative que requerir para su emisión la consideración de la aplicación para tal licencia por el Concilio Municipal de la Ciudad de \_\_\_\_\_, para, mantenida por o en cual usted o cualquier miembro de su familia tuvo un interés a cualquier tiempo durante el año calendario anterior.

Tipo de licencia	El nombre en cual la licencia esta expedida	Funcionario público local o miembro de familia que tiene interés si no expedida en su nombre	Tipo de negocio	Localización del negocio

**11. Bonos Del Gobierno Municipal**

Registre todos los bonos, juntos con sus valores, expedidos por la Ciudad de \_\_\_\_\_, la autoridad de desarrollo industrial de la Ciudad de \_\_\_\_\_, o por cualquier corporación de no beneficio organizada or autorizada por la Ciudad de \_\_\_\_\_, mantenidos en cualquier tiempo durante el año calendario anterior por usted o cualquier miembro de su familia, cuales bonos expedidos por una entidad sola tenian un valor en exceso de \$1,000.

Si los bonos fueron adquiridos o despojados durante el año, registre si fueron adquiridos o despojados y la fecha.

Bonos más de \$1,000	Agencia de emision	Funcionario público local o miembro de familia	Valor por número de categoría	Fecha adquiridos y/o despojados
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

**VERIFICACION**

Yo juro solemnemente que la declaración de Estado Financiero que aquí se registra es correcta en todosentido y demuestra totalmente la información que se requiere de acuerdo con la Resolución numero \_\_\_\_\_.

\_\_\_\_\_  
Firma del declarante



AGENDA ITEM A.

**REQUEST FOR COUNCIL ACTION**

<b>DATE SUBMITTED:</b> <u>11/30/2016</u>	<b>TYPE OF ACTION:</b>  ___ RESOLUTION # _____ ___ ORDINANCE # _____ <input checked="" type="checkbox"/> <b>OTHER:</b> Swearing In and Seating of new Council	<b>SUBJECT:</b> Swearing In and Seating of El Mirage City Council members for the term December 2016 – December 2020.
<b>DATE ACTION REQUESTED:</b> <u>12/06/2016</u>		
<input checked="" type="checkbox"/> <b>REGULAR</b> ___ <b>CONSENT</b>		

<b>TO:</b> Mayor and Council
<b>FROM:</b> Sharon Antes, City Clerk <i>SA</i>
<b>RECOMMENDATION:</b> N/A
<b>PROPOSED MOTION:</b> N/A
<b>ATTACHMENTS:</b> Oaths of Office

**DISCUSSION:** Oaths of Office for newly elected Council members presented by City Clerk, Sharon Antes.

**FISCAL IMPACT:** N/A

**DEPARTMENT LINE ITEM ACCOUNT:** N/A

**BALANCE IN LINE ITEM IF APPROVED:** N/A

Finance Director:

*Robert Nilles*                      12/2/16  
 Robert Nilles                              Date

Approved as to form:

*Robert M. Hall*                      12/1/16  
 Robert M. Hall, City Attorney              Date

City Manager:

*Dr. Spencer A. Isom*                      12/2/16  
 Dr. Spencer A. Isom                              Date





## RESOLUTION NO. R16-12-25

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF EL MIRAGE, ARIZONA, APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF LOAN AGREEMENT AMENDMENTS FOR LOAN NOS. 920100-06, 920127-08, 910154-13 AND 920227-13 WITH THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA FROM ITS REVOLVING FUND PROGRAMS AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY SUCH AMENDMENTS AND THIS RESOLUTION

WHEREAS, the City of El Mirage, Arizona (the "City"), has heretofore been provided, by the Water Infrastructure Finance of Arizona (the "Authority"), loans (collectively, the "Loans") from the Authority's Revolving Fund Programs to provide funds for certain improvements and expansions to the facilities of the complete drinking water and sewer plant and system of the City and the payment of the City's proportionate share of expenses of administering the Authority's Revolving Funds Program and any bonds issued by the Authority with respect thereto; and

WHEREAS, the terms and conditions under which the Loans were made and the obligations of the City with respect to the Loans were set forth in loan agreements for the Loans numbered by the Authority as Nos. 920100-06, 920127-08, 910154-13 and 920227-13, dated February 24, 2006, January 25, 2008, August 31, 2012, and August 31, 2012, respectively, executed and delivered by the City and the Authority (collectively, the "Loan Agreements"); and

WHEREAS, the Mayor and Council of the City have determined that it will be beneficial to the citizens of the City to enter into and to perform loan agreement amendments to the Loan Agreements (the "Loan Agreement Amendments"), whereby various reserve and replacement funds and accounts required for the Loans by the Loan Agreements are to be released; and

WHEREAS, there has been placed on file with the Clerk of the City and presented at the meeting at which this Resolution was adopted the proposed forms of the Loan Agreement Amendments;

NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF EL MIRAGE, ARIZONA, AS FOLLOWS:

Section 1. The form, terms and provisions of the Loan Agreement Amendments, in the forms of such documents (including the exhibits thereto) presented at the meeting at which this Resolution was adopted are hereby approved, with such insertions, omissions and changes, not inconsistent with the applications of the City to the Authority for the Loans or the requirements of the federal government or the Authority for the Loans, as shall be approved by the Manager of the City, the execution of such document being conclusive evidence of

such approval, and the Mayor or, in the absence thereof, the Vice Mayor of the City and the Clerk of the City are hereby authorized and directed, for and on behalf of the City, to execute and attest and deliver, respectively, the Loan Agreement Amendments.

Section 2. The appropriate officials and officers of the City are hereby authorized and directed to take all action necessary or reasonably required to carry out, give effect to and to consummate the transactions contemplated by the Loan Agreement Amendments and by this Resolution, including, without limitation, the execution and delivery of any closing and other documents reasonably required to be delivered in connection therewith.

Section 3. If any section, paragraph, subdivision, sentence, clause or phrase of this Resolution is for any reason held to be illegal or unenforceable, such decision will not affect the validity of the remaining portions of this Resolution. The Mayor and Council of the City hereby declares that it would have adopted this Resolution and each and every other section, paragraph, subdivision, sentence, clause or phrase hereof and authorized the execution and delivery of the Loan Agreement Amendments pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Resolution may be held illegal, invalid or unenforceable. All ordinances, resolutions or parts thereof, inconsistent herewith, are hereby waived to the extent only of such inconsistency. This waiver shall not be construed as reviving any ordinance or resolution or any part thereof.

Section 4. All actions of the officers and agents of the City including the Mayor and Council of the City which conform to the purposes and intent of this Resolution and which further the execution and delivery of the Loan Agreement Amendments as contemplated by this Resolution, whether heretofore or hereafter taken, are hereby ratified, confirmed and approved. The proper officers and agents of the City are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the City as may be necessary to carry out the terms and intent of this Resolution.

Section 5. All acts and conditions necessary to be performed by the City or to have been met precedent to and in the execution and delivery of the Loan Agreement Amendments in order to make them legal, valid and binding obligations of the City will at the time of delivery of the Loan Agreement Amendments have been performed and have been met, in regular and due form as required by law.

Section 6. All formal actions of the Mayor and Council of the City concerning and relating to the passage of this Resolution were taken in an open meeting of the Mayor and Council of the City, and all deliberations of the Mayor and Council of the City and of any committees that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements.

Section 7. After the execution and delivery of the Loan Agreement Amendments, this Resolution shall be and remain irrevocably until the Loans to which they relate, respectively, and the interest thereon shall have been fully paid, cancelled and discharged.

PASSED, APPROVED and ADOPTED by the Mayor and Council of the City of El Mirage, this 6<sup>th</sup> day of December, 2016.

.....  
Mayor of the City of El Mirage, Arizona

ATTEST:

.....  
City Clerk

APPROVED AS TO FORM:

.....  
City Attorney

CERTIFICATION

I hereby certify that the foregoing Resolution R16-12-25 was duly passed and adopted by the Mayor and the Council of the City of El Mirage, Arizona, at a meeting held on the 6<sup>th</sup> day of December, 2016, and the vote was ... ayes and ... nays and that the Mayor and ... Councilmembers were present thereat.

.....  
City Clerk



**REQUEST FOR COUNCIL ACTION**

<b>DATE SUBMITTED:</b> <u>12/01/2016</u>  <b>DATE ACTION REQUESTED:</b> <u>12/06/2016</u>  <input checked="" type="checkbox"/> <b>REGULAR</b> <input type="checkbox"/> <b>CONSENT</b>	<b>TYPE OF ACTION:</b>  <input checked="" type="checkbox"/> <b>RESOLUTION # R16-12-27</b> <input type="checkbox"/> <b>ORDINANCE # _____</b> <input type="checkbox"/> <b>OTHER: Public Hearing for Grant Application</b>	<b>SUBJECT:</b> Public Hearing, closure of public hearing, followed by consideration and action to approve Resolution No. R16-12-27 authorizing the City to submit two grant applications to Maricopa County Community Development Division for FY 2017/18 Community Development Block Grant funds, and to execute subsequent award agreements for the full reconstruction of "A" Street and funding support for a replacement Fire Pumper Truck
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<b>TO:</b> Mayor and Council
<b>FROM:</b> Janeen K. Gaskins, Assistant to City Manager – Grant Writer
<b>RECOMMENDATION:</b> Approve Resolution R16-12-27 authorizing submittal of two CDBG grant applications to MCCD for the FY 2017/18 grant period, and execution of subsequent agreements.
<b>PROPOSED MOTION:</b> Approve Resolution R16-12-27 as presented.
<b>ATTACHMENTS:</b> Resolution R16-12-27

**DISCUSSION:** This resolution will allow El Mirage to apply for CDBG funding and accept the grant awards if funded. CDBG funding is administered by Maricopa County Human Services Department and scored by the Community Development Advisory Committee through a competitive ranking process. The proposed projects are eligible for CDBG funding. The following projects are being considered for submission:

**Priority 1: Full reconstruction of "A" Street (Between Thunderbird Road and Myer Street) = \$610,000**

"A" Street is located in the downtown area of El Mirage and is part of the street maintenance schedule. The project will consist of full reconstruction with removal and replacement of existing cracked curb and sidewalks. Grant matching funds will be in the form of a Design Plan with an in-kind value of \$40,000.

**Priority 2: Fire Truck – Engine Pumper = \$200,000**

The Fire Department is seeking funding to support the replacement of the current 16 year old pumper with approximately 149,600 miles, just 400 miles shy of its useful life. The original estimated costs were made in 2015 and have since increased.

**FISCAL IMPACT:** The City may receive grand funds not to exceed \$810,000.

**DEPARTMENT LINE ITEM ACCOUNT:** N/A

**BALANCE IN LINE ITEM IF APPROVED:** N/A

Deputy City Manager/Finance Director:

Robert Nilles

12/2/16  
 Date

Approved as to form:

Robert M. Hall, City Attorney

12/2/16  
 Date

City Manager:

Dr. Spencer A. Isom

12/2/16  
 Date

## RESOLUTION R16-12-27

**A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE CITY OF EL MIRAGE, MARICOPA COUNTY, ARIZONA, AUTHORIZING SUBMITTAL OF APPLICATIONS TO THE MARICOPA COUNTY HUMAN SERVICES DEPARTMENT, COMMUNITY DEVELOPMENT DIVISION (MCCD), FOR FY 2017/18 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS, AND TO EXECUTE SUBSEQUENT AWARD AGREEMENTS**

**WHEREAS**, the Maricopa County Community Development Division is an authorized entitlement manager for the U.S. Department of Housing and Urban Development (HUD) funds issued to cities with a population under 50,000 in Maricopa County, Arizona; and

**WHEREAS**, the City of El Mirage has a population under 50,000 and qualifies to apply for community development improvement funding through the Maricopa County Community Development Division, as part of the Urban County; and

**WHEREAS**, the purpose of CDBG funding is to make community development improvements primarily to benefit low to moderate income populations;

**NOW, THEREFORE BE IT RESOLVED**, by the Mayor and Common Council of the City of El Mirage, Maricopa County, Arizona, that the City is hereby authorized to submit applications for Maricopa County CDBG funds for:

<u>Priority One: "A" Street Improvements to include full street improvements</u>	<u>\$610,000</u>
<u>Priority Two: Fire Truck – Pumper and associated equipment</u>	<u>\$200,000</u>

- A. Community Development Division for Community Development Block Grant (CDBG) funds and related funding opportunities for Urban County communities for capital/infrastructure projects in the CDBG-eligible area of El Mirage.
- B. The City Manager or the designee of the City Manager is authorized to sign applications, rearrange priorities (if necessary), revise the grant proposal or grant amount, withdraw an application, pay application fees, execute Management Implementation Agreements (MIA), and other required documents. The El Mirage City Council representative or alternate City Council representative to the Community Development Advisory Committee (CDAC) is authorized on behalf of the City to re-arrange priorities (if necessary), revise the grant proposal or grant amount, or withdraw an application.
- C. The City Council is authorized to submit applications to Maricopa County.

**PASSED AND ADOPTED** this 6<sup>th</sup> day of December, 2016.

\_\_\_\_\_  
Lana Mook, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Sharon Antes, City Clerk

\_\_\_\_\_  
Robert Hall, City Attorney



**REQUEST FOR COUNCIL ACTION**

<b>DATE SUBMITTED:</b> <u>11/30/2016</u>	<b>TYPE OF ACTION:</b>  ___ RESOLUTION # _____ ___ ORDINANCE # _____ <u>X</u> OTHER: Purchase	<b>SUBJECT:</b> Consideration and action to authorize the City Manager to utilize local and regional agency contracts with Holbrook Asphalt, Sunland Asphalt, and Via Sun Corp. to perform pavement work as part of the FY 17 maintenance program.
<b>DATE ACTION REQUESTED:</b> <u>12/06/2015</u>		
<u>X</u> REGULAR    ___ CONSENT		

<b>TO:</b> Mayor and Council
<b>FROM:</b> Nick Russo, Management Administrator
<b>RECOMMENDATION:</b> Approve the City Manager to utilize local and regional agency contracts with Holbrook Asphalt, Sunland Asphalt, and Via Sun Corp. to perform pavement work as part of the FY 17 maintenance program.
<b>PROPOSED MOTION:</b> I move to authorize the City Manager to sign contracts as presented.
<b>ATTACHMENTS:</b> Proposals (3), Maps,

**DISCUSSION:** The City is currently in year six of the thirty year pavement maintenance/preservation program. The plan for fiscal year 2017 calls for a combination of structural and surface treatments to several of the City's arterial streets as well as crack sealing in several neighborhood sections. In order to efficiently and effectively apply the City's annual pavement maintenance resources, three separate contractors have been recommended for this year's work. Holbrook Asphalt holds a current pavement maintenance contract with the City (PW11-MB01) which is valid through 1/31/17. The work with Sunland Asphalt will be administered using the City of Buckeye contract 2014-006 and the work with Via Sun will be administered using Pinal County contract EC-00804.

**FISCAL IMPACT:** Amount not to exceed \$858,511.25

**DEPARTMENT LINE ITEM ACCOUNT:** 21-400-666

**BALANCE IN LINE ITEM IF APPROVED:** \$1,355,000

Deputy City Manager/Finance Director:

Robert Nilles

12/2/16  
 Date

Approved as to form:

Robert M. Hall, City Attorney

12/1/16  
 Date

City Manager:

Dr. Spencer A. Isom

12/2/16  
 Date



**Utah Office**  
 3828 South 1700 East  
 St. George, UT 84790  
 P: 435.652.4427  
 F: 435.656.3943

**Nevada Office**  
 2900 Meade Ave, Ste 7  
 Las Vegas, NV 89118  
 P: 702.823.3902  
 F: 702.777.7575

**Arizona Office**  
 3806 S 16th Street  
 Phoenix, AZ 85040  
 P: 602.307.0425  
 F: 435.656.3943

# PROPOSAL

Date	Estimate
11/10/2016	33144

www.HolbrookAsphalt.com

Client	Project Description	Project Location
City of El Mirage c/o Nick Russo 12145 NW Grand Ave El Mirage, AZ 85335	2017 Crackseal	

P.O. Number	Terms	Advisor	Region	State License #
	Net 180	JH	AZ, Southern	AZ-ROC261715
Description	Quantity	U/M	Rate	Total
CRACK REPAIR: LBS -- Clean & prepare cracks if necessary. -- Install Hot-Applied Elastomeric Sealant to all cracks larger than 1/8 inch, leveled with banding shoe. SPECIFIC SECTIONS AS PER PROVIDED BY CITY	48,443	LIFt	1.50	72,664.50
CRACK REPAIR: LBS 2016 Thompson Ranch (I11922)	5,575	LIFt	1.50	8,362.50
Tax	1		8,102.70	8,102.70

**Total**                    \$89,129.70

Proposal void 30 days from date listed on proposal. By signing this proposal (contract), I agree that Holbrook Asphalt Co. may not be held liable for delays, conditions, or Acts of God beyond their control, which situations may delay or cause cancelation partially or entirely on any project. Delays include project demand and material supply. Holbrook Asphalt Co. is not liable for any ADA compliance, if needed, Client should consult with an ADA compliance professional prior to specific project approval.

**PAYMENT TERMS:** Due Upon Completion (Completion by line item 'Progress Billing' and/or completion of project core)  
 There may be concerns from Client following completion. Upon request, post-project walk-throughs may be scheduled to review concerns. Payment will still remain due upon invoice. Holbrook Asphalt Co. is committed to client satisfaction and resolving concerns, though at times, this may be delayed.

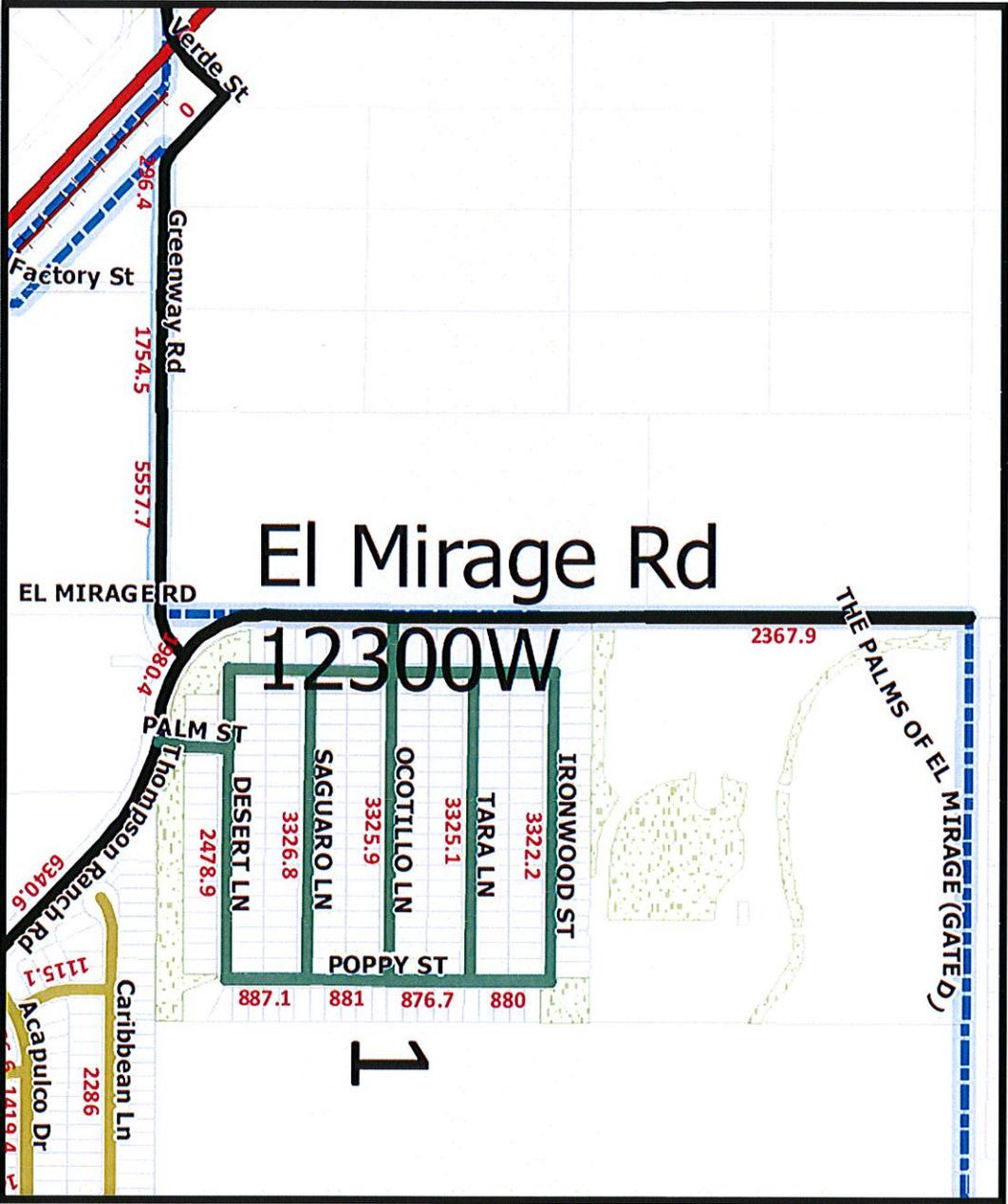
As the Client, I agree to not withhold payment due to walk-through requests, cleaning, touch-up, or warranty concerns. I understand and agree that I will be billed for towing as incurred and will be due on receipt. I agree that if I demand to retain payment until warranty work or touch up is completed, the retainer will be a fixed amount of 5% of invoice, up to \$750.00. I agree that I may be billed as each line item is completed and each item may become their own respective invoice.

I understand that interest accrues on all past-due amounts at 24% per annum from invoice date, until paid in full; and may be billed collection fee's of up to 40%, and Client agrees to pay all fees accrued by collection efforts. These terms apply to all amount(s) incurred by me and for whom I have committed management responsibility, regardless of timing. Total Proposal price includes one mobilization. Additional mobilizations may be billed up to \$3,500 per additional mobilization. This agreement provides Client written Notice to Right to Lien.

**INSURANCE:** These insurance limits are listed by Holbrook Asphalt to inform Client of such. Any premiums above the following to be paid by Client. This disclosure overrules any other contract language wherein Holbrook Asphalt agrees to differing limits. Certificates available upon request.

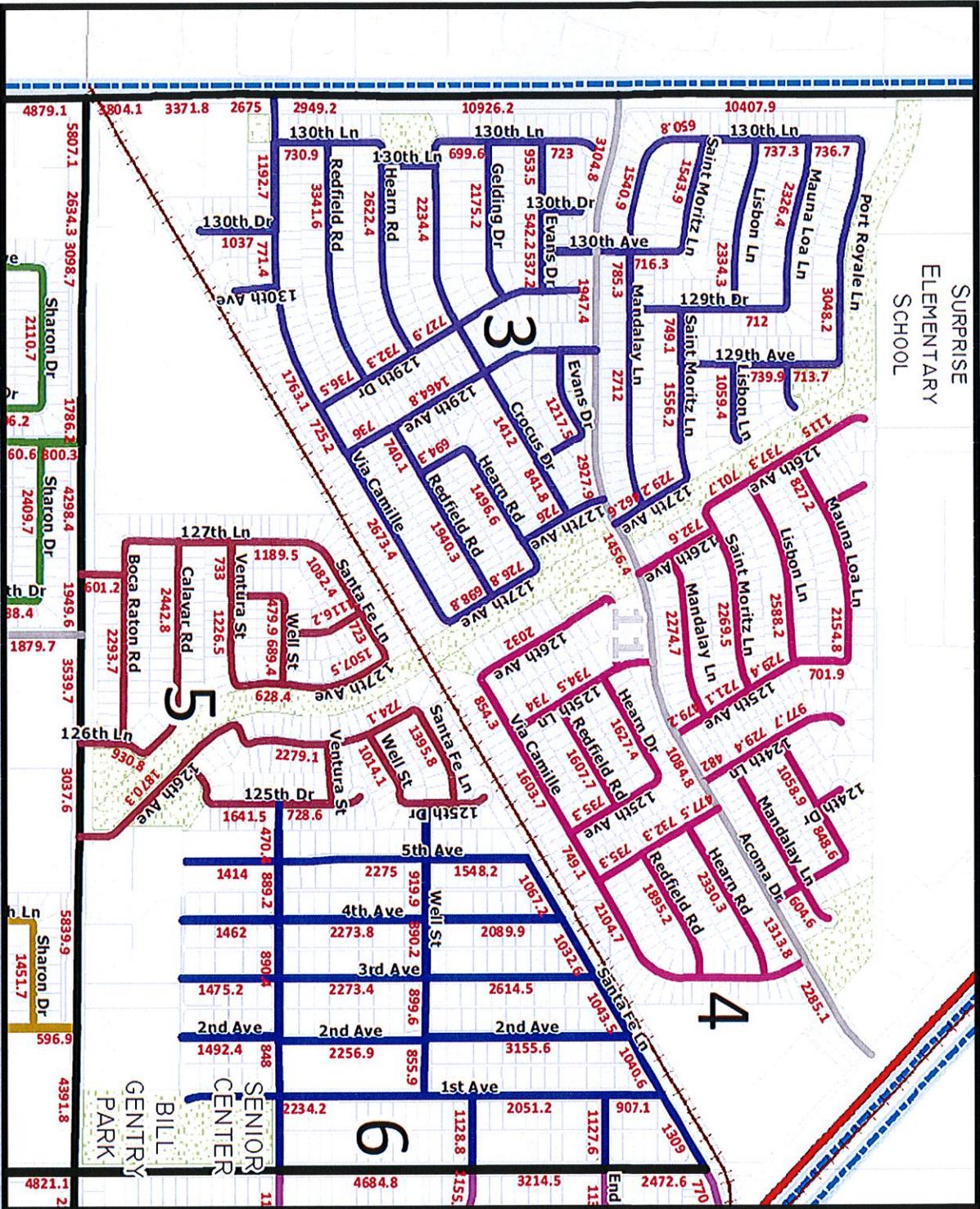
GENERAL LIABILITY: \$1m (inc.), \$2m (agg.)    AUTO: \$1m    UMBRELLA: \$2m (inc.), \$2m (agg.)    PERSONAL INJ: \$1m    WORKERS COMP: \$1m

Signature \_\_\_\_\_ Print Name \_\_\_\_\_ Date \_\_\_\_\_ Holbrook Asphalt Co. \_\_\_\_\_

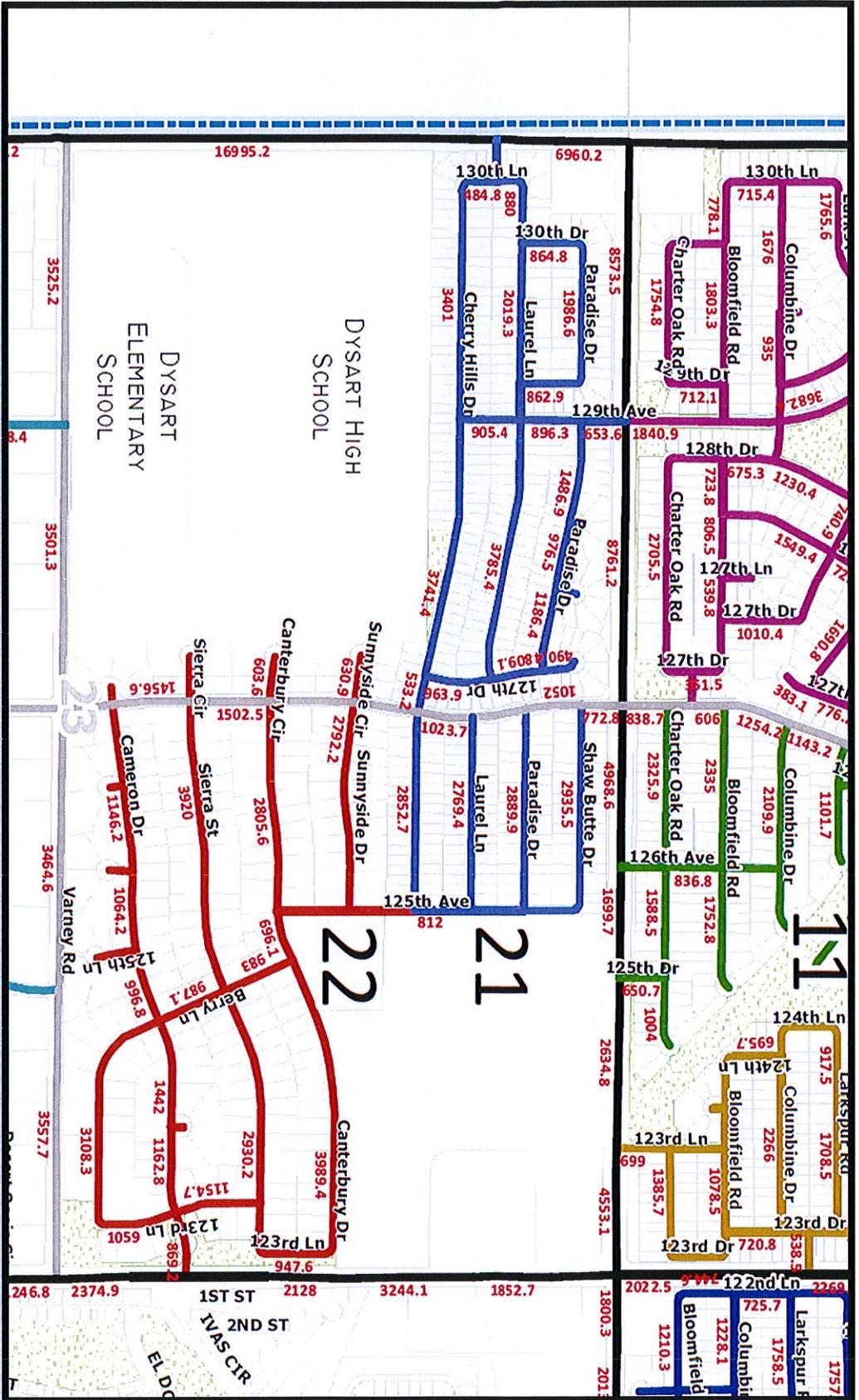


1. Greenway Road – between Greasewood and El Mirage (south half only)
2. Thompson Ranch Road – between Greenwood and El Mirage (south half only)
3. Section 1 – Montecito

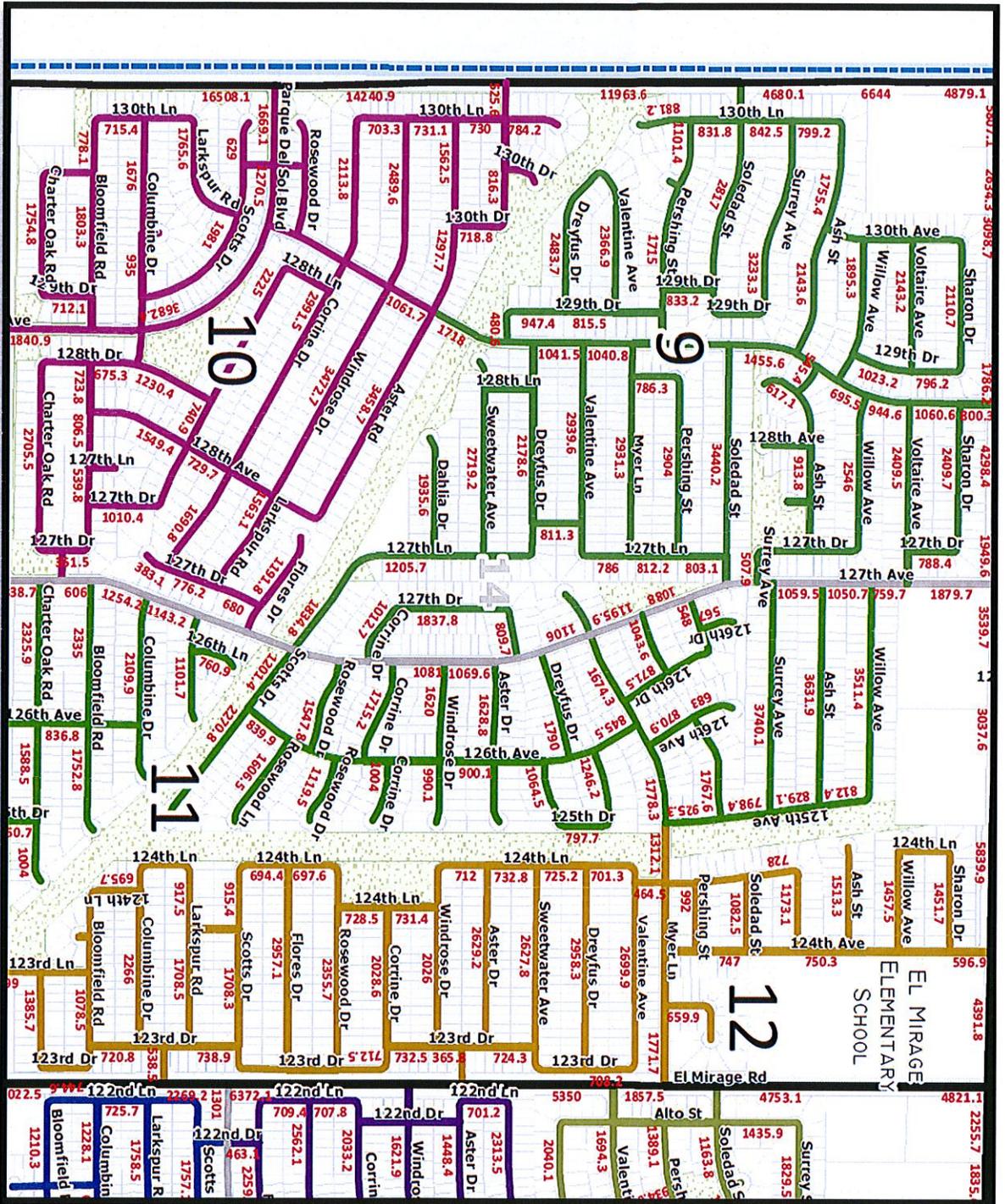
SURPRISE  
ELEMENTARY  
SCHOOL



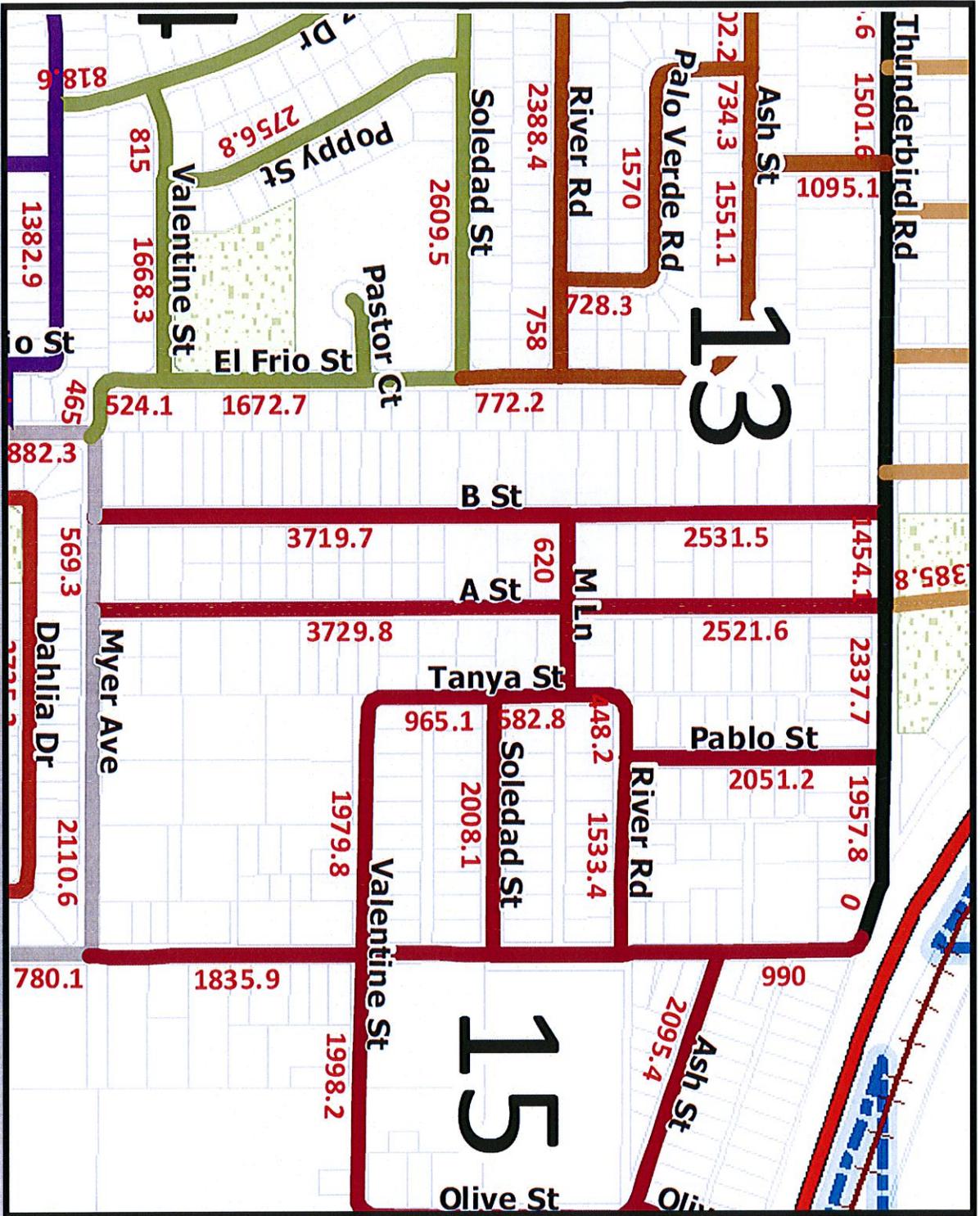
- 4. Acoma Drive between Dysart and Grand Frontage Road
- 5. Section 3
- 6. Section 4
- 7. Section 5



- 8. Section 21
- 9. Section 22



10. 129<sup>th</sup> Ave between Thunderbird and Cactus  
 11. 127<sup>th</sup> Ave between Thunderbird and Cactus



12. Main Street between Myer and Grand Frontage Road

Contractor's License Numbers  
 AZROC-111922-CLA  
 AZROC-095189-C13  
 NV-49496 Limit \$5,000,000  
 CA-781952-C12  
 C5 74079



Phoenix - Tucson - Las Vegas - Bullhead City - Albuquerque

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 Phoenix, AZ 85041  
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 www.sunlandasphalt.com

**PROPOSAL**

**PROPOSAL**

<b>Client:</b> City of El Mirage 12145 NW Grand Ave El Mirage, AZ 85335	<b>Contact:</b> Nick Russo O: (623) 876-4235	<b>Job:</b> City of El Mirage - Pavement Maintenance FY17 Various streets and common areas throughout commun El Mirage, AZ 85335	<b>Date Written</b> : 10/17/2016 <b>Proposal Number</b> : 73372-3 <b>T-Line Number</b> : UJ9A002263 <b>Project Consultant:</b> Chance Cherry
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**CITY OF EL MIRAGE PAVEMENT MAINTENANCE FY 17**

**PRICING PER CITY OF BUCKEYE STREET MAINTENANCE JOC CONTRACT**

We propose to furnish all labor, material, and equipment necessary to complete the work as outlined below in accordance with the plans and specifications submitted herewith, to wit:

**Bid Item 1: Section #6 - Asphalt Surface Patch, Crack Seal, PMM Seal Coat, Liquid Road Seal Coat & Pavement Marking**

- 25-020** Make necessary asphalt surface repairs on deteriorated asphalt. Price is based on using (5) tons of HMA material.
  - 29-200** Power clean with compressed air and seal all cracks 1/4" and larger with SUN FLEX CS crack sealant. (Alligatored areas not included.)
  - 28-233** Power sweep/clean asphalt surface in preparation of seal coat application. (Approx. 157,961 square feet)
  - 30-150** Furnish and apply Two (2) coats of SealMaster PMM Rubberized Sealer by spray – spray application on approximately 130,010 square feet. This proposal is based on performing the work in (2) sections. Adhesion or bonding of seal coat materials is not warranted in areas exposed to automotive fluids and/or other spills. MasterSeal PMM has 3-5 lbs. of aggregate per gallon blended with 2% Polymer Modified Latex.  
  
Furnish and apply Two (2) coats of SealMaster Liquid Road emulsion sealer by squeegee – squeegee application on approximately 27,951 square feet. This proposal is based on performing the work in (2) sections. Adhesion or bonding of seal coat materials is not warranted in areas exposed to automotive fluids and/or other spills. MasterSeal Liquid Road is a polymer modified fiber reinforced asphalt emulsion containing specially graded aggregates.
  - 32-145** Restripe asphalt area seal coated to existing pattern using latex traffic paint.
  - 32-230** Provide traffic control and barricades during our scope of work.
- Total : \$37,182.56**

**Bid Item 2: Section #7 - Asphalt Surface Patch, Crack Seal, PMM Seal Coat, & Pavement Marking**

- 25-020** Make necessary asphalt surface repairs on deteriorated asphalt. Price is based on using (3) tons of HMA material.
  - 29-200** Power clean with compressed air and seal all cracks 1/4" and larger with SUN FLEX CS crack sealant. (Alligatored areas not included.)
  - 28-233** Power sweep/clean asphalt surface in preparation of seal coat application. (Approx. 271,130 square feet)
  - 30-150** Furnish and apply Two (2) coats of SealMaster PMM Rubberized Sealer by spray – spray application on approximately 271,130 square feet. This proposal is based on performing the work in (2) sections. Adhesion or bonding of seal coat materials is not warranted in areas exposed to automotive fluids and/or other spills. MasterSeal PMM has 3-5 lbs. of aggregate per gallon blended with 2% Polymer Modified Latex.
  - 32-145** Restripe asphalt area seal coated to existing pattern using latex traffic paint.
  - 32-230** Provide traffic control and barricades during our scope of work.
- Total : \$50,512.41**

Contractor's License Numbers  
 AZROC-111922-CLA  
 AZROC-095189-C13  
 NV-49496 Limit \$5,000,000  
 CA-781952-C12  
 C5 74079



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**PROPOSAL**

**PROPOSAL**

<b>Client:</b> City of El Mirage 12145 NW Grand Ave El Mirage, AZ 85335	<b>Contact:</b> Nick Russo O: (623) 876-4235	<b>Job:</b> City of El Mirage - Pavement Maintenance FY17 Various streets and common areas throughout commun El Mirage, AZ 85335	<b>Date Written</b> : 10/17/2016 <b>Proposal Number</b> : 73372-3 <b>T-Line Number</b> : UJ9A002263 <b>Project Consultant:</b> Chance Cherry
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**Bid Item 3: Section #8 - Asphalt Surface Patch / Replacement, Crack Seal, PMM Seal Coat, & Pavement Marking**

- 32-130** Make necessary sawcuts.
  - 26-160** Remove approx. 262 square feet of failed asphalt to a depth of 3". Compact existing base and pave with 3" of 1/2" asphaltic surface course. The depth of the existing asphalt is only an estimate. Additional depth will require additional charges. The removal of the asphalt has been bid for that function alone and does not include excavation of the base or subbase. If at the time of the removal it is determined that contamination of water has weakened either the base or the subbase, additional charges would be required to correct the unforeseen problem. If upon the removal of the asphalt, it is found that structures exist below the asphalt such as concrete footings, abandoned pipes, metal supports, etc., an additional charge would be required to remove these obstructions if they would impede or prohibit grade consistencies. Sunland Asphalt will not be held liable for any underground cables, electrical lines, water lines or any other underground obstruction not locatable or not buried to a depth less than 18" below the existing finished grade.
  - 25-020** Make necessary asphalt surface repairs on deteriorated asphalt. Price is based on using (3) tons of HMA material.
  - 29-200** Power clean with compressed air and seal all cracks 1/4" and larger with SUN FLEX CS crack sealant. (Alligatored areas not included.)
  - 28-233** Power sweep/clean asphalt surface in preparation of seal coat application. (Approx. 275,141 square feet)
  - 30-150** Furnish and apply Two (2) coats of SealMaster PMM Rubberized Sealer by spray – spray application on approximately 275,141 square feet. This proposal is based on performing the work in (2) sections. Adhesion or bonding of seal coat materials is not warranted in areas exposed to automotive fluids and/or other spills. MasterSeal PMM has 3-5 lbs. of aggregate per gallon blended with 2% Polymer Modified Latex.
  - 32-145** Restripe asphalt area seal coated to existing pattern using latex traffic paint.
  - 32-230** Provide traffic control and barricades during our scope of work.
- Total :** \$55,940.85

**Bid Item 4: Santa Fe Lane - Apply Ultra Thin Bonded Wearing Course**

- 33-500** Power sweep and clean and asphalt surface prior to application of Ultra Thin Bonded Wearing Course on approx. 30,285 square feet.
  - 32-300** Adjust water valves, manholes, & sewer clean outs flush with new road surface elevation.
  - 32-230** Provide traffic control and barricades during our scope of work.
- Total :** \$63,690.63

**Bid Item 5: Olive Avenue - Crack Seal, TRMSS Seal Coat, Liquid Road Seal Coat & Pavement Marking**

- 29-200** Power clean with compressed air and seal all cracks 1/4" and larger with SUN FLEX CS crack sealant. (Alligatored areas not included.)
  - 28-233** Power sweep/clean asphalt surface in preparation of seal coat application. (Approx. 294.617 square feet)
  - 06-075** Apply TRMSS rubber modified asphalt sealer to approx. 77,696 square feet. This proposal is based on performing the work in (2) sections. Adhesion or bonding of TRMSS materials in not warranted in areas exposed to automotive fluids and/or other spills.
  - 30-150** Furnish and apply Two (2) coats of SealMaster Liquid Road emulsion sealer by squeegee – squeegee application on approximately 216,921 square feet. This proposal is based on performing the work in (2) sections. Adhesion or bonding of seal coat materials is not warranted in areas exposed to automotive fluids and/or other spills. MasterSeal Liquid Road is a polymer modified fiber reinforced asphalt emulsion containing specially graded aggregates.
  - 32-145** Restripe asphalt area seal coated to existing pattern & materials. Striping to be two applications applying temporary markings at completion of work and final paint / thermoplastic at 30 days project completion.
  - 32-230** Provide traffic control and barricades during our scope of work.
- Total :** \$101,101.18

Contractor's License Numbers  
 AZROC-111922-CLA  
 AZROC-095189-C13  
 NV-49496 Limit \$5,000,000  
 CA-781952-C12  
 C5 74079



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**PROPOSAL**

**PROPOSAL**

<b>Client:</b> City of El Mirage 12145 NW Grand Ave El Mirage, AZ 85335	<b>Contact:</b> Nick Russo O: (623) 876-4235	<b>Job:</b> City of El Mirage - Pavement Mainenance FY17 Various streets and common areas throughout commun El Mirage, AZ 85335	<b>Date Written</b> : 10/17/2016 <b>Proposal Number</b> : 73372-3 <b>T-Line Number</b> : UJ9A002263 <b>Project Consultant:</b> Chance Cherry
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**Bid Item 6: Dysart Road - Crack Seal, TRMSS Seal Coat & Pavement Marking**

<b>29-200</b>	Power clean with compressed air and seal all cracks 1/4" and larger with SUN FLEX CS crack sealant. (Alligatored areas not included.)	
<b>28-233</b>	Power sweep/clean asphalt surface in preparation of seal coat application. (Approx. 1,080,035 square feet)	
<b>06-075</b>	Apply TRMSS rubber modified asphalt sealer to approx. 1,080,035 square feet. This proposal is based on performing the work in (4) sections. Adhesion or bonding of TRMSS materials in not warranted in areas exposed to automotive fluids and/or other spills.	
<b>32-145</b>	Restripe asphalt area seal coated to existing pattern & materials. Striping to be two applications applying temporary markings at completion of work and final paint / thermoplastic at 30 days project completion.	
<b>32-230</b>	Provide traffic control and barricades during our scope of work.	
		<b>Total : \$206,538.55</b>

**"Revision" Bid Item 7: Add TRMSS Seal Coat - Dysart Road (Peoria to Northern)**

<b>28-233</b>	Power sweep/clean asphalt surface in preparation of seal coat application. (Approx. 1,267,203 square feet)	
<b>06-075</b>	Apply TRMSS rubber modified asphalt sealer to approx. 1,267,203 square feet. This proposal is based on performing the work in (4) sections. Adhesion or bonding of TRMSS materials in not warranted in areas exposed to automotive fluids and/or other spills.	
<b>32-145</b>	Restripe asphalt area seal coated to existing pattern & materials. Striping to be two applications applying temporary markings at completion of work and final paint / thermoplastic at 30 days project completion.	
<b>32-230</b>	Provide traffic control and barricades during our scope of work.	
		<b>Total : \$141,585.98</b>

**"Revision" Bid Item 8: Public Works Facility - Grade, ABC, Compact, 3" Asphalt Paving**

<b>21-060</b>	Grade & compact existing base at current grades.	
<b>21-400</b>	Construct a 2" aggregate base course on approx. 15,840 square feet. Add moisture and compact to grade.	
<b>21-410</b>	Fine grade existing base, add moisture, and compact to existing grade on approx. 15,840 square feet.	
<b>27-305</b>	Pave approx. 15,840 square feet with 1/2" asphalt to an average finished depth of 3" after compaction with a steel wheeled vibratory roller. This proposal is based on performing the work in (1) section.	
		<b>Total : \$41,609.94</b>

**"Revision" Bid Item 9: Public Works Facility - Deduction in Price Bid Item 8 for 2" Asphalt Paving**

<b>27-205</b>	Pave approx. 15,840 square feet with 1/2" asphalt to an average finished depth of 2" after compaction with a steel wheeled vibratory roller. This proposal is based on performing the work in (1) section.	
		<b>Total : (\$8,544.04)</b>

Contractor's License Numbers  
 AZROC-111922-CLA  
 AZROC-095189-C13  
 NV-49496 Limit \$5,000,000  
 CA-781952-C12  
 C5 74079



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**PROPOSAL**

**PROPOSAL**

<b>Client:</b> City of El Mirage 12145 NW Grand Ave El Mirage, AZ 85335	<b>Contact:</b> Nick Russo O: (623) 876-4235	<b>Job:</b> City of El Mirage - Pavement Maintenance FY17 Various streets and common areas throughout commun El Mirage, AZ 85335	<b>Date Written</b> : 10/17/2016 <b>Proposal Number</b> : 73372-3 <b>T-Line Number</b> : UJ9A002263 <b>Project Consultant:</b> Chance Cherry
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**"Revision" Bid Item 10: Public Works Facility - Double Pass Conventional Chip Seal**

- 06-205** Apply CRS-2P at the rate of .7 gallons per square yard on approx. 15,840 square feet in two applications.
- 20-110** Apply a single layer of 1/2" chip at the approximate rate of 3.75 pounds per square foot on 15,840 square feet. Roll with a pneumatic roller.
- Apply a single layer of 3/8" chip at the approximate rate of 3.75 pounds per square foot on 15,840 square feet. Roll with a pneumatic roller.

Total : \$15,137.92

**Note: Pricing Listed Includes Sales Taxes**

**Notes / Disclaimers**

No permits fees, bonds, testing, concrete, striping bumper blocks, signs (No signage of any kind, electrical signs of any kind, barricades, stop signs, handicap signage, warning or beware signs) weed killers, water meter, or staking in price unless noted in contract.

Additional charges may be applied resulting from circumstances beyond the control of Sunland Asphalt which prohibit the above mentioned work from being completed as scheduled. (i.e., unmoved vehicles, trailers, sprinklers, vandalism, etc.) Price excludes performance bond, engineering, surveying, construction staking, concrete repairs, painting of hydrants/ bollards, curbing/ parking blocks, tree trimming, and any other items not specified in this proposal. Pricing listed includes taxes.

Any pre-existing ADA compliance issues are excluded from contract unless specifically stated in proposal.

**NOTE: IMPORTANT NOTICE: Due to the severe volatility of the world oil market, the price on this proposal is for work completed before 11/30/2016. If work is completed after this date, regardless of cause or fault, pricing will be adjusted to reflect material costs at the time of delivery to the project. All materials and work affected by the oil market are dependant on availability of materials and pricing at the time of completion of the work.**

**ACCEPTANCE OF PROPOSAL**

**TERMS: NET 15 DAYS**

The above prices, specifications and conditions are satisfactory and hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above. Sunland Asphalt may withdraw this proposal if not accepted within 30 days, or if pricing becomes invalid within the notice above.

**Sunland Asphalt**

**Client**

Authorized Signature : \_\_\_\_\_  
 Name : **Chance Cherry**  
 Designation : **Project Consultant**

Authorized Signature : \_\_\_\_\_  
 Name : \_\_\_\_\_  
 Date : \_\_\_\_\_

## SUNLAND ASPHALT TERMS AND CONDITIONS

All materials guaranteed to be as specified. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, and delays beyond our control. Owner to carry fire, tornado, and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance. All jobs are subject to prelien.

### Sunland Asphalt Terms and Conditions

Contractor hereby accepts the terms of the attached Contract subject to the provisions as defined on the Contract Agreement as well as the Owner's Agreement with the terms set forth in this Addendum. This Addendum is attached hereto and incorporated herein by reference. If any of the terms of the Contract are inconsistent with the terms of this Addendum, then this Addendum shall be controlling and the parties shall be bound by the terms and conditions of this Addendum.

#### 1. PAYMENT

Contractor shall be paid a monthly progress payment within 15 days after receipt of the payment by the Owner for the value of work performed. Final payment, including all retention, shall be due 15 days after the work described in the Proposal is substantially completed. No provision of this agreement shall serve to void the Contractor's entitlement to payment for properly performed work.

#### 2. INTEREST AND EXPENSES

All sums not paid when due shall bear an interest rate of 1 ½% per month or the maximum legal rate permitted by law, whichever is less, and all costs of collection, including a reasonable attorneys' fee, shall be paid by Owner.

#### 3. ATTORNEYS' FEES

In the event of litigation or collection efforts by Contractor, the prevailing party shall be reimbursed for its reasonable attorneys' fees, which shall include all costs that would normally be passed through to the client, specifically but not limited to research charges, travel costs, expert witness costs, copying costs, mailing costs, facsimile costs, had-delivery costs, Federal Express or Express Mail costs, taxable costs and disbursements.

#### 4. CONTINUED PERFORMANCE

Nothing in this subcontract agreement shall require the Contractor to continue performance if timely payments are not made to Contractor for suitably performed work.

#### 5. BACKCHARGES

No back charges or claim of the Owner for services shall be valid except by an agreement in writing by the Contractor before the work is executed, except in the case of the Contractor's failure to meet any requirement of the subcontract agreement. In such event, the Owner shall notify the Contractor of such default, in writing, and allow the Contractor reasonable time to correct any deficiency before incurring any cost chargeable to the Contractor.

#### 6. WORK AREAS

Owner is to prepare all work areas so as to be acceptable for Contractor work under the contract. Contractor will not be called upon to start work until sufficient areas are ready to insure continued work.

#### 7. TIME FOR PERFORMANCE

Contractor shall be given a reasonable time in which to commence and complete the performance of the contract. Contractor shall not be responsible for delays or default where occasioned by any causes of any kind and extent beyond its control, including but not limited to: delay caused by Owner, architect and/or engineers, delays in transportation, shortages of raw materials, civil disorders, labor difficulties, vendor allocations, fires, floods, accident hazardous waste or controlled substances and acts of God. Contractor shall be entitled to equitable adjustment in the subcontract amount for additional costs due to unanticipated project delays or accelerations. Contractor shall not be obligated to provide any labor or materials outside the scope of work unless Owner shall first agree in writing to equitably adjust the subcontract amount to be paid Contractor.

#### 8. WORKMANSHIP

All workmanship is guaranteed against defects for a period of one year from the date of substantial completion of installation. This warranty is in lieu of all other warranties, express or implied, including any warranties of merchantability or fitness for a particular purpose. The exclusive remedy shall be that Contractor will replace or repair any part of its work which is found to be defective. Contractor shall not be responsible for special, incidental or consequential damages. Contractor shall not be responsible for damage to its work by other parties or for improper use of equipment by other Standard of industry practice and will override strict compliance and strict performance.

#### 9. WORK HOURS

Work called for herein is to be performed during Contractor's regular working hours as agreed to by the Owner and the Contractor.

#### 10. NOTICE

Any notice or written claim required by the contract documents to be submitted to the Owner, on account of charges, extras, delays, acceleration, or otherwise, shall be furnished within a time period, and in a manner to permit the Owner to satisfy the requirements of the contract documents, notwithstanding any shorter time period otherwise provided.

#### 11. LIEN RIGHTS

Nothing in this agreement shall serve to void Contractor's right to file a lien or claim on its behalf in the event that any payment to Contractor is not timely made.

#### 12. LABOR

Contractor shall not be bound by any of Owner's labor agreements (in whole or in part).

#### 13. LIQUIDATED DAMAGES

The Owner shall make no demand for liquidated damages for delays in any sum in excess of such amounts as may be specifically named in this Addendum and no liquidated damages may be assessed against Contractor for more than the amount paid by the Owner for unexcused delays to the event actually caused by the Contractor.

#### 14. SCHEDULE

Contractor shall submit a schedule to Owner, Owner will review and notify Contractor of any schedule conflict. If Contractor finds it necessary to change his schedule, owner will give his best effort to meet this change in schedule. Contractor shall not be penalized for non-performance and will be paid for work performed.

#### 15. INSURANCE RESTRICTION

Notwithstanding any provision to the contrary, Contractor shall maintain the types and limitations on insurance as shown on the attached certificate of insurance. Contractor is not required to waive any claims or rights of subrogation against the Owner or any others for losses and claims covered or paid by Owner's workers compensation or general liability insurance. Acceptance of the Certificate of Insurance constitutes acceptance of the insurance of Contractor, including any additional insured requirements. In addition, Contractor shall not provide completed operations under an additional insured requirement.

#### 16. INDEMNITY, HOLD HARMLESS RESTRICTION

Any indemnification or hold harmless obligation of the Contractor shall extend only to claims relating to bodily injury and property damage and then only to that part or proportion of any claim damage, loss or defect that results from the negligence or intentional act of the indemnitor or someone for whom it is responsible. Contractor shall not under any circumstance have a duty to defend. Nothing in this agreement shall require the Contractor to indemnify any other party from any damages including expenses and attorneys' fees to persons or property for any amount exceeding the degree Contractor directly caused such damages. Contractor shall not be responsible for fines or assessments made against Owner and Contractor. Contractor retains all rights of subrogation. Contractor will not indemnify anybody for any actions except for Contractor's own negligence and only in the proportional amount of their negligence.

#### 17. RIGHT TO RELY

Contractor shall rely on plans, drawings, specifications and other information provided by Owner, Owner, Architect or representatives of each. Contractor assumes no risk for unknown or unforeseen conditions not evident from the plans, drawings, specifications or other information provided to Contractor.

#### 18. HAZARDOUS WASTE

Contractor shall have no obligation to handle (that is, to remove, treat or transport) any substance which is considered hazardous waste or substance under state or federal law ("hazardous waste"). Handling hazardous waste shall be outside the scope of work of this agreement. Title to all hazardous waste shall remain with others and shall not be property of Contractor.

#### 19. DISPUTE RESOLUTION

Final determination of contract compliance and all dispute resolutions shall be handled in the jurisdiction and venue of Maricopa County, Arizona, and be governed by the laws of Arizona.

**City of El Mirage - Pavement Maintenance FY17**  
N 2nd Ave  
El Mirage AZ 85335  
(N El Mirage Rd & W Thunderbird Rd)

**SECTION 6**  
PMM Seal Coat

**SUNLAND**  
ASPHALT

Sizes and locations of items indicated on map are approximate and are for informational purposes only. Please refer to the Project Proposal for exact sizes and locations.

AG  
1997

El Mirage  
Google Earth  
33° 26' 43.51" N, 112° 03' 38.08" W, elev. 5722 ft

**City of El Mirage - Pavement Maintenance FY17**  
W. Olive Avenue  
El Mirage AZ 85335  
(N El Mirage Rd & W Thunderbird Rd)



Sizes and locations of items indicated on map are approximate and are for informational purposes only. Please refer to the Project Proposal for exact sizes and locations.

**City of El Mirage - Pavement Maintenance FY17**  
N El Mirage Rd  
El Mirage AZ 85335  
(N El Mirage Rd & W Thunderbird Rd)

**SECTION 7**  
PMM Seal Coat



Sizes and locations of items indicated on map are approximate and are for informational purposes only. Please refer to the Permit Request for exact sizes and locations.

**City of El Mirage - Pavement Maintenance FY17**  
Ventura St  
El Mirage AZ 85335  
(N Primrose St & W Thunderbird Rd)

**SECTION 8**  
PMM Seal Coat



Sizes and locations of items indicated on map are approximate and are for informational purposes only. Please refer to the Project Proposal for exact sizes and locations.

**City of El Mirage - Pavement Maintenance FY17**  
Santa Fe Ln  
El Mirage AZ 85335  
(Grand Ave & Santa Fe Ln)

Ultra Thin Bonded Wearing Course

**SUNLAND**  
ASPHALT

Sizes and locations of items indicated on map are approximate and are for informational purposes only. Please refer to the official proposal for exact sizes and locations.

AG

← Tour Guide

Google Earth

33°26'58.73"N 112°19'29.41"W elev. 0 ft

45°21' 3253 ft





**City of El Mirage - Pavement Maintenance FY17**

Dysart Rd. TRMSS - Peoria to Greenway  
El Mirage AZ 85335  
(W Peoria Ave & N Dysart Rd)

TRMSS Seal Coat



Sizes and locations of items indicated on map are approximate and are for informational purposes only. Please refer to the Project Proposal for exact sizes and locations.

# PROJECT PROPOSAL



## VIASUN CORPORATION

3621 E. Superior Avenue  
Phoenix, Arizona 85040

**Contact:** Justin Shawler  
**Phone:** 602-761-8207  
**Email:** Justin@viasuncorp.com

Company: The City of El Mirage  
Contact: Nick Russo  
Address: 10355 N 121st Ave El Mirage, AZ 85335  
Phone: 623-512-0649  
Email: nrusso@cityofelmirage.org

Project Name: Northern Ave  
Project Address: Northern PKWY - Agua Fria River  
Submitted: 11/16/2016  
AZ ROC #: 297383  
Certifications: DBE/SBE

Bid In Accordance With The Pinal County Contract  
No. EC15-008-4

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
1	Item No.1-Crack Seal**	19,000.00	LBS	1.75	33,250.00
2	Item No.3L-PMM Seal Coat**	39,046.00	SY	0.85	33,189.10
3	Item No.403-15 MIL (4") White Traffic Paint**	40,000.00	LF	0.22	8,800.00
4	Item No.404-15 MIL (4") Yellow Traffic Paint**	40,000.00	LF	0.22	8,800.00
5	Item No.405-Paint Symbol Arrow	7.00	EA	130.00	910.00
<b>GRAND TOTAL</b>					<b>\$84,949.10</b>

Contingency + 12,742.37  
97,691.47

**NOTES:**

All scheduling contingent upon mutual agreement of Owner and Viasun Corporation.  
Viasun will require this proposal with exclusions be included in any contractual agreement.  
In the event that quantities differ from above, billing will reflect agreed upon measured quantities.

Pricing includes all necessary bonds/insurance, any/all traffic control necessary to complete scope of work in this proposal.  
Striping to be replaced as is in traffic paint. PMM Seal Coat is to be done in 1 coat at <.15 GAL/SY. Crack Seal is inclusive of all cracks and will not exceed proposed dollar amount.

\*\*Discount given by contractor due to location of project.

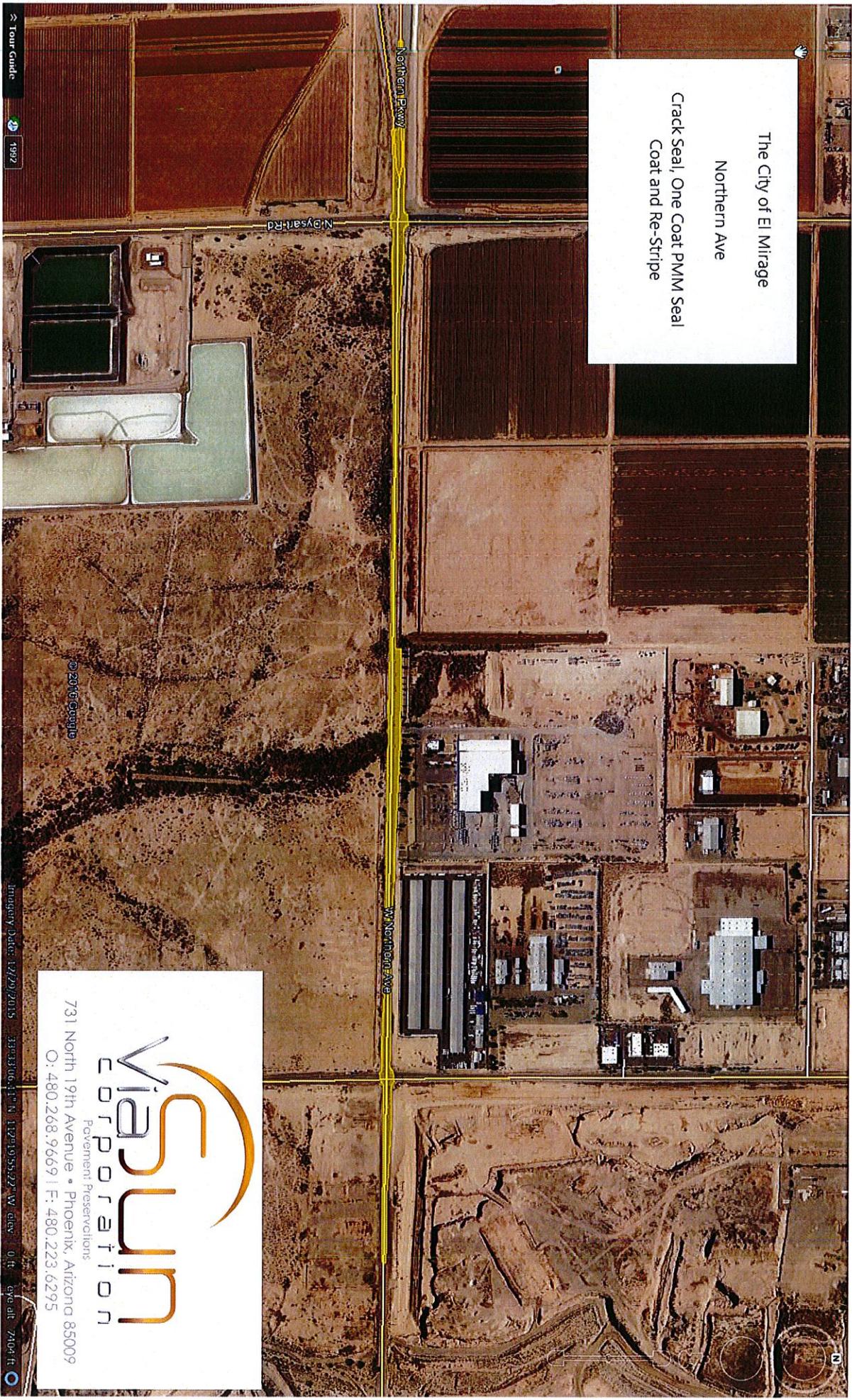
Viasun is not responsible for notification, nor removal of vehicles and property from work areas.

Approved By: \_\_\_\_\_

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

PO: \_\_\_\_\_

The City of El Mirage  
Northern Ave  
Crack Seal, One Coat PMM Seal  
Coat and Re-Stripe



**VISION**  
CORPORATION  
Pavement Preservations  
731 North 19th Avenue • Phoenix, Arizona 85009  
O: 480.268.9669 | F: 480.223.6295