



MUNICIPAL OFFICE COMPLEX  
8401 W. MONROE STREET  
PEORIA, AZ 85345

**CITY COUNCIL REGULAR MEETING  
NOTICE & AGENDA  
Tuesday, February 21, 2012  
7:00 PM  
CITY COUNCIL CHAMBER**

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**CITY COUNCIL:**

Mayor

Bob Barrett

Palo Verde District

Ron Aames, Vice Mayor

Acacia District

Tony Rivero

Ironwood District

Dave Pearson

Mesquite District

Cathy Carlat

Pine District

Carlo Leone

Willow District

Joan Evans

City Manager

Carl Swenson

**CONVENE:**

**PLEDGE:** Presentation of the Colors and Pledge of Allegiance led by Boy Scout Troop #546

**ROLL CALL:**

**FINAL CALL TO SUBMIT SPEAKER REQUEST FORMS:**

**PRESENTATION:**

1. Oasis Elementary School - Junior Achievement BizTown

**CONSENT AGENDA**

**CONSENT AGENDA:** All items listed with "C" are considered to be routine or have been previously reviewed by the City Council, and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember so requests; in which event the item will be removed from the General Order of Business, and considered in its normal sequence on the Agenda.

**CONSENT – New Business:**

**1C Disposition of Absence**

Discussion and possible action to excuse the absence of Councilmember Cathy Carlat from the Special Meeting and Study Session held at 5:00 p.m. on February 7, 2012.

**2C Minutes**

Discussion and possible action to approve the minutes of:

January 17, 2012 Study Session  
January 17, 2012 Regular Meeting

**3C Contract Extension, Fixed-Term Construction Projects Coordinator Position**

Discussion and possible action to extend a fixed-term contract for a full-time benefitted Construction Projects Coordinator through the end of Fiscal Year 2012.

**4C Investment Report for the Quarter Ending December 31, 2011**

Discussion and possible action to review and accept the Investment Report for the Quarter Ended December 31, 2011.

**5C Deeds and Easements, Various Locations**

Discussion and possible action to adopt **RES. 2012-17** accepting Deeds and Easements for various Real Property interests acquired by the City and previously recorded by the Maricopa County Recorder's Office.

**6C Designate Roadways, Establish Rights-of-Way, Various Locations**

Discussion and possible action to adopt **RES. 2012-18** designating various Real Properties to be used as City roadways and authorize the establishment of Public Rights-of-Way to be opened and maintained by the City as a Public Street.

**CALL TO THE PUBLIC: (NON-AGENDA ITEMS)**

If you wish to address the City Council, please complete a Speaker Request Form and return it to the clerk before the call to order for this meeting. The City Council is not authorized by state law to discuss or take action on any issue raised by public comment until a later meeting.

**Reports from the City Manager:**

1. Council Calendar
2. Reports with Presentation
  - a. New Library Manager "Mary Roberts"

**Reports from City Council:**

**Reports from the Mayor:**

**ADJOURNMENT**

**NOTE:** Documentation (if any) for items listed on the Agenda is available for public inspection, a minimum of 24 hours prior to the Council Meeting, at any time during regular business hours in the Office of the City Clerk, 8401 W. Monroe Street, Room 150, Peoria, AZ 85345.

Regular City Council Meeting Agenda  
Tuesday, February 21, 2012  
Page 3 of 3

***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, 8401 West Monroe Street, Room 150, Peoria, Arizona 85345 (623)773-7340, TDD (623)773-7221, or FAX (623) 773-7304. To the extent possible, additional reasonable accommodations will be made available within the time constraints of the request.*

**PUBLIC NOTICE:**

*In addition to the City Council members noted above, one or more members of the City of Peoria Boards and Commissions may be present to observe the City Council meeting as noticed on this agenda.*

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

**Presentation 1**

Date Prepared: January 31, 2012

Council Meeting Date: February 21, 2012

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**TO:** Mayor and City Council  
**FROM:** Vice Mayor Ron Aames  
**SUBJECT:** Oasis Elementary School - Junior Achievement BizTown

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**Purpose:**

This is a presentation by the sixth grade class at Oasis Elementary School to update the City Council on their participation in JA BizTown.

**Background/Summary:**

Junior Achievement of Arizona offers a learning experience for 5<sup>th</sup>-6<sup>th</sup> graders called JA BizTown. BizTown encourages students to learn about the free enterprise system via role play in a simulated town. Student experiences vary from working in a bank, a television station, or a retail store, to managing personal finance, writing checks, and voting. The program combines in-class learning with a day-long visit to the fully-interactive simulated town facility.

**Previous Actions:**

The Oasis Elementary sixth grade class participated in BizTown on January 18, 2012.

**Options:**

This is for presentation purposes only.

**Staff's Recommendation:**

This is for presentation purposes only.

**Fiscal Analysis:**

This is for presentation purposes only.

**Narrative:**

At the February 21, 2012, City Council meeting the Oasis Elementary sixth grade class will make a brief presentation to the Mayor and City Council about their recent Biztown experience.

**Contact Name and Number:** Terri Smith; City Council Assistant; (623) 773-7328

**MINUTES OF THE PEORIA CITY COUNCIL**  
CITY OF PEORIA, ARIZONA  
COUNCIL CHAMBER  
January 17, 2012

A **Study Session Meeting** of the City Council of the City of Peoria, Arizona was convened at 8401 West Monroe Street in open and public session at 5:00 p.m.

**Members Present:** Mayor Bob Barrett; Vice Mayor Ron Aames; Councilmembers Cathy Carlat, Joan Evans, Dave Pearson and Tony Rivero.

**Members Absent:** Councilmember Carlo Leone.

**Other Municipal Officials Present:** Carl Swenson, City Manager; Susan Daluddung, Deputy City Manager; Susan Thorpe, Deputy City Manager; Steve Kemp, City Attorney; Wanda Nelson, City Clerk; Katie Gregory, Interim Management and Budget Director; Stacy Irvine, Interim Fire Chief; Bo Larsen, Public Information Manager; Claudia Luján, Interim Human Resources Director; Bill Mattingly, Public Works and Utilities Director; Brent Mattingly, Finance Director; Roy Minter, Police Chief; Corina Russo, Assistant to the City Manager; Linda Blas; Deputy City Clerk.

**Audience:** Approximately two members of the public were present.

**Note:** The order in which items appear in the minutes is not necessarily the order in which they were discussed in the meeting.

**Subjects for Discussion only:**

1. City of Peoria's Water, Wastewater, and Reclaimed Water Rates for Fiscal Year 2013-Fiscal Year 2016

Katie Gregory, Interim Management and Budget Director, outlined the agenda for the presentation related to proposed rates for the City's Water, Wastewater and Reclaimed Water. Ms. Gregory reviewed the recommended rate adjustments and provided information pertaining to:

- Debt Coverage Ratios
- Expenditure Reductions
- Revenue Generated by Sales Tax on Water Services
- Percent for the Arts Contribution on Water and Wastewater Capital Projects
- Water and Wastewater Fund Reductions and Impacts
- Phase-In Option for Reclaimed Water Rate Adjustment

Discussion ensued regarding expenditure reductions, sales tax on water, debt service coverage, utility revenue bond ratings, and mitigating rate increases.

Staff was directed to provide additional information to Council regarding proposed water and wastewater rates at the Study Session scheduled for February 7, 2012 including the operating, financial and rate impacts of Tier 1 and Tier 2 water and wastewater rate scenarios and the rate impacts pertaining to a targeted debt coverage ratio of 1.65.

2. Solid Waste Rates - Residential and Commercial

The discussion on proposed rates for the City's Solid Waste Programs for Fiscal Years 2013-2017 was carried over to a future meeting.

**Adjournment:**

Being no further business to come before the Council, the meeting was duly adjourned at 6:43 p.m.

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Bob Barrett, Mayor

ATTEST:

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Wanda Nelson, City Clerk

**CERTIFICATION**

I hereby certify that the foregoing minutes are a true and correct summary of the proceedings of the Study Session Meeting of the City Council of Peoria, Arizona held on the 17<sup>th</sup> day of January, 2012. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 21<sup>st</sup> day of February, 2012.

(Seal)

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Wanda Nelson, City Clerk

**MINUTES OF THE PEORIA CITY COUNCIL**  
CITY OF PEORIA, ARIZONA  
COUNCIL CHAMBER  
January 17, 2012

A **Regular Meeting** of the City Council of the City of Peoria, Arizona was convened at 8401 West Monroe Street in open and public session at 7:02 p.m.

Following a moment of silent reflection, Councilmember Rivero led the Pledge of Allegiance.

**Members Present:** Mayor Bob Barrett; Vice Mayor Ron Aames; Councilmembers Cathy Carlat, Joan Evans, Dave Pearson and Tony Rivero.

**Members Absent:** Councilmember Carlo Leone.

**Other Municipal Officials Present:** Carl Swenson, City Manager; Susan Daluddung, Deputy City Manager; Susan Thorpe, Deputy City Manager; Steve Kemp, City Attorney; Wanda Nelson, City Clerk; Andy Granger, Engineering Director; Stacy Irvine, Interim Fire Chief; Chris Jacques, Planning and Community Development Director; Bo Larsen, Public Information Manager; Claudia Luján, Interim Human Resources Director; Bill Mattingly, Public Works and Utilities Director; Brent Mattingly, Finance Director; Roy Minter, Police Chief; Jeff Tyne, Interim Community Services Director; Corina Russo, Assistant to the City Manager; Linda Blas, Deputy City Clerk.

**Audience:** Approximately 25 members of the public were present.

**Note:** The order in which items appear in the minutes is not necessarily the order in which they were discussed in the meeting.

**PRESENTATION:**

**CONSENT AGENDA:** All items listed with a "C" are considered to be routine or have been previously reviewed by the City Council, and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember so requests; in which event the item will be removed from the General Order of Business, and considered in its normal sequence on the Agenda.

Mayor Barrett asked if any Councilmember wished to have an item removed from the Consent Agenda. Having no requests from Council, motion was made by Vice Mayor Aames, seconded by Councilmember Evans, to approve the Consent Agenda. Upon vote, the motion carried unanimously 6 to 0.

**CONSENT – New Business:**

**1C Deeds and Easements, Various Locations**

RESOLUTION NO. 2012-06

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, MARICOPA COUNTY, ARIZONA ADOPTING A RESOLUTION FORMALLY ACCEPTING DEEDS AND EASEMENTS FOR PROPERTY RIGHTS CONVEYED TO THE CITY OF PEORIA.

Adopted **RES. 2012-06** accepting Deeds and Easements for various Real Property interests acquired by the City and previously recorded by the Maricopa County Recorder's Office.

**2C Designate Roadways, Establish Rights-of-Way, Various Locations**

RESOLUTION NO. 2012-07

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, MARICOPA COUNTY, ARIZONA ADOPTING A RESOLUTION AUTHORIZING THE ESTABLISHMENT OF PUBLIC STREETS, TO BE OPENED AND MAINTAINED BY THE CITY.

Adopted **RES. 2012-07** designating various Real Properties to be used as City roadways and authorize the establishment of Public Rights-of-Way to be opened and maintained by the City as a Public Street.

**3C Replat, Amendment to Building F of the Condominium Plat for Plaza Del Lago, Lake Pleasant Parkway and Yearling Road**

Approved a Replat for Amendment to Building F of the Condominium Plat for Plaza Del Lago, located at Lake Pleasant Parkway and Yearling Road, subject to stipulations.

## REGULAR AGENDA

### NEW BUSINESS

#### **4R PUBLIC HEARING - Liquor Licenses, Various Locations**

##### **Staff Report/Public Comment:**

Brent Mattingly, Finance Director, reported that the properties were posted in accordance with Arizona law, all fees were paid, all reviewing Departments recommended approval, and no comments were received from the public.

##### **PUBLIC HEARING:**

Mayor Barrett opened the Public Hearing and asked if any Councilmember or citizen wished to comment on the request for (a) a New Wine and Beer Liquor License (Series 10) for Quiktrip #436, located at 6739 W. Happy Valley Road, Troy C. Devos, Applicant, LL#20004301; and (b) a New Wine and Beer Liquor License (Series 10) for Hank's Shell, located at 7509 W. Cactus Road, Chong H. Kim, Applicant, LL#20003834.

Having no requests from the public to address this item, Mayor Barrett declared the Public Hearing closed.

**COUNCIL ACTION:** Motion was made by Councilmember Carlat, seconded by Vice Mayor Aames, to recommend approval to the State Liquor Board for: (a) a New Wine and Beer Liquor License (Series 10) for Quiktrip #436, located at 6739 W. Happy Valley Road, Troy C. Devos, Applicant, LL#20004301; and (b) a New Wine and Beer Liquor License (Series 10) for Hank's Shell, located at 7509 W. Cactus Road, Chong H. Kim, Applicant, LL#20003834.

Upon vote, the motion carried unanimously 6 to 0.

#### **5R PUBLIC HEARING - Old Town Entertainment District Designation**

##### RESOLUTION NO. 2012-08

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, MARICOPA COUNTY, ARIZONA DECLARING ITS INTENTION TO DESIGNATE A DEFINED AREA AROUND OLD TOWN AS AN ENTERTAINMENT DISTRICT PURSUANT TO A.R.S. §4-207 THEREBY ALLOWING THE CITY OF PEORIA TO APPROVE ON A CASE-BY-CASE BASIS EXEMPTIONS FROM THE DISTANCE RESTRICTIONS PRESCRIBED THEREIN FOR THE ISSUANCE OF CERTAIN LIQUOR LICENSES FOR ESTABLISHMENTS IN RELATION TO CHARTER SCHOOLS OR PLACES OF WORSHIP.

**Staff Report/Public Comment:**

Chris Jacques, Planning and Community Development Director, discussed the proposal to designate a portion of Old Town as an Entertainment District pursuant to A.R.S. §4-207 for the purpose of considering certain types of restricted liquor licenses within 300 feet of a church or charter school. Mr. Jacques outlined the criteria to be considered when the City evaluates a request for exemption from the distance restrictions.

**PUBLIC HEARING:**

Mayor Barrett opened the Public Hearing and asked if any Councilmember or citizen wished to comment on the request to designate a defined area around Old Town as an Entertainment District.

Gary Boven, pastor of Valley Community Church, expressed his approval of the proposal with the constraints that would be implemented.

Thom Gyder, owner of Wilhelm Automotive, addressed Council in support of designating an area around Old Town as an Entertainment District.

Jack Lytle, Executive Director of Theatre Works, addressed Council in support of the Entertainment District designation in Old Town.

Constance McMillin addressed Council in favor of the proposed Entertainment District designation.

Ron Taylor, President of the Peoria Historical Society, expressed his understanding of the concept of an Entertainment District in Old Town Peoria and the need for revitalization. Mr. Taylor noted the Historical Society would rely on Council to protect the interests of all organizations within the designated area.

Dr. Grant Merrill spoke on behalf of the holding company interested in establishing a microbrewery in Old Town. Dr. Merrill urged Council to approve the proposal and offered his perspective on microbreweries and revitalization.

**COUNCIL ACTION:**

Motion was made by Councilmember Rivero, seconded by Councilmember Carlat, to adopt **RES. 2012-08** designating a defined area around Old Town as an Entertainment District pursuant to A.R.S. §4-207 for the purpose of considering certain types of restricted liquor licenses within 300 feet of a church or charter school.

Upon vote, the motion carried unanimously 6 to 0.

**6R Budget Amendment, City Hall Campus Security**

Roy Minter, Police Chief, reported on a request to utilize contract security guards in lieu of the current Campus Security Officer at City Hall during business hours.

Motion was made by Councilmember Rivero, seconded by Councilmember Evans to: (a) utilize contract security guards at City Hall; and (b) approve a budget amendment within the Police Department Administration budget in the amount of \$25,000 from the Salary/Wages account to Other Professional Services account.

Upon vote, the motion carried unanimously 6 to 0.

**CALL TO THE PUBLIC: (NON-AGENDA ITEMS)**

None.

**Reports from the City Manager:**

1. Council Calendar
2. Reports with Presentation
  - a. New website for Peoria - [www.peoriaaz.gov](http://www.peoriaaz.gov)

Bo Larsen, Public Information Manager, provided a brief overview of the City's new website designed in accordance with Council goals.

3. Informational (The following items are included for informational purposes only. There will be no separate discussion of these items unless a Councilmember so requests.)

Carl Swenson, City Manager, informed Council that their Agenda packet contains information related to the following item:

- a. Peoria Centennial Events 2012

**Reports from City Council:**

Councilmember Carlat reported on the annual gala fundraising event held at the Peoria Center for the Performing Arts. Councilmember Carlat thanked Thom Gyder for his generous donation to Theatre Works on behalf of the estate of his father, Charlie Gyder.

Councilmember Rivero reported on the various City of Peoria activities he attended. Councilmember Rivero congratulated the Diversity Committee for receiving an award at the Annual Tribute to Dr. Martin Luther King, Jr. on January 15, 2012.

Councilmember Evans reminded citizens to attend the Centennial Baseball Celebration on February 3, 2012 at the Peoria Sports Complex. Councilmember Evans encouraged residents to celebrate Arizona's 100<sup>th</sup> Birthday at the Centennial Plaza Dedication and Celebration on February 4, 2012 at the municipal campus.

Vice Mayor Aames reported on the various City of Peoria events he attended, including the dinner in honor of Dr. Martin Luther King, Jr. and the gala fundraising event at the Peoria Center for the Performing Arts.

**Reports from the Mayor:**

Mayor Barrett encouraged attendance at the organizational meeting for the American Cancer Society's Relay for Life fundraiser to be held at 6:00 p.m. on January 18, 2012 at New Life Community Church.

**ADJOURNMENT:**

Being no further business to come before the Council, the meeting was duly adjourned at 8:06 p.m.

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Bob Barrett, Mayor

ATTEST:

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Wanda Nelson, City Clerk

**CERTIFICATION**

I hereby certify that the foregoing minutes are a true and correct summary of the proceedings of the Regular Meeting of the City Council of Peoria, Arizona held on the 17<sup>th</sup> day of January, 2012. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 21<sup>st</sup> day of February, 2012.

(Seal)

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Wanda Nelson, City Clerk

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

**Agenda Item: 3C**

Date Prepared: January 25, 2012

Council Meeting Date: February 21, 2012

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**TO:** Carl Swenson, City Manager

**FROM:** Andrew Granger, P.E., Engineering Director

**THROUGH:** Susan J. Daluddung, Deputy City Manager

**SUBJECT:** Extension of Fixed-Term Construction Projects Coordinator Position

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**Purpose:**

This is a request for City Council to approve the additional funding required to extend the fixed-term contract for an existing full-time benefitted Construction Projects Coordinator through the end of fiscal year 2012.

**Background/Summary:**

As part of the City's fiscal year 2011 voluntary severance program, a Construction Projects Coordinator position became vacant. The position was temporarily filled with a contract employee to address short-term capital project needs. At that point, the city committed to a one-year fixed-term contract and agreed to reevaluate workloads at a later date.

Additional analysis of the Capital Improvement Program has identified that this temporary position is still necessary to support the following key projects through fiscal year 2013:

CS00034	Community Park #2
CS00022	Sports Complex Improvements
PD00021	Pinnacle Peak Public Safety Facility Expansion

While the 10-year capital program begins to thin out over the next several years, the City of Peoria cannot maintain its current project commitments without extending this position for the short-term.

Under this recommendation, the salary and benefits of this position will be indirectly charged to the capital improvement projects to which the position is assigned through chargebacks.

**Previous Actions:**

City Council approved the initial 12-month period for this position on March 1, 2011.

**Options:**

**A:** Approve the additional funding required to extend the fixed term contract through the end of fiscal year 2012. This option will allow the Engineering Department to maintain existing project delivery service levels and keep key projects on schedule.

**B:** Decline the additional funding required to extend the fixed term contract through the end of fiscal year 2012. This option will have a significant negative impact on project delivery service levels and jeopardize the schedules of key projects.

**Staff’s Recommendation:**

Staff recommends that the Mayor and Council approve the additional funding required to extend the fixed-term contract for an existing full-time benefitted Construction Projects Coordinator through the end of fiscal year 2012.

Staff recommends approval of a budget transfer in the amount of \$38,716 from the General Fund Contingency Account 1000-0300-570000 to the following accounts in the General Fund Design and Construction Division:

1000-0813-510000	Annual Salary	\$27,207
1000-0813-511001	Social Security	\$ 1,687
1000-0813-511002	FICA	\$ 394
1000-0813-511501	Retirement	\$ 2,749
1000-0813-512000	Insurance	\$ 5,167
1000-0813-512500	Workers Comp	\$ 1,360
1000-0813-513501	Cell Phone Allowance	\$ 152

**Fiscal Analysis:**

Approval of this request will provide adequate funding for the remainder of fiscal year 2012. As indicated above, the salary and benefits for this position will be charged to the Personal Services Accounts in the Design and Construction Division. However, these costs will be charged back to capital projects based on actual hours worked on each project. The end result should be a zero net cost to the General Fund.

**Narrative:**

Approval of this request will allow the Engineering Department to proceed with current project commitments and provide uninterrupted service to its client departments. Additionally, staff will include the funding of this position for fiscal year 2013 in a supplemental request to the operating budget in the upcoming budget cycle.

**Contact Name and Number:**

Ed Striffler, Design & Construction Manager, 623-773-7721

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

**Agenda Item: 4C**

**Date Prepared:** February 2, 2012

**Council Meeting Date:** February 21, 2012

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**TO:** Carl Swenson, City Manager

**FROM:** Brent D. Mattingly, Chief Financial Officer 

**THROUGH:** Susan Thorpe, Deputy City Manager

**SUBJECT:** Investment Report for the Quarter Ended December 31, 2011

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**Purpose:**

This is a request for City Council to review and accept the Investment Report for the Quarter Ended December 31, 2011.

**Background/Summary:**

The Finance Department has prepared an quarterly report in compliance with Peoria's adopted Investment Policy. The report summarizes the City's investment activity for the period from October 1, 2011 to December 31, 2011. The City's total investment portfolio earned an average yield of 0.55% for the 2nd Quarter of FY 2012. This represents investment income of \$325,073 for the quarter. The average cash balance of the City's portfolio during the quarter was \$313,051,517 and the ending balance for the total investment portfolio was \$314,861,427 which represents all securities and money market funds.

**Previous Actions:**

There are no previous actions for this item.

**Options:**

Council may select the following options:

- A:** Accept the Quarterly Investment Report as presented
- B:** Not accept the Quarterly Investment Report and request additional information from staff

**Staff's Recommendation:**

Staff recommends that Council review and accept the Investment Report for the Quarter Ended December 31, 2011 as presented.

**Fiscal Analysis:**

This item has no financial implications.

**Narrative:**

The quarterly report provides comparative investment yields, portfolio composition, average maturity lengths, comparisons of market value and book value, and a brief summary of the economy. An Inventory Holdings Report, which itemizes each security in the City's investment portfolio by fund, security type, and cusip number has been included as Exhibit 2. A brief glossary of security definitions has also been included as Exhibit 3.

**Exhibit(s):**

**Exhibit 1:** Investment Report for the Quarter Ended December 31, 2011

**Exhibit 2:** Inventory Holdings Report for the Quarter Ended December 31, 2011

**Exhibit 3:** Glossary of Security Definitions

**Contact:**

Deborah Card, Treasury Manager, X7148

# **CITY OF PEORIA, ARIZONA**



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## **INVESTMENT PERFORMANCE REPORT**

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**Annual Report**

**Period Ended**

**December 31, 2011**

**Brent D. Mattingly, Chief Financial Officer**

**Finance Department**

# TABLE OF CONTENTS

<b>Section</b>	<b>Description</b>	<b>Page</b>
I.	INTRODUCTION .....	2
II.	TOTAL INVESTMENT PORTFOLIO STRUCTURE .....	3
III.	INVESTMENT POLICY COMPLIANCE .....	3
IV.	INVESTMENT PERFORMANCE .....	3
	A. Portfolio Composition .....	3
	B. Average Invested Cash Balances .....	4
	C. Investment Income .....	4
	D. Comparative Investment Yields .....	4
	E. Average Maturity of Portfolio .....	5
	F. Comparison of Market Value and Book Value .....	5
V.	ECONOMIC REVIEW .....	7
VI.	SUMMARY DATA .....	8

## I. INTRODUCTION

This report reflects investment activity for the period of October 1, 2011 to December 31, 2011 for the City's investment management program. The City's Investment and Portfolio Policies, approved and adopted in January 1992 by the City Council, with revisions approved in June 2005, requires that the City's investment program meet the following criteria, listed in order of importance:

- Safety - *Investments shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.*
- Liquidity - *The investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements.*
- Yield - *The investment portfolio shall be designed with the objective of obtaining a market rate of return throughout budgetary and economic cycles, while taking into account the City's strict risk constraints.*

In keeping with these principles, the Finance Department continued to invest the City's funds only in allowable, safe securities and to structure the maturity of the investment portfolio to assure liquidity. Short-term needs (6 months or less) are being met by investments in overnight repurchase agreements, commercial paper, money market funds, and the State's Investment Pool. Funds not required to meet specific short-term needs are invested primarily in Treasury Notes and U.S. Government Agency Securities.

Only after the safety and liquidity requirements are met does the Finance Department attempt to maximize earnings. For the Quarter Ended December 31, 2011, the weighted average annualized yield on investments was as follows:

**Table 1**

<b>AVERAGE ANNUALIZED INVESTMENT YIELD</b>					
	<b>FY 11 Q2</b>	<b>FY 11 Q3</b>	<b>FY 11 Q4</b>	<b>FY 12 Q1</b>	<b>FY 12 Q2</b>
General Portfolio	<b>0.69</b>	<b>0.66</b>	<b>0.67</b>	<b>0.62</b>	<b>0.58</b>
Bond Funds	<b>0.39</b>	<b>0.38</b>	<b>0.38</b>	<b>0.34</b>	<b>0.28</b>
Total Portfolio	<b>0.64</b>	<b>0.62</b>	<b>0.63</b>	<b>0.59</b>	<b>0.55</b>

This quarter's average yield of 0.55% for the total portfolio represents a decrease of 0.04% from the total portfolio annualized yield of 0.59% experienced for the Quarter Ended September 30, 2011.

## II. TOTAL INVESTMENT PORTFOLIO STRUCTURE

The City's overall portfolio is identified by source and use of funds in accordance with the City's investment policy. The general operating funds are composed of all funds of the City with the exception of restricted capital project funds containing direct bond proceeds and escrow funds. The interest from the operating fund portfolio is allocated pro rata to the General Fund and other commingled funds making up the portfolio. Funds identified in this category are:

- General Fund
- Special Revenue Funds
- Enterprise Funds
- Internal Service Funds
- Debt Service Funds
- Trust and Agency Funds

Capital project funds are managed in unique portfolios identified by individual bond issue in order to fulfill all U.S. Government tax requirements and to simplify reporting and arbitrage calculations.

During the past quarter, the City's investment portfolio has been divided between general funds and several bond fund accounts. For purposes of this performance report, however, the operating portfolio is reported as a whole and reference to performance and strategy are directed toward the portfolio in its entirety.

## III. INVESTMENT POLICY COMPLIANCE

The City's Investment Policy, as approved by City Council, applies to all the financial assets and funds held by the City of Peoria. All investments follow the provisions established in that Policy.

## IV. INVESTMENT PERFORMANCE

**A. Portfolio Composition.** It is the policy of the City to diversify its portfolio by security type and institution to minimize market volatility risk and credit risk. The Policy stipulates maximum investment levels by market sector to insure diversification. Diversification is further accomplished through the laddering of maturities, which mirror anticipated cash flows for the various funds. If not matched to specific cash flows, the funds are invested with a priority of liquidity and safety until specific cash flow needs are identified.

The table below illustrates the diversification structured into the portfolio composition with dollar amounts and percentages by investment type (market sector). The table shows the overall conservative nature of the portfolio and its diversified structure. The fluctuation in percentages between fiscal quarters

represents a shifting of value between market sectors from the varying economic conditions throughout the year. The concentration on Treasury Notes and Agency Securities illustrates the portfolio's safety priority.

**Table 2**

TOTAL PORTFOLIO COMPOSITION (In Millions of Dollars)								
Security Type	FY 11 – Q3		FY 11 – Q4		FY 12 – Q1		FY 12 – Q2	
	Amt	%	Amt	%	Amt	%	Amt	%
Money Market	39.0	12.4	52.6	17.9	36.4	12.2	38.5	12.2
Agency Securities	192.2	61.0	159.7	54.2	152.4	50.9	173.4	55.1
Treasury Bills	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Treasury Notes	25.2	8.0	30.7	10.4	25.6	8.6	15.6	4.9
Commercial Paper	58.4	18.6	48.4	16.5	84.9	28.3	84.4	26.8
Repurchase Agreements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State Pool	0.1	0.0	2.9	1.0	0.1	0.0	3.0	1.0
<b>TOTALS:</b>	<b>314.9</b>	<b>100.0</b>	<b>294.3</b>	<b>100.0</b>	<b>299.4</b>	<b>100.0</b>	<b>314.9</b>	<b>100.0</b>

**B. Average Invested Cash Balances.** The average investment cash balance of the overall portfolio for the Quarter Ended December 31, 2011 was \$313,051,517 as compared to \$295,100,819 for the Quarter Ended September 30, 2011.

Fluctuations in the quarterly balances shown in the chart below represent normal cash flows throughout the fiscal year, the addition of new bond proceeds, investment of earned interest, and the spend down of existing bond proceeds for capital projects.

**C. Investment Income.** Total investment income for the 2nd Quarter of FY12 was \$325,073, which represents a decrease of 8.2% from the \$354,155 earned in the 1st Quarter of FY12.

**D. Comparative Investment Yields.** Since the Investment Policy of the City restricts investment primarily to the U.S. fixed income and money markets, the portfolio performance is measured directly against these markets for

comparison purposes. The maximum maturity of securities purchased for the portfolio is restricted to five (5) years. The weighted average maturity should not exceed 365 days. The actual weighted average maturity for the 2nd Quarter of FY12 was 343 days. The average rates of comparable benchmarks are shown in the table below.

**Table 3**

COMPARATIVE ANNUALIZED INVESTMENT YIELDS				
	FY 11 Q3	FY 11 Q4	FY 12 Q1	FY 12 Q2
City of Peoria (General Portfolio)	0.66	0.67	0.62	0.58
3 Month T-Bill	0.12	0.04	0.02	0.01
6 Month T- Bill	0.16	0.10	0.06	0.04
1 Year T-Bill	0.26	0.19	0.12	0.10
2 Year Treasury	0.68	0.55	0.27	0.26

**E. Average Maturity of the Portfolio.** For the Quarter ended December 31, 2011, the average maturity of the portfolio was 343 days as compared to 355 days on September 30, 2011. Matching maturities to known cash flows requires the maintenance of a somewhat short portfolio. This assures the City's liabilities can be met as they come due. Cash not needed to match immediate cash flow needs (within a nine month rolling horizon of liabilities) is normally extended somewhat to take advantage of higher yields. Longer maturities are used to capture yields at purchase and to capture capital gains during the period.

**F. Comparison of Market Value and Book Value.** The book value of the portfolio is captured on an amortized cost basis recognizing the City's position in the securities on a straight-line amortization of premiums and discounts. Book and market values do not include accrued interest on the securities. The market value reflects the *then current* market price at which these securities could be sold in the open market. A comparison of book and market reflects the changes in market rates as well as the performance of the portfolio against the market. Since the shortest portion of the portfolio is matched against anticipated cash flows, rate changes will more directly affect their relative gain/loss positions. A summary of market and book values for the total portfolio for the Quarter are shown below.

Beginning Book Value.....	\$299,452,614
Beginning Market Value .....	\$299,506,139
Ending Book Value.....	\$314,861,427
Ending Market Value.....	\$314,922,375

At quarter's end, the market value of the portfolio exceeded the book value of securities resulting in an overall unrealized gain in value of \$60,948.

## **ECONOMIC REVIEW AS OF 12-31-11:**

Gross Domestic Product (GDP): Historically, the U.S. economy has grown at around a 3% rate as measured by its annual Gross Domestic Product (GDP). First quarter (annualized) 2011 GDP growth was revised downward several times from an initial 1.8% reading to a final 0.4%. Final second quarter GDP growth was 1.3%. Third quarter GDP, originally reported at 2.5%, was revised downward to 1.8%, although lower inventory buildup had subtracted 1.35 percentage points. Fourth quarter growth continued the upward trend with a 2.8% increase. However, this time inventories added more than 1.9 percentage points, meaning that the economy only grew at a 0.9% pace in the past. For all of 2011, GDP increased 1.7%, a decline from 3.0% in 2010 when stimulus dollars fueled the economy. Going forward, experts are predicting 2012 will experience continued subpar growth in the 2% range.

Nonfarm Payrolls: By the end of the summer, hiring by companies had come to a virtual standstill with zero gain in nonfarm payrolls being reported in the initial August employment reading. But things improved considerably after that point. Company payrolls grew by 200k in December and a total of 621k in the final four months of the year. Even the August job count was subsequently revised from zero to up 104k. For all of 2011, employers added more than 1.64 million new workers. Although this pace doesn't suggest a return to full employment anytime soon, it appears relatively healthy when compared to 5 million jobs lost in 2009. As businesses began hiring, the December unemployment rate fell to 8.5%, more than a point and a half below the 10.1% cycle high from October 2009 and the lowest level in more than 2½ years.

U.S. Home Sales: Like most of the economic data during the quarter, the housing numbers improved, albeit from very low levels. Existing home sales rose for the third straight month, increasing by 5% to a 4.61 million pace, the highest since January 2011. At the high point in 2005, this number was 7.25 million. December's gain dropped the number of available existing homes to a six-year low. By contrast, new home sales for December were a disappointment as sales fell by 2.2%, the first decline in four months. And when all was said and done, 2011 turned out to be the worst year for new home sales since 1963 with just 302k sold, a 6.2% drop from 2010. On a bright note, the supply of new homes available last month was only 157k, the lowest on record, while the month's supply rose only slightly from 6 months to 6.1 months. In theory, lower inventory levels suggest future construction increases.

Retail Sales: Consumer spending drives the U.S. economy. For this reason, monthly retail sales are considered an important indicator of sustainable economic growth. The previous quarter had ended on a particularly high note, as September's 1.3% gain matched the highest month-over-month increase in more than two years. But the sales pace dwindled throughout the fourth quarter as October and November sales rose by just 0.7% and 0.4%. Despite a swell of holiday optimism, December sales checked in at 0.1%, the worse December gain since 2008. A bright point during the holiday season was that internet sales surged by 15% over the same period in 2010. Unfortunately, this was at the expense of the traditional brick and mortar stores. Kmart and Sears are expected to close as many as 120 stores in 2012 after holiday sales plunged 4.4% and 6% respectively.

## SUMMARY DATA

**Table 4**

<b>PORTFOLIO COMPOSITION</b>				
<b>General Funds</b>				
<b>Security Type</b>	<b>FY 11 – Q3 Ending 03/31/11</b>	<b>FY 11 – Q4 Ending 06/30/11</b>	<b>FY 12 – Q1 Ending 09/30/11</b>	<b>FY 12 – Q2 Ending 12/31/11</b>
Money Market	\$28,328,284	\$48,965,665	\$30,687,565	\$30,671,406
Agency Securities	\$163,192,280	\$144,617,131	\$145,375,479	\$168,421,183
Treasury Notes	\$25,234,217	\$25,179,359	\$20,122,338	\$10,068,188
Treasury Bills	\$0	\$0	\$0	\$0
Commercial Paper	\$47,931,027	\$31,947,443	\$65,910,591	\$70,394,215
Repurchase Agreements	\$0	\$0	\$0	\$0
State Pool	\$76,517	\$2,933,879	\$70,818	\$2,974,199
<b>Totals:</b>	<b>\$264,762,325</b>	<b>\$253,643,477</b>	<b>\$262,166,791</b>	<b>\$282,529,191</b>
Avg Yield	0.66	0.67	0.62	0.58
Avg Maturity (Years)	0.87	1.00	1.07	1.03
State Pool Yield	0.09	0.05	0.06	0.04

**Table 5**

<b>PORTFOLIO COMPOSITION</b>				
<b>G.O. Bonds 2007</b>				
<b>Security Type</b>	<b>FY 11 – Q3 Ending 03/31/11</b>	<b>FY 11 – Q4 Ending 06/30/11</b>	<b>FY 12 – Q1 Ending 09/30/11</b>	<b>FY 12 – Q2 Ending 12/31/11</b>
Money Market	\$2,320,285	\$3,093	\$3,003	\$1,450,450
Agency Securities	\$0	\$0	\$0	\$0
Treasury Notes	\$0	\$1,508,658	\$1,506,057	\$1,503,435
Treasury Bills	\$0	\$0	\$0	\$0
Commercial Paper	\$4,489,725	\$4,491,611	\$4,497,489	\$0
Repurchase Agreements	\$0	\$0	\$0	\$0
<b>Totals:</b>	<b>\$6,810,010</b>	<b>\$6,003,362</b>	<b>\$6,006,549</b>	<b>\$2,953,885</b>
Avg Yield	0.34	0.45	0.46	0.20
Avg Maturity (Years)	0.22	0.61	0.31	0.16

**Table 6**

<b>PORTFOLIO COMPOSITION G.O. Bonds 2009</b>				
<b>Security Type</b>	<b>FY 11 – Q3 Ending 03/31/11</b>	<b>FY 11 – Q4 Ending 06/30/11</b>	<b>FY 12 – Q1 Ending 09/30/11</b>	<b>FY 12 – Q2 Ending 12/31/11</b>
Money Market	\$4,193,224	\$2,417,527	\$2,634,840	\$3,646,226
Agency Securities	\$12,064,309	\$6,033,378	\$4,006,237	\$2,000,316
Treasury Notes	\$0	\$4,023,088	\$4,016,153	\$4,009,159
Treasury Bills	\$0	\$0	\$0	\$0
Commercial Paper	\$5,993,382	\$7,990,617	\$7,991,233	\$7,995,076
Repurchase Agreements	\$0	\$0	\$0	\$0
<b>Totals:</b>	<b>\$22,250,915</b>	<b>\$20,464,610</b>	<b>\$18,648,463</b>	<b>\$17,650,777</b>
Avg Yield	0.44	0.39	0.36	0.31
Avg Maturity (Years)	0.36	0.42	0.32	0.24

**Table 7**

<b>PORTFOLIO COMPOSITION G.O. Bonds 2010</b>				
<b>Security Type</b>	<b>FY 11 – Q3 Ending 03/31/11</b>	<b>FY 11 – Q4 Ending 06/30/11</b>	<b>FY 12 – Q1 Ending 09/30/11</b>	<b>FY 12 – Q2 Ending 12/31/11</b>
Money Market	4,164,702	\$1,203,287	\$3,115,676	\$2,724,759
Agency Securities	\$16,934,422	\$9,059,872	\$3,021,501	\$3,014,092
Treasury Notes	\$0	\$0	\$0	\$0
Treasury Bills	\$0	\$0	\$0	\$0
Commercial Paper	\$0	\$3,991,787	\$6,493,634	\$5,988,723
Repurchase Agreements	\$0	\$0	\$0	\$0
<b>Totals:</b>	<b>\$21,099,124</b>	<b>\$14,254,946</b>	<b>\$12,630,811</b>	<b>\$11,727,574</b>
Avg Yield	0.32	0.34	0.26	0.25
Avg Maturity (Years)	0.31	0.39	0.35	0.26

# City of Peoria

## Detail of Security Holdings

As of 12/31/2011

CUSIP	Settle Date	Sec. Type	Sec. Description	CPN	Mty Date	Next Call	Call Type	Par Value	Purch Price	Orig Cost	Book Value	Mkt Price	Market Value
General Fund													
WF-ADVGOV		MMF	Wells Fargo Adv Govt MMF					30,671,406.14	100.000	30,671,406.14	30,671,406.14	100.000	30,671,406.14
313588RY3	07/29/11	AGCY DISCO	FINMA		01/18/12			10,000,000.00	99.894	9,989,427.78	9,998,961.10	100.000	10,000,000.00
36959HE97	08/12/11	CP - DISC	GE Capital Corp		02/09/12			8,000,000.00	99.879	7,990,346.67	7,997,920.00	99.989	7,999,112.00
89233GBA3	08/16/11	CP - DISC	Toyota Mtr Cr		02/10/12			5,000,000.00	99.822	4,991,100.00	4,998,000.00	99.990	4,999,490.00
89233GBH8	06/29/11	CP - DISC	Toyota Mtr Cr		02/17/12			6,000,000.00	99.748	5,994,855.00	5,996,944.98	99.985	5,999,118.00
36959HC70	08/30/11	CP - DISC	GE Capital Corp		03/07/12			8,000,000.00	99.836	7,986,911.11	7,995,453.36	99.974	7,997,912.00
36959HDC8	09/23/11	CP - DISC	GE Capital Corp		04/12/12			5,000,000.00	99.809	4,990,461.11	4,995,183.35	99.926	4,996,280.00
3024A0DL6	10/24/11	CP - DISC	FCAR Owner Trust		04/20/12			8,000,000.00	99.776	7,982,100.00	7,989,000.00	99.932	7,994,576.00
89233GEV4	09/02/11	CP - DISC	Toyota Mtr Cr		05/29/12			10,000,000.00	99.618	9,961,750.00	9,978,891.70	99.821	9,982,080.00
3024A0FE0	11/18/11	CP - DISC	FCAR Owner Trust		06/14/12			2,500,000.00	99.710	2,492,743.06	2,494,270.83	99.802	2,495,042.50
3137EACC1	05/17/11	AGCY BULET	FILMC		06/15/12			6,000,000.00	101.603	6,096,180.00	6,040,665.76	100.740	6,044,400.00
912828KX7	03/23/11	TREAS NOTE	U.S. Treasury		06/15/12			1,875	101.848	10,184,765.63	10,068,187.80	100.820	10,082,000.00
31398AP71	05/24/11	AGCY BULET	FINMA		06/22/12			12,000,000.00	101.065	12,127,800.00	12,056,389.28	100.530	12,063,600.00
36959HFU6	12/12/11	CP - DISC	GE Capital Corp		06/29/12			8,000,000.00	99.790	7,983,195.56	7,984,894.48	99.795	7,983,600.00
3024A0H65	11/10/11	CP - DISC	FCAR Owner Trust		08/06/12			10,000,000.00	99.550	9,955,000.00	9,963,666.70	99.629	9,962,890.00
313374U24	07/26/11	AGCY CALL	FHLB		08/10/12	01/26/12	ONE TIME	5,000,000.00	99.998	4,999,875.00	4,999,926.95	100.000	5,000,000.00
31331JY56	09/23/11	AGCY BULET	FECB		11/02/12			5,000,000.00	100.173	5,008,650.00	5,006,527.85	100.120	5,006,000.00
313376HQ1	12/20/11	AGCY BULET	FHLB		12/10/12			6,000,000.00	100.016	6,000,978.00	6,000,947.28	99.950	5,997,000.00
3137EACC0	05/26/11	AGCY CALL	FHLMC		12/28/12			9,580,000.00	100.438	9,621,941.24	9,620,698.23	100.390	9,617,362.00
31331KGC8	08/23/10	AGCY CALL	FHLB		04/04/13	04/04/12	CONT	10,000,000.00	100.258	10,025,750.00	10,007,786.10	100.140	10,014,000.00
3133702W7	07/26/11	AGCY CALL	FHLB		07/12/13	01/12/12	ONE TIME	5,000,000.00	101.103	5,055,125.00	5,001,218.60	100.030	5,001,500.00
3134G2SQ6	09/06/11	AGCY STEP	FHLMC		07/26/13	07/26/12	ONE TIME	10,000,000.00	100.000	10,000,000.00	10,000,000.00	99.950	9,995,000.00
31331KXS4	09/06/11	AGCY CALL	FECB		09/06/13	Anytime	CONT	10,000,000.00	99.925	9,992,500.00	9,993,693.40	99.990	9,999,000.00
3138FPGA9	10/19/11	AGCY CALL	FINMA		09/20/13	09/20/12	ONE TIME	8,000,000.00	100.558	8,044,640.00	8,034,940.64	100.030	8,002,400.00
3134G2L34	09/30/11	AGCY CALL	FHLMC		09/30/13	03/30/12	QRTLY	10,000,000.00	99.960	9,996,000.00	9,996,503.40	99.920	9,992,000.00
3135G0E13	10/25/11	AGCY CALL	FINMA		10/25/13	10/25/12	QRTLY	8,000,000.00	100.000	8,000,000.00	8,000,000.00	100.080	8,006,400.00
3135G0FS7	11/29/11	AGCY CALL	FINMA		11/21/13	11/21/12	QRTLY	5,000,000.00	99.850	4,992,500.00	4,992,835.20	99.930	4,996,500.00
3136FP6Y8	08/28/11	AGCY STEP	FINMA		02/14/14	02/14/12	QRTLY	8,000,000.00	100.116	8,009,280.00	8,002,375.20	100.070	8,005,600.00
3136FR1Z4	05/23/11	AGCY CALL	FINMA		05/23/14	05/23/12	ONE TIME	8,225,000.00	99.980	8,223,355.00	8,223,682.19	100.320	8,251,320.00
3133XU9P6	09/29/11	AGCY CALL	FHLMC		07/17/14	01/17/12	ONE TIME	2,600,000.00	101.024	2,626,624.00	2,601,902.42	100.070	2,601,820.00
3134G2H39	12/05/11	AGCY CALL	FINMA		11/07/14	11/07/12	QRTLY	5,000,000.00	100.000	5,000,000.00	5,000,000.00	100.260	5,013,000.00
3134G3BL3	08/26/11	AGCY STEP	FHLMC		12/05/14	12/05/12	QRTLY	5,000,000.00	100.000	5,000,000.00	5,000,000.00	100.110	5,005,500.00
3133XW4A4	05/10/11	AGCY CALL	FHLB		04/20/15	04/20/12	ONE TIME	8,000,000.00	100.561	8,044,880.00	8,014,441.44	100.360	8,028,800.00
Total for General Fund								279,331,406.14		279,883,482.30	279,554,991.86		279,607,356.14

# City of Peoria Detail of Security Holdings As of 12/31/2011

CUSIP	Settle Date	Sec. Type	Sec. Description	CPN	Mty Date	Next Call	Call Type	Par Value	Purch Price	Orig Cost	Book Value	Mkt Price	Market Value
<b>GO Bond - Series 2007 A</b>													
WF-ADVGOV		MMF	Wells Fargo Adv Govt MMF					1,450,449.60	100.000	1,450,449.60	1,450,449.60	100.000	1,450,449.60
912828NB2	04/13/11	TREAS NOTE	U.S. Treasury	1.000	04/30/12			1,500,000.00	100.727	1,510,898.44	1,503,434.75	100.310	1,504,650.00
Total for GO Bond - Series 2007 A								2,950,449.60		2,961,348.04	2,953,884.35		2,955,099.60
<b>GO Bond - Series 2009</b>													
WF-ADVGOV		MMF	Wells Fargo Adv Govt MMF					3,646,225.82	100.000	3,646,225.82	3,646,225.82	100.000	3,646,225.82
3024A0AT2	08/12/11	CP - DISC	FCAR Owner Trust		01/27/12			4,000,000.00	99.813	3,992,533.33	3,998,844.44	99.983	3,999,732.00
89233GBH8	06/29/11	CP - DISC	Toyota Mtr Cr		02/17/12			2,000,000.00	99.748	1,994,951.67	1,998,981.66	99.985	1,999,706.00
3024A0DL6	10/24/11	CP - DISC	FCAR Owner Trust		04/20/12			2,000,000.00	99.776	1,995,525.00	1,997,250.00	99.932	1,998,644.00
912828NB2	04/13/11	TREAS NOTE	U.S. Treasury	1.000	04/30/12			4,000,000.00	100.727	4,029,062.50	4,009,159.32	100.310	4,012,400.00
313376HQ1	12/20/11	AGCY BULET	FHLB	0.210	12/10/12			2,000,000.00	100.016	2,000,326.00	2,000,315.76	99.950	1,999,000.00
Total for GO Bond - Series 2009								17,646,225.82		17,658,624.32	17,650,777.00		17,655,707.82
<b>GO Bond - Series 2010</b>													
WF-ADVGOV		MMF	Wells Fargo Adv Govt MMF					2,724,758.93	100.000	2,724,758.93	2,724,758.93	100.000	2,724,758.93
89233GBH8	06/26/11	CP - DISC	Toyota Mtr Cr		02/17/12			4,000,000.00	99.763	3,990,506.67	3,998,328.88	99.985	3,999,412.00
31398AP71	05/24/11	AGCY BULET	FNMA	1.250	06/22/12			3,000,000.00	101.065	3,031,950.00	3,014,092.32	100.530	3,015,900.00
89233GJ49	12/12/11	CP - DISC	Toyota Mtr Cr		09/04/12			2,000,000.00	99.481	1,989,616.67	1,990,394.44	99.497	1,989,942.00
Total for GO Bond - Series 2010								11,724,758.93		11,736,832.27	11,727,574.57		11,730,012.93
State Pool								2,974,199.00			2,974,199.00		2,974,199.00
Total for City of Peoria								314,627,039.49		312,240,296.93	314,861,426.78		314,922,375.49



**Security Acronyms:**

AGCY – DISCO	Agency Discount Note
AGCY – BULET	Agency Bullet
AGCY – CALL	Agency Callable Note
AGCY – STEP	Agency Step-Up Note
CP – DISC	Commercial Paper Discounted
FFCB	Federal Farm Credit Bank
FHLB	Federal Home Loan Bank
FNMA	Federal National Mortgage Association or “Fannie Mae”
FHLMC	Federal Home Loan Mortgage Corporation or “Freddie Mac”
FCAR Owner Trust	Ford Credit Asset Receivable
GE Capital Corp	General Electric Capital Corp
MMF	Money Market Fund

**Security Definitions:**

**Agency Notes** - A debt security issued by a federal or federally sponsored agency. These are widely considered to be among the safest types of fixed income securities, although they are not explicitly guaranteed by the Federal government, there is a market perception that there is an implicit government guarantee. The following are Government-Related Enterprises, originally created by an act of Congress: Federal Farm Credit Bank, Federal Home Loan Bank, Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corporation (Freddie Mac).

**Federal Farm Credit Bank (FFCB)** - The Federal Farm Credit Bank System is the oldest of the government sponsored enterprises, created by an act of congress in 1916. Its mission is to provide a reliable and low cost source of funds to support agriculture in the United States. FFCB debt obligations are highly liquid and its senior debt is AAA-rated. Yields on FFCB obligations are often slightly lower than yields on FHLB, FNMA or FHLMC obligations because they issue fewer bonds and are in demand as portfolio diversifiers.

Federal Home Loan Bank (FHLB) - The Federal Home Loan Bank system was created by an act of Congress in 1932 as a system of 12 regional banks that provide funds to its member banks. FHLB's primary mission is to support residential and community lending. Its membership of more than 8,000 financial institutions includes savings banks, commercial banks, credit unions and insurance companies active in housing finance. FHLB debt obligations are highly liquid and its senior debt is AAA-rated.

Federal National Mortgage Association (FNMA or "Fannie Mae") - Fannie Mae was chartered in 1938 under the Federal National Mortgage Association Act to provide a secondary market for mortgage loans in the United States, by purchasing existing home loans and pooling them together to create mortgage-backed securities that can then be sold to investors, along with a guaranty of the timely payment of principal and interest on the underlying loans. Fannie Mae was privatized in 1968, and operated as a private stockholder-owned company for 40 years before the housing market collapse forced them into federal government conservatorship in September 2008. Fannie Mae currently continues operation under government control and has been instrumental in the government's attempts to revive the housing sector. Fannie Mae debt obligations are highly liquid and its senior debt is AAA-rated.

Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac") - Freddie Mac was created by an act of Congress in 1970 as a shareholder-owned company to further expand the secondary market for mortgage loans in the United States. Freddie Mac buys existing mortgages and pools them together to create mortgage-backed securities that can then be sold to investors, thereby providing liquidity to lenders who can then make additional loans. Along with Fannie Mae, Freddie Mac was placed into government conservatorship in September 2008, but continues full operations under government control and has been instrumental in the government's attempt to revive the housing sector. Freddie Mac securities are highly liquid and its senior debt is AAA-rated.

**Agency Bullet**- An agency security that matures at a single point in time and does not feature a call option. This security will earn a fixed rate of interest and the entire face value will be returned to the investor at maturity. The security does not amortize or make periodic payments of principal.

**Agency Callable** - An agency security where the issuer has the option to call the security away, or redeem it, prior to maturity. This allows the issuer to return principal to the investor prior to the stated maturity date.

**Agency Discount Note** - Similar to a Treasury Bill, an agency discount note is a zero coupon bond sold at a discount to face value. At maturity the investor will receive face value. The income earned is the difference between the cost paid for the security and its face value.

**Agency Step-Up Note** - An agency security that provides for the fixed rate of interest to adjust, or “step-up” at predetermined intervals based on a specific schedule. The schedule may include one or several rate adjustments over the life of the security. In most cases, the security is also callable at the step-up dates.

**Commerical Paper** – An unsecured short –term promissory note issued by corporations, with maturities ranging from 2 to 270 days. Examples of commercial paper include Ford Credit Asset Receivable, General Electric Capital Corporation, Johns Hopkins Health System and Toyota Motor Credit.

**Treasury Bill** – Short-term U.S. government non-interest bearing debt securities with maturities of no longer than one year and issued in minimum denominations of \$10,000.

**Treasury Note** - U.S. government debt securities with maturities of ten years or longer, and issued in minimum denominations of \$1,000.

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

**Agenda Item: 5C**

**Date Prepared: February 1, 2012**

**Council Meeting Date: February 21, 2012**

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**TO:** Carl Swenson, City Manager  
**FROM:** Andy Granger, P.E., Engineering Director  
**THROUGH:** Susan J. Daluddung, Deputy City Manager  
**SUBJECT:** Deeds and Easements, Various Locations

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**Purpose:**

This is a request for City Council to adopt a Resolution accepting Deeds and Easements for various Real Property interests acquired by the City. The deeds and easements have been recorded by the Maricopa County Recorder's Office and this process will formally accept them into the system.

**Background/Summary:**

The City of Peoria periodically acquires a number of property interests including deeds, roadway dedications and various types of easements. All documents are reviewed for accuracy and recorded. A Resolution to accept these documents has been prepared, which lists each document by recording number and provides information related to each so the property interest to be accepted can be identified.

**Previous Actions:**

This is an ongoing process which occurs when we have acquired a number of real property interests.

**Options:**

- A: Approve the adoption of the Resolution accepting Deeds and Easements into our system.
- B: Deny adoption of the Resolution that formally accepts the Deeds and Easements into our system, resulting in the City not having an official record of what has been transferred to the City through recordation in the Maricopa County Recorder's office.

**Staff's Recommendation:**

Staff recommends the adoption of a Resolution accepting Deeds and Easements for various Real Property interests acquired by the City and previously recorded by the Maricopa County Recorder's Office to ensure completeness of the process.

**Fiscal Analysis:**

There is no fiscal impact to the City.

**Narrative:**

This Resolution includes Real Property interests acquired since the adoption of the previous acceptance resolution. The acceptance of the Resolution by City Council would bring the deeds and easements into our system and is the final step in the process.

**Exhibit(s):**

**Exhibit 1:** Resolution

**Contact Name and Number:** Kris Luna, Sr Real Property Administrator, (623) 773-7199

RESOLUTION NO. 2012-17

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, MARICOPA COUNTY, ARIZONA ADOPTING A RESOLUTION FORMALLY ACCEPTING DEEDS AND EASEMENTS FOR PROPERTY RIGHTS CONVEYED TO THE CITY OF PEORIA.

WHEREAS, the real estate interests hereinafter referenced have been conveyed to the City of Peoria;

WHEREAS, it is to the advantage of the City of Peoria to accept said real property interests; and

WHEREAS, the City has determined that acquisition of these property interests is in the interest of the public health, safety and welfare.

NOW THEREFORE, be it resolved by the Mayor and Council of the City of Peoria, Maricopa County, Arizona as follows:

SECTION 1. That the following real property interests are hereby accepted by the City of Peoria and referenced by the recording number issued by the Maricopa County Recorder's Office.

Lake Pleasant Parkway Project  
Pleasant Valley Homeowners Association  
SLOPE/DRAINAGE EASEMENT  
Maricopa County Recording No. 2012-0008041  
(Project No. EN00241)

West side of Lake Pleasant Pkwy  
& North of Pinnacle Vista Drive

Lake Pleasant Parkway Project  
Flood Control District of Maricopa County  
SPECIAL WARRANTY DEED  
Maricopa County Recording No. 2012-0045670  
(Project No. EN00241)

Lake Pleasant Pkwy s/o Loop 303

Sidewalks Annual Program  
DC Fox Investments LLC  
EASEMENT FOR PUBLIC SIDEWALK  
Maricopa County Recording No. 2012-0066969  
(Project No. PW00046)

West side of 75<sup>th</sup> Ave n/o Cactus Rd

Resolution No. 2012-17  
Acceptance of Deeds and Easements  
February 21, 2012  
Page: 2

Sidewalks Annual Program  
Sandra C. Tudor & Ana C. Opat  
EASEMENT FOR PUBLIC SIDEWALK  
Maricopa County Recording No. 2012-0066971  
(Project No. PW00046)

West side of 75<sup>th</sup> Ave n/o Cactus Rd

75<sup>th</sup> Ave & Thunderbird Rd Intersection Widening  
AAA Arizona, Inc.  
SPECIAL WARRANTY DEED  
Maricopa County Recording No. 2012-0075189  
(Project No. EN00089)

East of NEC of 75<sup>th</sup> Ave and  
Thunderbird Road

Olive Ave & Loop 101 Traffic Interchange  
Peoria Commerce Developers, LLC  
SPECIAL WARRANTY DEED  
Maricopa County Recording No. 2009-1013457  
(Project No. EN00219)

SEC 93<sup>rd</sup> Ave & Olive Ave

## SECTION 2. Public Easement and Land Rights

That the Mayor and Council accept the deeds and public easements transferred to the City of Peoria as described herein.

## SECTION 3. Recording Authorized

That the City Clerk shall record the original of this Resolution with the Maricopa County Recorder's Office.

Resolution No. 2012-17  
Acceptance of Deeds and Easements  
February 21, 2012  
Page: 3

PASSED AND ADOPTED by the Mayor and Council of the City of Peoria,  
Arizona, this 21st day of February 2012.

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Bob Barrett, Mayor

ATTEST:

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Wanda Nelson, City Clerk

APPROVED AS TO FORM:

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Stephen M. Kemp, City Attorney

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

**Agenda Item: 6C**

Date Prepared: February 1, 2012

Council Meeting Date: February 21, 2012

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**TO:** Carl Swenson, City Manager

**FROM:** Andy Granger, P.E., Engineering Director

**THROUGH:** Susan J. Daluddung, Deputy City Manager

**SUBJECT:** Designate Roadways, Establish Rights-of-Way, Various Locations

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**Purpose:**

This is a request for City Council to adopt a Resolution designating various Real Properties to be used as City roadways and authorize the establishment of Public Rights-of-Way to be opened and maintained by the City as a Public Street. The deeds and easements have been recorded by the Maricopa County Recorder's Office and this process will formally incorporate them into the system.

**Background/Summary:**

The City of Peoria has, by separate Resolution, accepted each right-of-way to be designated as a public street. The attached Resolution lists each document that conveyed the property rights to be designated as public rights-of-way. The description found in the attached Resolution lists each document by recording number and provides information related to each. The individual description also identifies the type of roadway and type of improvement for each parcel.

**Previous Actions:**

This is an ongoing process that occurs after real property has been accepted into our system.

**Options:**

A: Approve the adoption of the Resolution designating various Real Property to be used as City roadways and authorize the establishment of Public Rights-of-Way to be opened and maintained by the city as a Public Street.

B: City Council denies the formal designation of various Real Property into our system. The result would be that the Public Rights-of-Way would not be maintained by the City as a Public Street.

**Staff's Recommendation:**

Staff recommends the adoption of a Resolution designating various Real Properties to be used as City roadways and maintained by the City.

**Fiscal Analysis:**

There is no significant fiscal impact to the City.

**Narrative:**

The adoption of the Resolution by City Council would bring the Real Property interests into our maintenance system and is the final step in the process.

**Exhibit(s):**

**Exhibit 1:** Resolution

**Contact Name and Number:** Kris Luna, Sr Real Property Administrator, (623) 773-7199

RESOLUTION NO. 2012-18

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, MARICOPA COUNTY, ARIZONA ADOPTING A RESOLUTION AUTHORIZING THE ESTABLISHMENT OF PUBLIC STREETS, TO BE OPENED AND MAINTAINED BY THE CITY.

WHEREAS, the Mayor and Council of the City find and determine that the public health, safety and welfare require the establishment of public streets to be opened and maintained by the City;

WHEREAS, the Mayor and Council are vested with the authority pursuant to Article 1, Section 3 (6) of the Peoria City Charter and Section 23-18 of the Peoria City Code (1992) to establish the general location and routing of public streets; and

WHEREAS, the Engineering Director of the City having submitted a map indicating the general location of the proposed public streets and recommends the acceptance of the street by the City for inclusion in the City Street system.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Peoria as follows:

SECTION 1. Recommendation of Engineering Director to Establish a Public Street.

That the Mayor and Council find and determine that it is in the interest of the public health, safety and welfare of the city to accept the recommendation of the Engineering Director to establish public streets in accordance with the general location set forth herein and accept the street for inclusion in the city street system and designate the streets for inclusion on the street classification map required by this chapter.

SECTION 2. Designation of a Public Street

That the Mayor and Council find and determine that the proposed public streets, as described below shall be designated to be either a major arterial, a minor arterial, a collector street or a local street, to be opened as a public street and maintained by the City.

Resolution No. 2012-18  
Authorizing Establishment of Public Streets  
February 21, 2012  
Page 2

Lake Pleasant Parkway Project  
Flood Control District of Maricopa County  
SPECIAL WARRANTY DEED  
Maricopa County Recording No. 2012-0045670  
(Project No. EN00241)

Lake Pleasant Pkwy s/o Loop 303

75<sup>th</sup> Ave & Thunderbird Rd Intersection Widening  
AAA Arizona, Inc.  
SPECIAL WARRANTY DEED  
Maricopa County Recording No. 2012-0075189  
(Project No. EN00089)

East of NEC of 75<sup>th</sup> Ave and  
Thunderbird Road

Olive Ave & Loop 101 Traffic Interchange  
Peoria Commerce Developers, LLC  
SPECIAL WARRANTY DEED  
Maricopa County Recording No. 2009-1013457  
(Project No. EN00219)

SEC 93<sup>rd</sup> Ave & Olive Ave

### SECTION 3. Amendment of Plans and Maps

That the Mayor and Council find and determine that the Transportation Plan of the City's general plan, the street classification map and the local streets plan shall be amended in the manner required by law to reflect the addition of a public street as set forth herein.

### SECTION 4. Signage, Posting and Effective Date

(a) That the Engineering Director or his designee are authorized to post such signage as deemed appropriate to indicate the existence of a public roadway and to provide for the safe and orderly movement of vehicular and pedestrian traffic on the public streets as set forth herein.

(b) That the City Attorney or his designee shall draft and submit the ordinances necessary to establish a speed limit for the public streets as set forth herein.

(c) That this Resolution shall become effective sixty-days after enactment by the City Council.

Resolution No. 2012-18  
Authorizing Establishment of Public Streets  
February 21, 2012  
Page 3

SECTION 5. Recording Authorized

That the City Clerk shall record the original of this Resolution with the Maricopa County Recorder's Office.

PASSED AND ADOPTED by the Mayor and Council of the City of Peoria, Peoria, Arizona this 21<sup>st</sup> day of February 2012.

\_\_\_\_\_  
Bob Barrett, Mayor

ATTEST:

\_\_\_\_\_  
Wanda Nelson, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Stephen M. Kemp, City Attorney



# City Council Calendar

Color Key:  
City Council

<a href="#">&lt; January</a>	<b>February 2012</b>					<a href="#">March &gt;</a>
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3	4
5	6	<b>7</b> <a href="#">Regular City Council Meeting</a> <a href="#">Special Meeting and Study Session</a>	<b>8</b> <a href="#">Public Safety Council Subcommittee Meeting</a>	9	10	11
12	<b>13</b> <a href="#">City Council Subcommittee on General Government</a>	<b>14</b> <a href="#">City Council Subcommittee on Policy &amp; Appointments</a>	15	16	17	18
19	20	<b>21</b> <a href="#">Regular City Council Meeting</a>	22	23	24	25
26	<b>27</b> <a href="#">City Council Subcommittee on Community Culture</a>	28	29			



# City Council Calendar

Color Key:  
City Council

<a href="#">&lt; February</a>	<b>March 2012</b>					<a href="#">April &gt;</a>
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2	3
4	5	<b>6</b>  <a href="#">Regular City Council Meeting</a>  <a href="#">Special City Council Meeting &amp; Study Session</a>	7	8	9	10
11	12	<b>13</b>  <a href="#">City Council Subcommittee on Policy &amp; Appointments</a>	<b>14</b>  <a href="#">Public Safety Council Subcommittee Meeting</a>	15	16	17
18	<b>19</b>  <a href="#">City Council Subcommittee on Community Culture</a>	<b>20</b>  <a href="#">Regular City Council Meeting</a>  <a href="#">Special City Council Meeting &amp; Study Session</a>	21	22	23	24
25	<b>26</b>  <a href="#">Budget Study Session</a>	27	28	29	<b>30</b>  <a href="#">Budget Study Session</a>	31

**CITY OF PEORIA, ARIZONA  
CITY MANAGER REPORT**

**Agenda Item: RCM2a**

**Date Prepared: February 2, 2012**

**Council Meeting Date: February 21, 2012**

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**TO:** Carl Swenson, City Manager

**FROM:** Jeff Tyne, Interim Community Services Director

**THROUGH:** Susan J. Daluddung, Deputy City Manager

**SUBJECT:** Library Manager

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**Summary:**

The city of Peoria would like to welcome Mary Roberts as the new Library Manager for the city of Peoria Library System. Ms. Roberts started on January 23rd with the Community Services Department.

Ms. Roberts comes to the city from the Mohave County Library District where she served since 2001 as a Library Services Manager. Prior to that she served as a Regional Coordinator for the Maricopa County Library District, and served as a Branch Manager for both the St. Charles City-County Library District and St. Louis Public Library System in Missouri.

As the Library Manager for the city, Ms. Roberts will oversee the operation of the Peoria Public Library system for the Main Library located on the City Hall campus, and the Sunrise Mountain Library in north Peoria.

We would like to extend a warm Peoria welcome to Mary Roberts, our new Library Manager!

**Contact:** Jeff Tyne 623-773-7114