

# City Council Meeting Notice & Agenda

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Tuesday, December 09, 2014  
City Council Chamber  
8401 West Monroe Street  
Peoria, AZ 85345

## Study Session

5:00 P.M. Convene

### Roll Call

### Study Session Agenda

#### Subject(s) for Discussion Only

1. Arizona Broadway Theatre
2. 2014 Voice of the People Awards

### Adjournment

## Regular Meeting

7:00 P.M. Convene

Pledge of Allegiance

Roll Call

Final Call To Submit Speaker Request Forms

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Mayor  
Bob Barrett

Palo Verde  
District  
Ron Aames,  
Vice Mayor

Acacia  
District  
Tony Rivero

Ironwood  
District  
Bill Patena

Mesquite  
District  
Ben Toma

Pine  
District  
Carlo Leone

Willow  
District  
Jon Edwards

## Presentation

3. Certificates of Appointment to the following Board and Commission members who were appointed by Resolution at the November 25, 2014 City Council meeting:
  - Zachary Stringer to the Citizens Commission on Salaries for Elected City Officials;
  - Terry Brezina and Karen Ritz to the Veterans Memorial Board; and
  - Ariel Carr and Kendra Boden to the Youth Advisory Board
4. 14th Annual Celebrate the Constitution Contest

## Consent Agenda

**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.

## Consent

### 5C. Disposition of Absence

Discussion and possible action to approve the absence of Vice Mayor Ron Aames, Councilmember Carlo Leone, Councilmember Ben Toma, Council Youth Liaison Ian Mullane and Council Youth Liaison Michael Helt from the Special Meeting held at 5:00 p.m. on November 20, 2014.

### 6C. Minutes

Discussion and possible action to approve the minutes for the Special City Council Meeting held on November 20, 2014.

### 7C. Intergovernmental Agreement, City of Surprise, Temporary Radio Dispatch Location

Discussion and possible action to authorize the City Manager to execute an Intergovernmental Agreement with the City of Surprise to provide a temporary radio dispatch location and associated equipment in the event that the Surprise radio dispatch center cannot be used or is not available.

8C. **Intergovernmental Agreement, Maricopa County Flood Control District, City of Surprise, City of Peoria, and Maricopa County, 115th Avenue and Union Hills Drive Drainage Improvement Project**

Discussion and possible action to approve an Intergovernmental Agreement between the Flood Control District of Maricopa County, City of Surprise, City of Peoria and Maricopa County for rights-of-way acquisition, utility relocations, construction, construction management and operation and maintenance of the 115th Avenue and Union Hills Drive Drainage Improvement project.

9C. **Intergovernmental Agreement, State of Arizona Department of Revenue, Tax Auditing 2015**

Discussion and possible action to adopt **RES. 2014-175** authorizing the modification of an Intergovernmental Agreement with the State of Arizona Department of Revenue regarding tax audit functions for calendar year 2015.

10C. **Mutual-Aid Agreement, Rural/Metro Corporation, Emergency Ambulance Services**

Discussion and possible action to authorize the City Manager to execute a Mutual-Aid Agreement with Rural/Metro Corporation for Emergency Ambulance services.

11C. **Budget Amendment, iCapture/Alchemy Project, Sales Tax Scanning and Imaging Management Software Upgrade**

Discussion and possible action to: (a) approve the use of reserves to provide additional funding for the completion of the iCapture/Alchemy upgrade project; and (b) approve a budget amendment in the amount of \$19,815 from the General Fund Contingency account to the Sales Tax Other Professional Services account.

12C. **Budget Amendment, Collision Data Software**

Discussion and possible action to approve a budget amendment from the General Fund Contingency account to the Computer Software account in the amount of \$23,575 and the Traffic Engineering Other Professional Services account in the amount of \$1,425 for the Fiscal Year 2015 purchase of collision analysis software (Crash Magic), per the approved Intergovernmental/Joint Project Agreement adopted by Resolution on May 20, 2014.

13C. **Investment Report for the Quarter Ending September 30, 2014**

Discussion and possible action to review and accept the Investment Report as presented.

14C. **Fiscal Year 2014 Comprehensive Annual Financial Report, Single Audit, Management Letter, and SAS114 Letter**

Discussion and possible action to receive and file the Comprehensive Annual Financial Report, Single Audit, Management Letter, and SAS114 Letter for the fiscal year ending June 30, 2014.

15C. **Maintenance Improvement District No. 1160, Sierra Ridge Estates, 105th Lane and Pinnacle Peak Road**

Discussion and possible action to approve the Petition for Formation and adopt **RES. 2014-167** intention and ordering the formation of proposed Maintenance Improvement District No. 1160, Sierra Ridge Estates, located at 105th Lane and Pinnacle Peak Road; and adopt **RES. 2014-168** ordering the improvements within the proposed Maintenance Improvement District and declaring an emergency.

16C. **Maintenance Improvement District No. 1170, Querencia Phase 1, Lake Pleasant Parkway and Remuda Drive**

Discussion and possible action to approve the Petition for Formation and adopt **RES. 2014-165** intention and ordering the formation of proposed Maintenance Improvement District No. 1170, Querencia Phase 1, located at Lake Pleasant Parkway and Remuda Drive; and adopt **RES. 2014-166** ordering the improvements within the proposed Maintenance Improvement District and declaring an emergency.

17C. **Maintenance Improvement District No. 1174, Mountain Ridge Views, 79th Avenue and Peay Drive**

Discussion and possible action to approve the Petition for Formation and adopt **RES. 2014-163** intention and ordering the formation of proposed Maintenance Improvement District No. 1174, Mountain Ridge Views, located at 79th Avenue and Peay Drive; and adopt **RES. 2014-164** ordering the improvements within the proposed Maintenance Improvement District and declaring an emergency.

18C. **Street Light Improvement District No. 1096, Sierra Ridge Estates, 105th Lane and Pinnacle Peak Road**

Discussion and possible action to approve the Petition for Formation and adopt **RES. 2014-169** intention and ordering the formation of proposed Street Light Improvement District No. 1096, Sierra Ridge Estates, located at 105th Lane and Pinnacle Peak Road; and adopt **RES. 2014-170** ordering the improvements within the proposed Street Light Improvement District and declaring an emergency.

19C. **Deeds and Easements, Various Locations**

Discussion and possible action to adopt **RES. 2014-171** accepting Deeds and Easements for various Real Property interests acquired by the City.

20C. **Easement, Arizona Public Services, Camino a Lago Park, 98th Avenue and Lake Pleasant Parkway**

Discussion and possible action to adopt **RES. 2014-172** authorizing the execution of a Utility Easement to Arizona Public Service for the installation and maintenance of electrical facilities associated with the construction of the Camino a Lago Park/Sunset Heights ball field located north of the northeast corner of 98th Avenue and Lake Pleasant Parkway.

21C. **Dedication of Easements, 68th Lane and Bronco Trail Alignment**

Discussion and possible action to adopt **RES. 2014-173** authorizing the execution of a Public Utility Easement and an Emergency Access and Peoria Utility Easement associated with the development of the land adjacent to Terramar Park in the vicinity of 68th Lane and the Bronco Trail alignment.

22C. **Final Plat, Querencia Phase 2, Lake Pleasant Parkway and Yearling Road**

Discussion and possible action to approve the Final Plat of Querencia Phase 2, located at Lake Pleasant Parkway and Yearling Road, subject to stipulations.

23C. **Final Plat, Trilogy West Phase 1 - Parcel C42, Upcountry Way and Vistancia Boulevard**

Discussion and possible action to approve the Final Plat of Trilogy West Phase 1 - Parcel C42, located at Upcountry Way west of Vistancia Boulevard, subject to stipulations.

24C. **Final Plat, Quik Trip #436, 67th Avenue and Happy Valley Road**

Discussion and possible action to approve the Final Plat of Quik Trip #436, located at 67th Avenue and Happy Valley Road, subject to stipulations.

## Regular Agenda

## New Business

25R. **Expenditure Authority, One Time Special Events**

Discussion and possible action to: (a) authorize expenditures for four unique, City-sponsored special events planned in the spirit and timeline of the NFL's Super Bowl and Pro Bowl this February and (b) authorize a budget amendment in the amount of \$70,000 from the General Fund Contingency account to various accounts within the Community Services Administration budget to fund these events.

26R. **PUBLIC HEARING - Liquor Licenses, Various Locations**

**PUBLIC HEARING:** RE: (a) A Person Transfer for an Off-Sale All Liquor License (Series 09) for CVS/Pharmacy #8952, located at 24865 North Lake Pleasant Parkway, Jason B. Morris, Applicant, LL#20011632; and (b) A New Restaurant Liquor License (Series 12) for The Cabin, located at 9868 West Northern Avenue, Randy D. Nations, Applicant, LL#20011637; and (c) A New Restaurant Liquor License (Series 12) for Elephant Bar Restaurant, located at 16160 North 83rd Avenue, Randy D. Nations, Applicant, LL#20011622.

Staff Report:  
Open Public Hearing:  
Public Comment:  
Close Public Hearing:

**COUNCIL ACTION:** Discussion and possible action to recommend approval to the State Liquor Board for: (a) A Person Transfer for an Off-Sale All Liquor License (Series 09) for CVS/Pharmacy #8952, located at 24865 North Lake Pleasant Parkway, Jason B. Morris, Applicant, LL#20011632; and (b) A New Restaurant Liquor License (Series 12) for The Cabin, located at 9868 West Northern Avenue, Randy D. Nations, Applicant, LL#20011637; and (c) A New Restaurant Liquor License (Series 12) for Elephant Bar Restaurant, located at 16160 North 83rd Avenue, Randy D. Nations, Applicant, LL#20011622.

27R. **PUBLIC HEARING - Major General Plan Amendment, General Plan Land Use Element and Plan Administration Section Update**

**PUBLIC HEARING:** RE: A City-initiated request to amend the General Plan Land Use Element and Public Administration section in an effort to maintain a document that adequately responds to changing social, economic, other demographic trends, and development pressures which impact land use, traffic patterns, socio-economic conditions, and provisions to City services among others. (GPA14-0002)

Staff Report:  
Open Public Hearing:  
Public Comment:  
Close Public Hearing:

**COUNCIL ACTION:** Discussion and possible action to concur with the Planning and Zoning Commission's recommendation and adopt **RES. 2014-174** approving an amendment to the General Plan Land Use Element and Plan Administration section. (GPA14-0002)

28R. **Memorandum of Understanding, American Federation of State, County and Municipal Employees**

Discussion and possible action to approve the Memorandum of Understanding for the American Federation of State, County and Municipal Employees (AFSCME) from July 1, 2015 through June 30, 2018, establishing wages, hours and work conditions.

**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 City Manager**

29. **Council Calendar**

30. **Reports**

- A. Proposed 2015 Calendar for City Council Meeting Dates
- B. 2015 Winter Water Safety Day and Polar Plunge

**Reports from City Council**  
**Reports from the Mayor**

**Adjournment**

# Vistancia Community Facilities District Board Meeting

Convene immediately following Regular City Council Meeting

## Roll Call Final Call To Submit Speaker Request Forms

### VCFD Consent Agenda

**CONSENT AGENDA:** All items listed with a “C” are considered to be routine or have been previously reviewed by the District Board, and will be enacted by one motion. There will be no separate discussion of these items unless a Board Member 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.

31C. **Minutes**

Discussion and possible action to approve the August 27, 2014 Special Meeting minutes.

32C. **Fiscal Year 2014 Annual Financial Report**

Discussion and possible action to accept and file the Vistancia Community Facilities District Annual Financial Report for the Fiscal Year ended June 30, 2014.

33C. **Investment Report for the Quarter Ending September 30, 2014**

Discussion and possible action to review and accept the Investment Report as presented.

### **Call To The Public (Non-Agenda Items)**

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

### **Adjournment**

# Vistancia West Community Facilities District Board Meeting

Convene immediately following Regular City Council Meeting

## Roll Call

## Final Call To Submit Speaker Request Forms

### VWCFD Consent Agenda

**CONSENT AGENDA:** All items listed with a “C” are considered to be routine or have been previously reviewed by the District Board, and will be enacted by one motion. There will be no separate discussion of these items unless a Board Member 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.

#### 34C. Disposition of Absence

Discussion and possible action to approve the absence of Boardmember Tony Rivero from the Special Meeting held on October 7, 2014.

#### 35C. Minutes

Discussion and possible action to approve the October 7, 2014 Special Meeting minutes.

### VWCFD Regular Agenda

#### 36R. Certificate of Results, District Election

Discussion and possible action to adopt **RES. VWCFD 2014-02** declaring the results of, and adopting a certificate of results for, the election with respect to issuance of bonds by the District and the levy of an ad valorem property tax therefor and separately the levy of a separate ad valorem property tax for operation and maintenance purposes.

## Call To The Public (Non-Agenda Items)

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

## 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.

***Accommodations for Individuals with Disabilities.*** *Alternative format materials, sign language interpretation and assistive listening devices are available upon 72 hours advance notice through the Office of the City Clerk, 8401 West Monroe Street, Peoria, Arizona 85345 – Phone: (623) 773-7340 or FAX (623) 773-7304. To the extent possible, additional reasonable accommodations will be made available within the time constraints of the request. The City has a TDD line where accommodations may be requested at: (623) 773-7221.*

**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 Council Meetings can be viewed live on Channel 11 (Cox Cable) and are available for viewing on demand at <http://www.peoriaaz.gov/content2.aspx?id=2151>.

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

**Date Prepared: November 10, 2014**

**Council Meeting Date: November 25, 2014**

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**TO: Mayor and Council**

**FROM: Jeff Tyne, Deputy City Manager**

**SUBJECT: Status Report on Lease Contract with Arizona Broadway Theater**

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**Purpose:**

Discussion regarding the status of the current lease agreement with the Arizona Broadway Dinner Theatre.

**Background/Summary:**

The Arizona Broadway Theatre (ABT) is housed on a 40,000 square foot facility on approximately four acres of City owned land located on Paradise Lane. The property is adjacent to the Peoria Sports Complex, and considered within the P83 Entertainment District. The facility primarily serves as a quality dinner theater, while also providing ancillary meeting and conference room space for various special events. Since its inception, it has become a valuable contributor to the Peoria arts community, and has served as an effective draw to the district.

In May 2003, the City entered into a 25-year ground lease with KLOS Enterprises, LLC (Arizona Broadway Theater's business arm). The lease provided for three five-year extensions for a possible total lease term of 40 years. Over the years, ABT has separately approached the City to request financial assistance, often in the form of lease reductions. As a result, the City has periodically deferred or adjusted the existing lease payment schedule.

Over the last several months, the non-profit segment of ABT has been in discussions with KLOS Enterprises to acquire and manage the theater facility outright. This would place the entire operation into a not-for profit status. Should this occur, there has been some interest that ABT also acquire the underlying land owned by the City.

In spring of 2014, the Council granted a reduction in the lease amount through September of 2014 to allow for the various parties to work through a sale of the facility. Currently, those discussions are ongoing. Existing lease payments to the City have reverted to original level of \$6,000/month. This amount is scheduled to increase progressively in subsequent years.

**Contact Name and Number:** Jeff Tyne – 623-773-7114.

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 2

Date Prepared: 11/10/14

Council Meeting Date: December 9, 2014

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**TO:** Carl Swenson, City Manager  
**FROM:** Bo Larsen, Director of Communications  
**THROUGH:**  
**SUBJECT:** 2014 Voice of the People Awards presentation

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**Purpose:**

*This is a request to present the 2014 Voice of the People Awards in Transformation.*

**Background/Summary:**

*Historically, the city of Peoria conducts a survey every three to four years to gauge resident satisfaction with city services as well as their perception of Peoria. In February, 2013 the survey instrument was mailed to 1,200 randomly-selected residents. Peoria's outstanding survey results in 2013, as compared to the 2009 National Citizens Survey results, have been recognized by National Research Center with the Voice of the People Award.*

**Previous Actions:**

*Results of the survey were presented to Council in May, 2013.*

**Narrative:**

The City of Peoria was recently recognized with the 2014 Voice of the People Award for Transformation by the National Research Center. The Voice of the People Awards is presented annually to outstanding communities that have conducted the National Citizens Survey (NCS). These awards were presented at the national conference for the International City/County Management Association held in Charlotte, North Carolina.

The Voice of the People Awards are the only awards given in local government based on the opinion of community residents and are conferred jointly by National Research Center and

ICMA to communities display commitment to best practices in moving their communities forward.

The city of Peoria has experienced a transformation in residents' perceptions due in part to two primary factors: A focus on the issues addressed by citizens' responses to the 2009 Citizen Survey, and; a city leadership team conversion to more sustainable actions in all that we do. The Citizen's Survey, conducted every 3 to 4 years by the city, with 2013 being the most recent survey. According to the 2013 Citizens Survey, the vast majority of Peoria residents rated their community very high in most categories. Ninety-three percent of the respondents rated the overall quality of life in Peoria as either "excellent" or "good." Almost all indicated that they plan on staying in Peoria for the next five years. Peoria residents showed a high level of trust in their local government compared to the national benchmark, with 72 percent of the respondents rating the overall direction of the city as "excellent" or "good."

Our residents also gave favorable ratings to almost all of the services provided by the city. Comparing our service ratings to other cities around the country, 28 of the 34 services exceeded the benchmark. Most of our service ratings went up from our last survey in 2009. Some of these ratings are exceedingly high, such as fire and police services, which received favorable ratings of 98 percent and 90 percent, respectively.

The Voice of the People Awards is given for Excellence and Transformation in each "facet" of community livability as measured by The NCS. The facets of community livability include: Safety, Mobility, the Natural Environment, the Built Environment, the Economy, Recreation and Wellness, Education and Enrichment and Community Engagement. These facets reinforce the Foundations of Livability, which make a community a place where people want to live.

The awards for Transformation recognize communities that have seen significant increase in favorable ratings in resident responses over repeated administrations of the NCS. Winning a Voice of the People Award brings positive publicity and recognition on a national scale, as well

as the opportunity to join an elite community of winners sharing best practices and serving as a model for communities around the world.

**Contact Name and Number:**

Bo Larsen, 623-773-7934

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 3

**Date Prepared: November 26, 2014**

**Council Meeting Date: December 9, 2014**

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**TO:** Carl Swenson, City Manager  
**FROM:** Rhonda Geriminsky, CMC, City Clerk  
**THROUGH:** Susan Daluddung, Deputy City Manager  
**SUBJECT:** Board and Commission Appointments Presentation

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**Purpose:**

This is a request for City Council to present *Certificates of Appointment* to the newly appointed board/commission members as follows:

Appointments

Name	Board/Commission
Zachary Stringer	Citizens Commission on Salaries for Elected City Officials
Terry Brezina	Veterans Memorial Board
Karen Ritz	
Ariel Carr	Youth Advisory Board
Kendra Boden	

**Background/Summary:**

Newly appointed board and commission members are invited to attend a Regular City Council meeting to personally accept *Certificates of Appointment* from the Mayor and City Council.

**Previous Actions:**

On November 12, 2014, the Council Subcommittee on Policy and Appointments recommended appointments for various boards and commissions.

On November 13, 2014, a memorandum was submitted to Mayor and Council, outlining the recommended appointments from the November 12, 2014 Subcommittee meeting, asking for concerns to be submitted in writing to the Mayor. No comments were received.

On November 25, 2014, City Council adopted Resolutions making the following new board/commission appointments:

Resolution No.	Member Name	Board/Commission	Member Status	Term Expiration
2014-159	Zachary Stringer	Citizens Commission on Salaries for Elected City Officials	Regular	December 2018
2014-160	Terry Brezina	Veterans Memorial Board	Regular	December 2018
	Karen Ritz		Regular	December 2016
2014-161	Ariel Carr	Youth Advisory Board	Regular	June 2015
2014-162	Kendra Boden		Regular	June 2016

**Options:**

This is a presentation item only.

**Staff's Recommendation:**

That the Mayor and City Council present *Certificates of Appointment* to newly appointed board/commission members who were appointed by Resolution at the November 25, 2014 City Council meeting.

**Fiscal Analysis:**

There is no fiscal impact regarding this item.

**Narrative:**

The newly appointed board/commission members have been invited to attend the December 9, 2014 City Council meeting to receive *Certificates of Appointment*.

**Exhibit(s):** There are no exhibits.

**Contact Name and Number:** Rhonda Geriminsky, City Clerk, 623-773-7340

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 4

Date Prepared: November 18, 2014

Council Meeting Date: December 9, 2014

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**TO:** Carl Swenson, City Manager  
**FROM:** John R. Sefton Jr., Community Services Director  
**THROUGH:** Jeff Tyne, Deputy City Manager  
**SUBJECT:** 14<sup>th</sup> Annual Celebrate the Constitution Contest

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**Purpose:**

This is a request for City Council to acknowledge the student winners of the 14<sup>th</sup> Annual Celebrate the Constitution Contest.

**Background/Summary:**

Since 2000, the City of Peoria has organized a Constitution Contest for Peoria students as a way to celebrate the U.S. Constitution.

The purpose of the contest is to promote an understanding of the United States Constitution to school aged children. Grade-appropriate topics have been aligned to the K-12 Academic Standards for Social Studies. Students in kindergarten were tasked to create a poster illustrating what America means to them. First through fourth grade students were asked to illustrate on a poster and describe, in 1-4 sentences, what America means to them. Fifth through eighth grade students were assigned to write a two-page essay on why the United States Constitution is important to the success of America. And, students in the ninth through twelfth grades wrote an essay on how a representative democracy and constitutional republic are outlined within the Constitution.

The entries were collected and judged by select PUSD teachers, Youth Advisory Board Members, and City of Peoria representatives. The City Council will recognize the students that won first, second, and third place in each category. The winners will receive gift certificates and a \$1,500 college scholarship will be presented to a high school junior or senior as a grand prize for the event.

**Previous Actions:**

No Previous actions taken or required.

**Staff Recommendation:**

Staff recommendation is to announce the winners of the U.S. Constitution Contest at the Council Meeting on December 9, 2014.

**Fiscal Analysis:** NA

**Narrative:** NA

**Exhibit(s):** Celebrate the Constitution flyer

**Contact Name and Number:** Kevin Naughton (623) 773-8627

The City of Peoria's Fourteenth Annual

# “Celebrate the Constitution” Contest

Winners will be awarded at the Peoria City Council Meeting on Tuesday, December 9th at 7 p.m.

First place: \$100 gift certificate  
Second place: \$50 gift certificate  
Third place: \$25 gift certificate

## Kindergarten

**Create a poster:** “What does America mean to me?”

- Illustrate your response on an 11" x 17" poster. No glitter please. Child-created only.
- Place your name, home address, phone number, grade, teacher's name, and school name on the back of the poster.

First place: \$200 gift certificate  
Second place: \$100 gift certificate  
Third place: \$50 gift certificate

## First through Fourth

**Create a poster and describe:** “What does America mean to me?”

Prizes awarded for two groups – grades 1 & 2 and grades 3 & 4.

- Illustrate your response on an 11" X 17" poster and describe using 1-4 sentences. No glitter please. Child-created only.
- Place your name, home address, phone number, grade, teacher's name, and school name on the back of the poster.
- On the back of the poster write at least 2 sentences answering the question, “What three branches of Government are outlined in the U.S. Constitution?”

First place: \$200 gift certificate  
Second place: \$100 gift certificate  
Third place: \$50 gift certificate

## Fifth through Eighth

**Essay subject:** “Why is the U.S. Constitution important to the success of America?”

Prizes awarded for two groups – grades 5 & 6 and grades 7 & 8.

- Essays with supporting claims must be typed on 2 pages or less (8.5" x 11" sheet, 1 side only, 1" margins, 12 point type).
- Place your name, home address, phone number, grade, teacher's name, and school name at the top of each page.

First place: \$200 gift certificate  
Second place: \$100 gift certificate  
Third place: \$50 gift certificate

## Ninth through Twelfth

**Essay subject:** “How is a representative democracy and constitutional republic outlined in the Constitution? Support your argument.”

Prizes awarded for two groups – grades 9 & 10 and grades 11 & 12.

- Essays with supporting claims, logical reasoning, and evidence must be typed on 2 pages or less. (8.5" x 11" sheet, 1 side only, 1" margins, 12 point type.)
- Place your name, home address, phone number, grade, teacher's name, and school name at the top of each page.

**GRAND PRIZE**  
**\$1,500 COLLEGE**  
**SCHOLARSHIP**  
for 11th or 12th grade essay

The Peoria Unified School District neither endorses nor sponsors the organization or activity represented in this document. The distribution of this material is provided as a community service.



**City of Peoria**  
COMMUNITY SERVICES

Entries Due by Friday, October 24th to the teacher who assigned it or to the City of Peoria, Kevin Naughton  
623-773-8627. kevin.naughton@peoriaaz.gov

**MINUTES OF THE PEORIA CITY COUNCIL**  
CITY OF PEORIA, ARIZONA  
COUNCIL CHAMBER  
November 20, 2014

A **Special 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.

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

**Members Present:** Mayor Bob Barrett; Councilmembers Jon Edwards, Bill Patena and Tony Rivero.

**Members Absent:** Vice Mayor Ron Aames; Councilmembers Carlo Leone and Ben Toma.

**Council Youth Liaisons Absent:** Ian Mullane and Michael Helt.

**Other Municipal Officials Present:** Susan Daluddung, Deputy City Manager; Steve Kemp, City Attorney; Rhonda Geriminsky, City Clerk; Bo Larsen, Public Information Director; and Linda Blas, Deputy City Clerk.

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

## **Regular Agenda**

### **New Business**

1. **Canvass of November 4, 2014 Regular General and Special Primary Elections**

Motion was made by Councilmember Patena, seconded by Councilmember Edwards, to adopt **RES. 2014-155** approving the official Canvass of Election for the November 4, 2014 City of Peoria Regular Primary and Special General Elections. Upon vote, the motion carried unanimously 4 to 0.

Rhonda Geriminsky, City Clerk, presented a Certificate of Election to the following candidate:

- Palo Verde District                      Michael Finn

Ms. Geriminsky presented a Certificate of Nomination to the following candidate:

- Mesquite District                      Bridget Binsbacher

Mesquite District candidate, Ben Toma, was not in attendance to receive his Certificate of Nomination.

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

None.

**ADJOURNMENT:**

Being no further business to come before the Council, the meeting was duly adjourned at 5:03 p.m.

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Bob Barrett, Mayor

ATTEST:

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Rhonda Geriminsky, City Clerk

**CERTIFICATION**

I hereby certify that the foregoing minutes are a true and correct summary of the proceedings of the Special Meeting of the City Council of Peoria, Arizona held on the 20<sup>th</sup> day of November, 2014. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 9<sup>th</sup> day of December, 2014.

(Seal)

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Rhonda Geriminsky, City Clerk

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 7C

**Date Prepared:** November 17, 2014

**Council Meeting Date:** December 9, 2014

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**TO:** Carl Swenson, City Manager

**THROUGH:** Jeff Tyne, Deputy City Manager

**FROM:** Roy W. Minter, Jr., Chief of Police

**SUBJECT:** Acceptance of an Intergovernmental Agreement with the City of Surprise for Temporary Dispatch Location

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**Purpose:**

This is a request for City Council to authorize the City Manager to execute an Intergovernmental Agreement (IGA) between the City of Surprise and the City of Peoria to provide Surprise a temporary radio dispatch location and associated equipment when their radio dispatch center cannot be used or is not available.

**Background/Summary:**

The purpose of this agreement is for the City of Peoria (Peoria) to provide to the City of Surprise (Surprise) a temporary radio dispatch location and equipment in the event that the Surprise radio dispatch center cannot be used or is not available. This agreement shall be effective for a term of ten (10) years unless terminated sooner.

Peoria shall temporarily make available space within its dispatch center for Surprise to include a console for main radio dispatching and two call-taker positions. Surprise call-takers may or may not have access to a console depending upon Peoria staffing levels. Surprise will have to operate in a manual dispatch mode (paper system) or bring Surprise computer laptops. Surprise will need to bring cellular phones for having calls for service relayed to them by the Maricopa County Sheriff's Office. Peoria will allow generic log-ins for the Positron phone system solely for the purpose of using Mapped Automatic Location Information (ALI) only. When a relocation situation arises, Surprise will notify Peoria of the need, and approval from Peoria must be made.

**Previous Actions:**

No previous action as this is a new IGA.

**Options:**

**A:** Approve the acceptance of an Intergovernmental Agreement with the City of Surprise

**B:** Choose not to participate in this agreement with the City of Surprise

**Staff's Recommendation:**

Accept the Intergovernmental Agreement between the City of Peoria and the City of Surprise.

**Fiscal Analysis:**

There is no fiscal impact.

**Narrative:**

Once approved by City Council, the IGA will be executed as needed.

**Exhibit 1:** IGA with City of Surprise

**Contact Name and Number:** Heather Cammarata, 623-773-7069

**INTERGOVERNMENTAL AGREEMENT BETWEEN  
THE CITY OF PEORIA AND THE CITY OF SURPRISE TO  
PROVIDE SURPRISE WITH A TEMPORARY RADIO DISPATCH  
LOCATION AND ASSOCIATED EQUIPMENT**

This Intergovernmental Agreement ("Agreement") is entered into as of the day and date set forth on the respective signature pages between and among the City of Peoria ("Peoria") and the City of Surprise ("Surprise"), collectively "the Parties."

IN CONSIDERATION of the covenants, promises, terms and conditions set forth herein and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

**1. Purpose and Intent of Agreement**

- 1.1 The purpose of this Agreement is to for Peoria to provide to Surprise a temporary radio dispatch location and equipment in the event that the Surprise radio dispatch center cannot be used or is not available.
- 1.2 This agreement shall be effective and binding for a term of ten (10) years unless sooner terminated as set forth herein.

**2. Responsibilities of the Parties**

- 2.1 Peoria shall temporarily make available space within its dispatch center for Surprise according to the terms and conditions described in Sections 2.4 through 2.8.
- 2.2 For the services described in this Subsection 2, Peoria shall not charge Surprise.
- 2.3 Nothing in this Agreement will act as an abrogation of the budgeting and appropriation authority of the legislative and/or governing bodies of the respective Parties.
- 2.4 Console and Call Taker positions. Peoria shall provide one console for the purpose of main radio dispatching along with a loner headset compatible with the console for the radio dispatcher. Peoria shall provide room for 2 call takers. Call takers may or may not have access to a console depending upon Peoria staffing levels. Surprise will have to operate in a manual dispatch mode (paper system) or bring Surprise computer laptops with Surprise Computer Aided Dispatch software loaded thereon to dispatch calls. Surprise will need to bring Surprise cellular phones for having calls for service relayed to them by the Maricopa County Sheriff's Office. Peoria will allow generic log ins for the Positron phone system solely for the purpose of using Mapped ALI only.

- 2.5 Relocation Approval. There is no minimum notice necessary for Surprise to relocate to the Peoria Communications Center, however such relocation must be approved in advance by the Peoria Communications supervisor or designee.
- 2.6 Time Length of Relocation. There is no maximum time limit for how long Surprise may relocate at the Peoria Communications Center. However, both parties acknowledge the intent is that this relocation be of a temporary duration ending as soon as Surprise can once again begin using its Communications Center.
- 2.7 Surprise access to Communications Center.
- A. Surprise employees will access the Communication Center through the Police Department lobby, Monday through Thursday, 0800 to 1800 hours. They will check in with the front desk and wait for an escort into the Communications Center from Peoria staff.
- B. During hours when the Police Department lobby is not open, Surprise employees will access the Communications Center using the red phone in the police department lobby to contact the Communications Center to let them know of their arrival. They will then wait for an escort into the Communications Center from Peoria staff.
- C. Upon requesting permission to relocate or as soon as possible thereafter, the Surprise Communications Manager or her or his designee shall provide to the Peoria Communications Manager or her or his designee a roster of names and ID numbers of Surprise employees who will be relocated to the Peoria Communications Center.
- D. When working at the Peoria Communications Center pursuant to this Agreement, Surprise employees will carry their department issued identification cards at all times and will display that identification card upon request by any Peoria employee.
- 2.8 Surprise employee conduct. Surprise employees will follow the Peoria employee code of conduct, attached to this Agreement as Exhibit A and hereby incorporated by reference. Surprise will be solely responsible for the supervision of Surprise employees and for their conduct.

### **3. *Hold Harmless and Indemnification***

- 3.1 Each Party agrees that it will be responsible for any liability or loss that may be incurred as a result of any claim, demand, cost or judgment made against that Party to the extent arising from any negligent, reckless or intentional act or omission by any of that Party's employees, agents or servants in connection with work or responsibilities performed pursuant to this Agreement.
- 3.2 Each Party shall be solely responsible for the costs of repair of damage to

equipment caused by that Party.

- 3.3 Each Party (an "Indemnitor") shall indemnify, hold harmless, and defend each other Party (the "Indemnified Parties") against all claims and lawsuits resulting from any claim, demand, cost or judgment made against the Indemnified Parties to the extent arising from any negligent, reckless or intentional act or omission by any of the Indemnitor's employees, agents, or servants in connection with work or responsibilities performed pursuant to this Agreement.
- 3.4 In the event of any lawsuit that names more than one Party as a defendant ("Defendant Party" or "Defendant Parties"), the Defendant Parties shall seek to secure an allocation of comparative negligence among themselves where appropriate and each Defendant Party shall provide contribution to each other Defendant Party to the extent of the comparative allocation.
- 3.5 The Parties further agree that they are not joint employers for the purpose of workers compensation coverage and that any Party assigned to carrying out the obligations of the Agreement shall remain an employee of such Party.

#### **4. Insurance**

- 4.1 The Parties mutually agree to provide for their respective financial responsibilities as respects liability arising out of this Agreement through either the purchase of insurance or the provision of a self-funded insurance program.

#### **5. Agreement Modification and Integration**

- 5.1 To be effective, any modification of this Agreement must be in writing and signed by the Parties.
- 5.2 This Agreement, including the attachments and any amendments and such other documents as are specifically incorporated by reference, represents the entire understanding of the Parties with respect to the matters contained herein. Oral or written commitments not contained herein shall have no force or effect and shall not alter any term or condition of this Agreement.

#### **6. Termination of Agreement and Assignment**

- 6.1 Termination

Any Party wishing to terminate participation prior to the end of the 10-year term must provide, not less than ninety (90) days prior, written notice of

intent to terminate to the other party.

6.2 Assignment

No party may assign its rights and obligations under this Agreement.

**7. Disputes**

All Parties to this Agreement shall make every effort to resolve disputes with the Parties involved. If settlement is not obtained, these parties shall consider mediation or arbitration.

**8. No Third Party Rights Created**

Nothing contained in this Agreement confers any right to any person or entity not a party to this Agreement.

**9. General Terms**

- 9.1 No member, official or employee of the any of the Parties may have any direct or indirect interest in this Agreement, nor participate in any decision relating to the Agreement that is prohibited by law. All Parties hereto acknowledge that this Agreement is subject to cancellation pursuant to the provisions of A.R.S. §38-511.
- 9.2 Each Party warrants that it has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Agreement.
- 9.3 No member, official or employee of any Party will be personally liable to the other Parties, or any successor in interest, in the event of any default or breach by that Party or for any amount which may become due to another Party, or on any obligation under the terms of this Agreement.
- 9.4 Except as otherwise expressly provided in this Agreement, any failure or delay by any Party in asserting any of its rights or remedies as to any default, will not operate as a waiver of any default, or of any such rights or remedies, or deprive any such Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.
- 9.5 If any provision of this Agreement shall be found invalid or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement will not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law, provided that the fundamental purposes of this Agreement are not defeated by such severability.

- 9.6 The captions contained in this Agreement are merely a reference and are not to be used to construe or limit the text.
- 9.7 Each party warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A, which reads: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program." A breach of a warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of the Agreement and a party may be subject to penalties up to and including termination of the Agreement.

**IN WITNESS WHEREOF, THE PARTIES HERETO DO AFFIX THEIR SIGNATURES:**

**{SIGNATURES OF THE RESPECTIVE PARTNERING AGENCIES ARE SET FORTH  
ON FIVE SEPARATE PAGES FOLLOWING THIS PAGE}**

**CITY OF PEORIA**

BY: \_\_\_\_\_

ITS: \_\_\_\_\_

DATE \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
PEORIA CITY CLERK

**CERTIFICATION BY LEGAL COUNSEL**

The foregoing Radio Subscriber Support Services Intergovernmental Agreement between and among the City of Peoria, the City of Surprise, and the City of El Mirage is in proper form and is within the powers and authority of the City of Peoria granted under the laws of the State of Arizona.

**APPROVED AS TO FORM AND AUTHORITY:**

\_\_\_\_\_  
PEORIA CITY ATTORNEY

**CITY OF SURPRISE**

BY:  \_\_\_\_\_

ITS: City manager \_\_\_\_\_

DATE 10/2/14 \_\_\_\_\_

ATTEST:   
SURPRISE CITY CLERK \_\_\_\_\_

**CERTIFICATION BY LEGAL COUNSEL**

The foregoing Radio Subscriber Support Services Intergovernmental Agreement between and among the City of Peoria, the City of Surprise, and the City of El Mirage is in proper form and is within the powers and authority of the City of Surprise granted under the laws of the State of Arizona.

**APPROVED AS TO FORM AND AUTHORITY:**

  
SURPRISE CITY ATTORNEY \_\_\_\_\_

## Code of Conduct

### 105.1 PURPOSE AND SCOPE

The employees of the Peoria Police Department are committed to a code of conduct that guides behavior and performance to ensure our professionalism is reflected in the activities and operation of the agency. As such, the Peoria Police Department employees pledge to:

- Always remember we exist to serve the public.
- Treat the public with dignity, respect, and understanding, without regard to race, national origin, citizenship, religion, ethnicity, age, gender, or sexual orientation, and assist them in a prompt, courteous manner during all public contacts including: (1.2.9.a)
  - Traffic contacts;
  - Field contacts;
  - In asset seizure and forfeiture efforts;
- Profiling of another based on race, national origin, citizenship, religion, ethnicity, age, gender, or sexual orientation is prohibited. (1.2.9.a)
- Maintain the highest standards of integrity, honesty, and impartiality in the performance of daily duties.
- Abide by all Federal and State laws, rules and regulations, local ordinances, Peoria Police Department policies, and Peoria Administrative Regulations.
- Conduct ourselves in a manner that shall never bring discredit or embarrassment to the City of Peoria or the Peoria Police Department.
- Ensure open lines of communication with all members of the Peoria Police Department.
- Extend professional courtesy and respect to every Peoria Police Department and City of Peoria employee and every citizen with whom we come in contact.
- Maintain confidentiality of information and never compromise our positions with the Peoria Police Department.
- Practice and promote teamwork and cooperation in all dealings with Peoria Police Department and City personnel.

#### 105.1.1 COMPETENT DISCHARGE OF DUTIES

- (a) All Peoria Police Department employees shall perform their job duties in a professional and competent manner as expected by the department based upon any or all of the following:
1. Formal training;
  2. In-service/On-the-job training;
  3. Job specifications;
  4. Performance standards;
  5. Past established accepted practices;
  6. Supervisory guidance and/or direction.

# Peoria Police Department

## Policy Manual

### *Code of Conduct*

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#### (b) Insubordination:

1. The failure by an employee to perform a task or comply with an order given by a supervisor shall result in corrective action and/or discipline.
2. All employees shall obey and properly execute any lawful order from a superior or a supervisor whether oral or written. (12.1.3)
3. The term "lawful order" shall be construed as an order in keeping with the performance of any duty prescribed by law or rule of the Peoria Police Department, or for the preservation of order, efficiency, and proper discipline.
4. Any employee whose speech or conduct to a superior or supervisor is discourteous, abusive, profane, or threatening shall be deemed to be insubordinate.
5. Supervisors are required to ensure that their orders and direction are clear and understandable and within the guidelines of the regulations, policies, procedures, and practices of the City of Peoria and the Peoria Police Department. Supervisors shall ensure that specific orders and directions are not given as a suggestion or advice.
6. It is the responsibility of supervisors to direct subordinates to perform their job duties within the parameters of established policies and procedures and to use proper judgment and discretion in situations not specifically covered in manuals. (1.2.7)
7. Employees that disagree with an order or direction of a superior shall immediately obey the order and may question or grieve the order through the appropriate venue in a timely manner, which shall not interfere with the safe or efficient operation of the Peoria Police Department. (12.1.3)
8. In matters that are deemed or termed as insubordination, supervisors shall evaluate each case on its own merits. All of the facts will be evaluated to determine the degree or level of insubordination that occurred.
9. If conflicting lawful orders are given or received, refer to Peoria Police Department Policy 200.

#### (c) Cowardice:

1. No sworn police employee of the Peoria Police Department shall display cowardice or fail to support their fellow officers in the performance of duty.
2. They shall act together and assist and protect each other in the maintenance of law and order.

### **105.1.2 CONDUCT ON OR OFF DUTY**

#### (a) Conduct Unbecoming a Police Officer or Civilian Employee:

1. Peoria Police Department employees will not engage in any conduct unbecoming of a sworn officer or a civilian employee of the Peoria Police Department while on or off-duty.
2. Conduct unbecoming is limited to, and defined as, any violation of Statute, Law, City Ordinance, City of Peoria Administrative Regulations, Peoria Police Department Policy, and/or issued written procedure. (26.1.1)

#### (b) Conduct - Personal:

1. Employees shall not engage in acts which are subversive to the good order and discipline of the Peoria Police Department, or acts which tend to bring discredit

# Peoria Police Department

## Policy Manual

### *Code of Conduct*

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to the Peoria Police Department, even though such conduct is not specifically set forth in these rules.

2. Employees will abide by the City of Peoria Code of Ethics (1.1.2)
3. Employees will be given Code of Ethics training at a minimum biennially (1.1.2)

(c) Criticism:

1. An employee shall not destructively criticize the Peoria Police Department or its policies, programs, actions, fellow officers, or superior officers, or make any statements which tend to interfere with the reasonable management and discipline of the Peoria Police Department.

(d) Gossip:

1. Employees shall refrain from discussing the personal conduct or character of another employee to his/her discredit.

(e) Association with Suspects/Felons:

1. Peoria Police Department employees shall not associate with any person(s) or organizations(s) which is (or is believed to be) under investigation for a felony offense, being sought by a law enforcement agency or is a known convicted felon or a member of a known criminal organization.
2. Associate means to frequently have contact with a person(s) and/or organization(s) as described.

(f) Public Appearances:

1. Peoria Police Department employees shall not make public appearances in which the Peoria Police Department, its employees or departmental policy will be the topic of discussion without obtaining prior authorization from the Chief of Police or designee.
2. Exceptions:
  - (a) This shall not prevent the release of legitimate public information concerning daily police activities to the press, radio, or television. Inquiries of this type shall be referred to the on-duty supervisor or the Peoria Police Department Public Information Officer.
  - (b) Units or individuals may be approved to make specific presentations as authorized by the Chief of Police or designee (e.g., Public Education Specialists, Canine Handler, etc.)

(g) Use of Position for Private Gain:

1. No employee shall use for private gain or advantage the badge, uniform, equipment, prestige, or influence of his/her position with the Peoria Police Department.
2. No employee shall use for private gain or advantage the time, facilities, equipment, or supplies of the City.

### **105.2 GENERAL RULES FOR SWORN PERSONNEL**

All sworn personnel, regardless of rank, will comply with the following: (26.1.1)

(a) Officers will:

1. Preserve the public peace;

# Peoria Police Department

## Policy Manual

### Code of Conduct

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2. Suppress all types of crime (including organized and vice);
  3. Detect and arrest violators of the law;
  4. Protect life and property;
  5. Enforce the laws of the State of Arizona and the Ordinances of the City of Peoria.
- (b) Sworn supervisors may direct sworn subordinates to carry out the duties listed above. However, this does not relieve or preclude a sworn supervisor from taking appropriate action as a certified peace officer for the State of Arizona. (1.2.1)
- (c) Specific duty assignments and rank will not alter an officer's obligation to take police action in situations requiring immediate attention.

#### **105.2.1 LAW ENFORCEMENT IDENTIFICATION**

- (a) All police employees will carry their Peoria Police Department issued Police Commission/Identification cards on their person at all times while on-duty. (Personnel working in an undercover capacity shall be exempt from carrying Police issued ID's if doing so would compromise the officer and/or the assignment.)
- (b) All uniformed personnel working extra-duty shall have their Peoria Police Department issued Police Commission/Identification cards in their possession. Plain clothed, extra-duty employees working in a law enforcement or security capacity shall carry their Peoria Police Department issued Police Commission/Identification cards. Sworn officers of the Peoria Police Department that are off-duty, not employed in an extra-duty capacity, and not in possession of an off-duty firearm, are not required to carry their Peoria Police Department issued Commission cards, however, may do so at their discretion. (Off-duty sworn personnel in possession of an authorized off-duty firearm are required to carry their Peoria Police Department issued Commission cards.)
- (c) Except when impractical or where identity is obvious, sworn personnel shall identify themselves as Police Officers by displaying their Commission cards and badges. (22.2.7.a) (22.2.7.b)
- (d) All on-duty employees shall courteously provide their names, serial numbers, and/or other forms of police identification upon the request of a citizen. (22.2.7.a) (22.2.7.b)

#### **105.2.2 PERSONAL INVOLVEMENT IN POLICE RELATED CASES**

- (a) Neighborhood Disputes:
1. Sworn officers of the Peoria Police Department shall not use their police authority to become involved in neighborhood disputes while off-duty;
    - (a) Such matters will be adjudicated by a disinterested party, including the appropriate law enforcement agency;
  2. Sworn officers shall not make arrests in their personal quarrels or those of family members or neighbors unless such action is warranted by the immediate threat of serious physical injury or excessive property damage.
- (b) Personal Involvement in Criminal or Civil Cases:
1. Sworn officers will not apply for a warrant on a crime of any kind committed against themselves or file a civil suit for damages involving a Peoria Police Department matter without first consulting with the Office of the Chief of Police;
  2. Sworn officers will not investigate, nor will they use any of the rights, powers or privileges associated with their positions to further an investigation into a crime

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where they, a family member, a friend or a business acquaintance/associate are involved as a victim, witness, suspect or investigative lead or have a personal or business interest in the investigation, unless authorized by the Chief of Police.

#### **105.2.3 CIVIL PROCESS PROHIBITION**

No employee will serve as a Civil Process Server, either on or off-duty, unless the City of Peoria is a party to the action or the employee is acting in an official capacity for the Peoria Municipal Court.

This does not preclude a sworn officer from serving valid court orders, i.e., Orders of Protection or Confinement, as long as the sworn officer has proper jurisdiction and authority from the issuing court and the order is relevant to a law enforcement function. (74.2.1)

#### **105.2.4 REQUIREMENT TO TAKE ACTION**

Off-duty sworn officers not in an Officer-In-Training (OIT) status will take appropriate action on all felonies coming to their attention.

#### **105.3 SPECIFIC RULES FOR ALL DEPARTMENT PERSONNEL**

All Peoria Police Department employees will comply with the following:

(a) Chain of Command:

1. All Peoria Police Department employees shall utilize the Peoria Police Department and City chain of command and comply with City of Peoria and Peoria Police Department policies, grievance procedures, and protocols when attempting to resolve work related issues, except as otherwise authorized by law or City policy.

(b) Acceptance of Gifts, Rewards, or Gratuities: (26.1.1)

1. Employees will not solicit nor accept, either directly or indirectly, rewards for performance of duties and will not ask for or accept gratuities, or use their position to seek favors of any kind;
2. Gratuities include, but are not limited to, free or discounted food and/or beverages;
3. Employees are not restricted from using coupons or discount cards that are available to the general public or part of a special business promotion;
4. Employees will not engage in any business transaction with a person in custody;

(c) Use of City Equipment:

1. Peoria Police Department employees will utilize City-owned or Peoria Police Department issued equipment for its intended purpose and refrain from use for personal reasons.
2. Loss or Damage to City Equipment: (26.1.1)
3. Peoria Police Department employees will not abuse City equipment and will immediately report any damages or losses of City equipment to their supervisor;
4. Any employee responsible for damaging City property may be required, at the discretion of the Chief of Police, to repair or replace such equipment if it has been proven that willful negligence has occurred;
5. Employees committing such acts may also be subject to disciplinary action.

# Peoria Police Department

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(d) Employee Organization Activity:

1. Peoria Police Department employees will not solicit membership or otherwise conduct employee organization activities during working hours, except as provided in the applicable Memorandum of Understanding between the employee organization and the City.
2. Peoria Police Department employees may join a labor organization that is recognized by Peoria City Ordinances for the purpose of entering into collective bargaining with the City for items such as wages, benefits, and working conditions.

(e) Involvement in Labor Disputes:

1. All employees of the Peoria Police Department shall remain strictly impartial while performing their assigned duties, or while wearing any uniform/clothing item identifying them as a City of Peoria or Peoria Police Department employee, while at the scene of a labor dispute.

(f) Games of Chance/Gambling:

1. Police employees will not engage in games of chance while on-duty, except with the approval of a supervising officer and in conjunction with an official investigation. (26.1.1)

(g) City Limit Responsibilities:

1. Peoria Police Department employees will not leave the city limits while on-duty unless:
2. On official business;
3. In pursuit of a criminal or traffic violator;
4. When traversing from one part of the city to another;
5. When the shortest route is to pass temporarily through another city;
6. When prior authorization has been received by a supervisor.

(h) Political Activity in Uniform:

1. Peoria Police Department employees shall not participate in any political function and/or affair while in or wearing any uniform/clothing item identifying them as a City of Peoria or Peoria Police Department employee other than to cast a vote, unless the function and/or affair is sanctioned or sponsored by the City of Peoria and the Peoria Police Department, and prior written authorization is received from the Chief of Police or a Deputy Chief of Police;
2. Provisions regarding off-duty political activity are contained within the City of Peoria Administrative Regulation.
3. Professional Memberships:
4. Peoria Police Department employees must receive written approval from the Chief of Police prior to accepting professional memberships when such memberships could require an employee's active participation while being compensated by the City (i.e. conducting membership duties during duty hours or in order to fulfill membership obligations);
5. Once a professional membership has been approved, employees must receive permission from the Chief of Police prior to running for or accepting any office in that membership.

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- (i) Recommendation for Professional Services:
  - 1. No Peoria Police Department employee, while on-duty, will recommend the employment of any particular attorney, bail bond organization or individual, alarm company, tow service, or other service for which a fee is charged to any citizen.
- (j) False Statements, Records, etc.:
  - 1. Peoria Police Department employees will not make false or misleading statements, reports or records; or cause to be recorded in any report, performance evaluation, or Peoria Police Department book any false or misleading statements;
  - 2. This policy does not preclude employees from including into a report any information given to them by a suspect, witness, victim, etc., that the employee believes to be false (i.e., suspect denies involvement in a crime and the employee knows this to be false).

#### **105.3.1 FINANCIAL RESPONSIBILITY**

- (a) Personal Responsibility:
  - 1. Employees shall not participate in irresponsible credit buying which results in their inability to pay their just debts when such behavior affects, or reflects upon the Peoria Police Department;
  - 2. Employees shall notify the Peoria Police Department of any financial judgments awarded against them, or garnishments of wages not later than the next working day following notification of such action. (Settlements as opposed to judgments are exempt from the reporting requirement.);
  - 3. No employee shall establish accounts or make purchases for personal gain using the City of Peoria or Peoria Police Department name and or address.
- (b) Handling Monies and Property:
  - 1. Employees shall deliver to the proper custodian any monies or other property coming into their possession which is not their own and make a report of the transaction;
  - 2. Employees shall not appropriate for their own use any evidence or lost, found, stolen, recovered, or City property;
  - 3. Members shall obtain permission from the Chief of Police or designee, before duplicating any keys or other City property.

#### **105.4 ATTENTION TO DUTY**

- (a) Employees will maintain a professional approach to their duties at all times. Employees will not sleep or read newspapers or magazines while on-duty and in public view, unless such conduct is part of their assigned duties. (26.1.1)
- (b) Employees, while on duty, shall not have in their possession (except in the course of duty), read, distribute, display or circulate adult oriented literature which is defined as books, magazines, periodicals or treatises characterized by an emphasis on specified sexual activities. (26.1.3) (Refer to Policy 328, Discriminatory Harassment)
- (c) Members of the Peoria Police Department are to conduct themselves in a professional and courteous manner at all times, remembering that we are here to serve our citizens and that our charge is to manage conflict, so as to preserve the peace. Although

# Peoria Police Department

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confrontation is a tool in law enforcement to uncover the truth, employees are to use this technique only when absolutely necessary and the application is reasonable.

- (d) Employees are to utilize their duty time in the furtherance of our mission and to enhance our law enforcement effort, by remaining on the constant lookout for the criminal element in our community and areas of assigned responsibility.
- (e) Employees shall limit any personal business, to include the use of personal cellular telephones and pagers, to that which in no way interrupts the delivery of law enforcement and community service, as well as the productivity of the individual employee.
- (f) Employees will check their e-mail, voice mail, and physical mailboxes at least once during each shift. They will return messages in an expeditious manner.
- (g) Employees shall not disable either voice mail or e-mail without supervisory approval.
- (h) Personal Pagers/Cell Phones: Uniformed employees are permitted to carry personal pagers and cellular telephones. However, while on-duty, the devices' ringer must be set to an inaudible mode for incoming calls or left in the vehicle. While on a call or in contact with a citizen, personal calls and/or pages will not be taken.

#### **105.4.1 PUNCTUALITY**

All employees shall be punctual in reporting for duty at the time and place designated by their supervisor, or as indicated on department schedules.

Failure to notify their appropriate supervisor of any absences or delays prior to the start of the scheduled duty shift by telephone, or in person shall be considered neglect of duty.  
(26.1.1)

#### **105.4.2 REQUIRED NOTIFICATIONS**

- (a) Personal Information Notification:
  - 1. The Peoria Police Department is entitled to have the correct name, current residence address, and telephone number of every member and employee, and to know whom to notify in case of an emergency.
  - 2. Employees will notify their immediate supervisor in writing not later than the first work day following the date of any change of address or telephone number:
  - 3. All Peoria Police Department employees shall maintain a working telephone that allows for contact at their place of residence;
  - 4. Addresses and telephone numbers of Peoria Police Department personnel may be released only to employees of the Peoria Police Department. When the identity of the caller is questioned, the employee may obtain and check his/her employee number and home telephone number against the employee roster to verify that the caller is an employee of the Peoria Police Department;
  - 5. Personnel information shall not be broadcast over the radio frequencies, but may only be released over the telephone or in person;
  - 6. Unauthorized individuals who advise that it is imperative they contact an off-duty employee will be asked to provide their name and telephone number after it has been determined that no on-duty employee can be of assistance. The employee accepting the call will attempt to contact the off-duty employee at home and have them return the call. If an employee is unable to be contacted at home, a return call will be made to the caller.

- (b) Unusual Incident Notification:

# Peoria Police Department

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1. All Peoria Police Department employees shall advise their supervisors of any unusual activity, situation, or problem with which the Peoria Police Department would logically have an interest.
2. Any Peoria Police Department employee who receives a moving vehicle citation or any employee, who is involved as a witness, victim, or suspect in any situation under investigation by any law enforcement agency, shall make notification, in writing, to their supervisor not later than the first work day following the date they are aware of their involvement;
3. All Peoria Police Department employees are to follow these rules of conduct and to encourage other employees to comply with these standards of conduct in the performance of their duties;
4. Each employee has an ethical duty to report to their supervisors any unlawful acts committed on or off-duty by an employee;
5. Any Peoria Police Department employee sued for any act shall report this fact in writing to the Office of the Chief of Police through the chain of command not later than the first work day following the date they are aware of their involvement.

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 8C

**Date Prepared: November 17, 2014**

**Council Meeting Date: December 9, 2014**

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**TO:** Carl Swenson, City Manager

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

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

**SUBJECT:** Intergovernmental Agreement, Maricopa County Flood Control District, City of Surprise, City of Peoria, and Maricopa County, 115<sup>th</sup> Avenue and Union Hills Drive Drainage Improvement Project

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**Purpose:**

This is a request for Council to approve an Intergovernmental Agreement (IGA) between the Flood Control District of Maricopa County (District), City of Surprise (Surprise), City of Peoria (Peoria), and Maricopa County (County) for rights-of-way acquisition, utility relocations, construction, construction management, and operation and maintenance of the 115<sup>th</sup> Avenue and Union Hills Drive Drainage Improvement project.

**Background/Summary:**

In 2011, the 107<sup>th</sup> Avenue and Union Hills Drive Design Concept Report was completed by the District to address specific on-going drainage and flooding issues along Union Hills Drive from 107<sup>th</sup> Avenue to 115<sup>th</sup> Avenue. This study developed a regional flood mitigation project, which combines the Beardsley Road Channel and the Union Hills Drive drainage facilities recommended for inclusion in the District's 2012/2013 CIP Program

Currently, this area is subject to flooding due to the lack of adequate drainage. This project is designed to protect structures and roads located within the project area from flooding caused by 100-year storm events, or storm events that have a one percent chance of occurring in any given year. The project is split into three phases. A summary of each phase is provided in Attachment 1.

The design of phase 1 is expected to be completed by late spring 2015. Other phases of design and construction will depend on the availability of funding from each of the participating agencies. Construction of phase 1 could begin in the fall of 2015.

This second Agreement is needed to complete rights-of-way acquisition, utility relocations, construction, and construction management, as well as assuring which agency will be responsible for its share of on-going maintenance and operation. The project will be

constructed in phases as identified above and based on the ability of the project partners to fund each phase.

The estimated cost to complete the rights-of-way acquisition, utility relocations, construction, and construction management for all phases of the project is \$10,700,000. The cost share is estimated as follows:

- The County is responsible for a single contribution of \$367,000
- The remaining partners will split the remaining project costs (\$10,333,000)
- Peoria is responsible to pay 25% of the remaining project cost, or \$2,583,250
- Surprise is responsible to pay 25% of the remaining project cost, or \$2,583,250
- The District is responsible to pay 50% of the remaining project cost, or \$5,166,500

**Previous Actions:**

In July 2012, Council approved an IGA with the District and Surprise for the design of the project. The City is obligated for a cost share of \$250,000 towards design of the project.

**Options:**

**A:** Approve the IGA with the District, Surprise, and County to partner and cost share in the rights-of-way acquisition, utility relocations, construction, construction management, and operation and maintenance for the regionally beneficial project.

**B:** Deny approval of the IGA with the District, Surprise, and County and risk favorable consideration by the District in future drainage improvement projects, studies, floodplain determinations and other program assistance sponsored by the District.

**Staff's Recommendation:**

Staff recommends the approval of the IGA between the District, Surprise, Peoria and County for the rights-of-way acquisition, utility relocations, construction, construction management, and operation and maintenance of the project.

**Fiscal Analysis:**

As mentioned above, the design and construction of Phase 2 and 3 will depend upon the availability of funding from each of the participating agencies. The City's share of costs associated with this project is programmed in the CIP with \$651,915 programmed for FY16 and \$1,605,913 for FY17. Based on the most current project estimate, it should be noted that additional funding in the amount of \$325,422 will be requested in FY17.

**Narrative:**

Based on the current project estimate, additional funding for the overall project will have to be requested as part of the FY16-25 CIP budget request. Staff will be requesting an additional \$325,422 in FY17.

**Exhibits:**

**Exhibit 1:** Vicinity Map

**Exhibit 2:** Project Map

**Exhibit 3:** Attachment 1 – Additional Detail

**Exhibit 4:** Intergovernmental Agreement

**Contact Name and Number:** Burton Charron, P. E., Civil Engineer, X7237



NOT TO SCALE

DOVE VALLEY RD

LONE MOUNTAIN RD

MONTGOMERY RD

DIXILETA DR

PEAK VIEW RD

DYNAMITE BL

PINNACLE VISTA DR

JOMAX RD

YEARLING RD

HAPPY VALLEY RD

CALLE LEJOS

PINNACLE PEAK RD

WILLIAMS RD

DEER VALLEY RD

ROSE GARDEN LN

BEARDSLEY RD

UTOPIA RD

UNION HILLS DR

GROVERS AVE

BELL RD

PARADISE LN

GREENWAY RD

ACOMA DR

THUNDERBIRD RD

SWEETWATER AVE

CACTUS RD

CHOLLA ST

PEORIA AVE

MOUNTAIN VIEW RD

OLIVE AVE

BUTLER DR

NORTHERN AVE

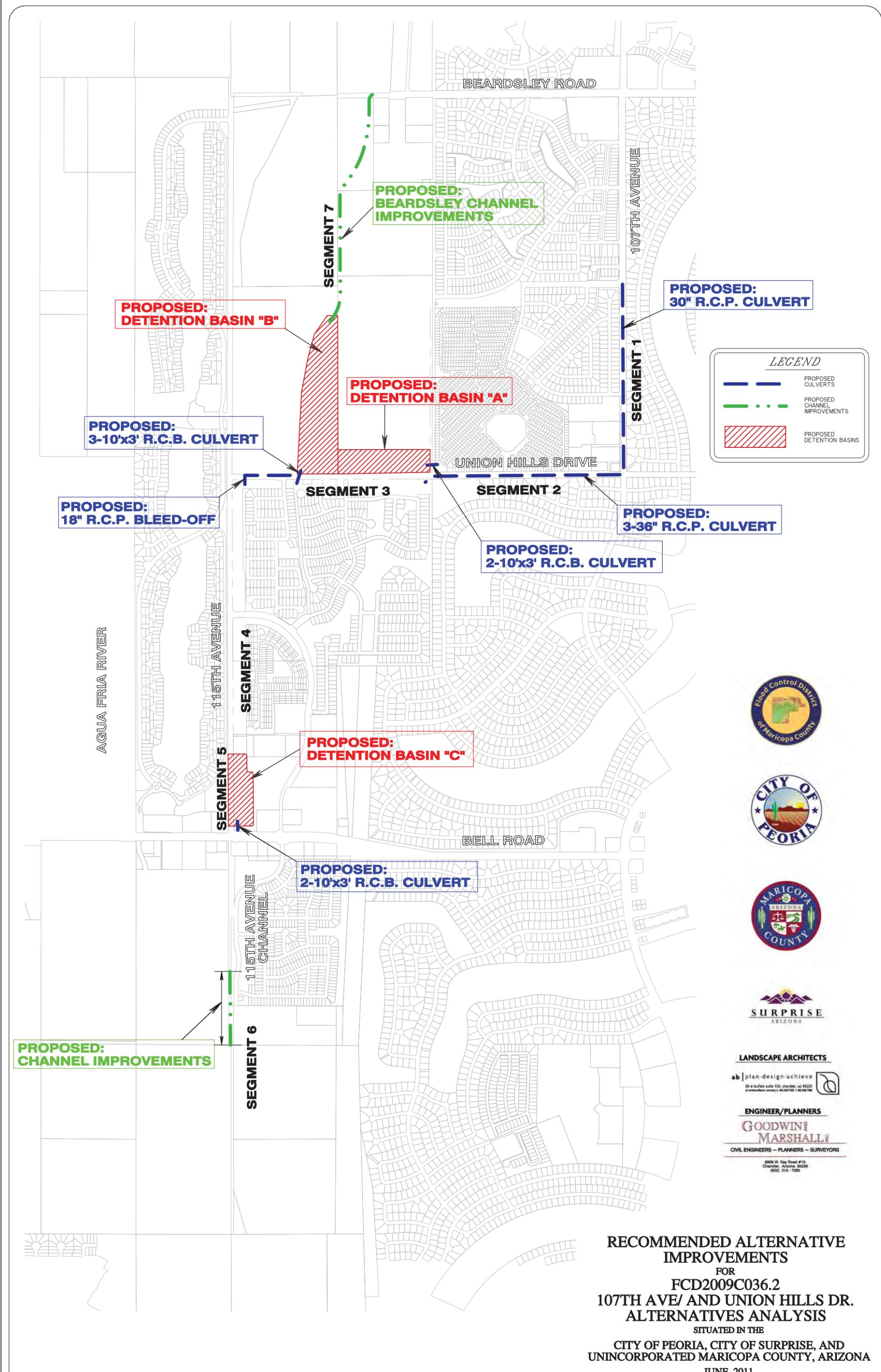
### LEGEND

-  Alternative Drainage Improvements  
107th Ave/Union Hills Dr

115TH AVE  
111TH AVE  
107TH AVE  
103RD AVE  
99TH AVE  
95TH AVE  
91ST AVE  
87TH AVE  
83RD AVE  
79TH AVE  
75TH AVE  
71ST AVE



VICINITY MAP



**LEGEND**

-  PROPOSED CULVERTS
-  PROPOSED CHANNEL IMPROVEMENTS
-  PROPOSED DETENTION BASINS



**LANDSCAPE ARCHITECTS**  
 ab | plan-design-achieve  
 55 W. Buffalo Suite 100, Chandler, AZ 85225  
 480.755.0000

**ENGINEER/PLANNERS**  
**GOODWIN & MARSHALL**  
 CIVIL ENGINEERS - PLANNERS - SURVEYORS  
 4900 W. Ray Road #115  
 Chandler, Arizona 85226  
 (602) 218-7285

**RECOMMENDED ALTERNATIVE IMPROVEMENTS**  
 FOR  
**FCD2009C036.2**  
**107TH AVE/ AND UNION HILLS DR.**  
**ALTERNATIVES ANALYSIS**  
 SITUATED IN THE  
 CITY OF PEORIA, CITY OF SURPRISE, AND  
 UNINCORPORATED MARICOPA COUNTY, ARIZONA  
 JUNE, 2011

## **Attachment 1 - Additional Detail**

The District, in partnership with Peoria, the City of Glendale (Glendale) and the City of Phoenix (Phoenix), completed the Glendale-Peoria Area Drainage Master Plan (GPADMP) in 1987, identifying area flooding hazards and solutions. In 2002 and 2007 the GPADMP was subsequently updated.

Project Phases are as follows:

### **Phase 1**

- Improve the existing Sun City Drain along 115th Avenue from the Agua Fria River to Bell Road
- Add a stilling basin at the northeast corner of 115th Avenue and Bell Road to ensure the 100-year flood flows travel under the road
- Improve the channel grade along 115th Avenue from Bell Road to Union Hills Drive
- Add catch basins at the intersection of 115th Avenue and Union Hills Drive

### **Phase 2**

- Add a storm drain system along Union Hills Drive from 111th Avenue to 107th Avenue (outletting to the Canyon Ridge Channel)
- Add a storm drain system along 107<sup>th</sup> Avenue from Union Hills Drive to Palm Tree Drive
- Improve the existing basins at the northwest and northeast corners of Union Hills Drive and 111th Avenue

### **Phase 3**

- Improve the existing earthen channel along Beardsley Road from 115th Avenue to 111th Avenue
- Add a storm drain system along 115th Avenue from Union Hills Drive to Beardsley Road;
- Add a split flow junction structure at the northeast corner of Beardsley Road and 115th Avenue.

Based on the terms of this Agreement each agencies' responsibility is listed below:

## **DISTRICT**

- Fund fifty percent (50%) of the Project Cost, less the County one-time contribution of \$367,000, making the District's estimated share \$5,166,500;
- Serve as the Lead Agency for the Project utility relocations required for the Project;
- Serve as the Lead Agency for the Project rights-of-way acquisition.
- Serve as the Lead Agency for the Project construction and construction management;
- Upon award of a construction contract for the Project, invoice Surprise and Peoria for fifty percent (50%) of their share of Project Costs associated with construction and construction management for that contract;
- Upon completion of a construction contract for the Project, invoice Surprise and Peoria for the remainder of their share of all Project Cost incurred to date;
- If it incurs non-flood control costs that are not a component of the Project Cost at the request of a Project Partner, invoice the Project Partner as these costs are incurred, no more than quarterly, and no less frequently than annually;
- Serve as the Lead Agency for Project public involvement activities.

## **PEORIA**

- Fund twenty five (25%) of the Project Cost, less the County's contribution, making Peoria's estimated share \$2,583,250. Within thirty (30) calendar days of receipt, pay all invoices issued by the District in accordance with the terms of this Agreement;
- Participate in Project public involvement activities;
- Relocate at no cost to the Project, all utilities within its jurisdiction that are in place by permit and/or without prior rights;
- Provide all Peoria owned and controlled rights-of-way necessary or the Project and not specifically purchased for this Project, at no cost to the Project;
- Be responsible for all operations and maintenance of the Project within Peoria limits, including maintenance and management of any public use facilities within Peoria;

## **SURPRISE**

- Fund twenty five (25%) of the Project Cost, less the County's contribution, making Surprise's estimated share \$2,583,250;
- Within thirty (30) calendar days of receipt, pay all invoices issued by the District in accordance with the terms of this Agreement;
- Participate in Project public involvement activities;
- Cause to be relocated at no cost to the Project, all utilities within its jurisdiction that are in place by permit and/or without prior rights;

- Provide all Surprise owned and controlled rights-of-way necessary or the Project and not specifically purchased for this Project, at no cost to the Project;
- Be responsible for all operations and maintenance of the Project within Surprise limits, including maintenance and management of any public use facilities within SURPRISE limits, as well as the storm drain in 115<sup>th</sup> Avenue;

**COUNTY**

- Fund a one-time contribution of \$367,000 for the storm drain construction along Union Hills Drive from 107<sup>th</sup> Avenue to 111<sup>th</sup> Avenue.
- Within thirty (30) calendar days of receipt, pay all invoices issued by the District in accordance with the terms of this Agreement;
- Participate in Project public involvement activities directly related to the storm drain along Union Hills Drive from 107<sup>th</sup> Avenue to 111<sup>th</sup> Avenue;
- Cause to be relocated at no cost to the Project, all utilities within its jurisdiction that are in place by permit and/or without prior rights;
- Provide all County owned and controlled rights-of-way necessary for the Project and not specifically purchased for this Project, at no cost to the Project;
- Be responsible for all operations and maintenance of the Project, Union Hills Drive storm drain system from approximately 107<sup>th</sup> Avenue to 111<sup>th</sup> Avenue;

Below is a summary of Area Drainage Master Plans (ADMP) prepared in partnership with the District and adopted by the City.

May 1987	Glendale-Peoria ADMP
2002	Glendale-Peoria ADMP Update
2007	Glendale-Peoria, Northwest Region Update
June 2010	Phase I Data Collection and Flood Hazard Assessment Study
Dec 2010	1 <sup>st</sup> Public Meeting (December 8, 2010)
July 2011	2 <sup>nd</sup> Public Meeting (July 26, 2011)
July 2011	Completed the 107 <sup>th</sup> Avenue and Union Hills Drive Design Concept Report.
July 2012	Council approved the IGA for Design of the Project
Mar 2014	1 <sup>st</sup> Public Meeting for Design of the Project (March 27, 2014)
Nov 2014	2 <sup>nd</sup> Public Meeting for Design of the Project (November 5, 2014)

When Recorded Return to:  
Flood Control District of Maricopa County  
2801 West Durango Street  
Phoenix, AZ 85009-6399

**INTERGOVERNMENTAL AGREEMENT**

Among

**THE CITY OF SURPRISE, THE CITY OF PEORIA, MARICOPA COUNTY,**

and the

**FLOOD CONTROL DISTRICT OF MARICOPA COUNTY**

for the

**RIGHTS-OF-WAY ACQUISITION, UTILITY RELOCATIONS, CONSTRUCTION, CONSTRUCTION  
MANAGEMENT, AND OPERATION AND MAINTENANCE**

of the

**115<sup>TH</sup> AVENUE AND UNION HILLS DRIVE DRAINAGE IMPROVEMENTS PROJECT**

**IGA FCD 2014A002**

**Agenda Item \_\_\_\_\_**

This Intergovernmental Agreement (Agreement) is entered into by and among the City of Surprise, a municipal corporation, acting by and through its City Council, hereinafter called SURPRISE, the City of Peoria, a municipal corporation, acting by and through its City Council, hereinafter called PEORIA, Maricopa County, a political subdivision of the State of Arizona, hereinafter called the COUNTY, and the Flood Control District of Maricopa County, a municipal corporation and political subdivision of the State of Arizona, acting by and through its Board of Directors, hereinafter called the DISTRICT. The DISTRICT, SURPRISE, PEORIA, and the COUNTY are hereinafter collectively called the PROJECT PARTNERS.

This Agreement shall become effective as of the date it has been executed by all parties and has been recorded by the Maricopa County Recorder.

**STATUTORY AUTHORIZATION**

1. The DISTRICT is empowered by Arizona Revised Statutes (A.R.S.) Section 48-3603, as revised, to enter into this Agreement and has authorized the undersigned to execute this Agreement on behalf of the DISTRICT.
2. SURPRISE is empowered by Arizona Revised Statutes Section 11-951 et. al., as amended, to enter into this Agreement and has authorized the undersigned to execute this Agreement on behalf of SURPRISE.
3. PEORIA is empowered by its Peoria City Charter Article 1, Sec. 3 (15) and by Arizona Revised Statutes Section 11-951, as amended, to enter into this Agreement and has authorized the undersigned to execute this Agreement on behalf of PEORIA.

4. The COUNTY is empowered by Arizona Revised Statutes Section 11-251, as amended, and Section 28-6701, as amended, to enter into this Agreement and has authorized the undersigned to execute this Agreement on behalf of the COUNTY.

## BACKGROUND

5. The 115<sup>th</sup> Avenue and Union Hills Drive watershed extends from Rose Garden Lane on the North and up to ½ mile east of 99<sup>th</sup> Avenue on the East, to approximately Del Webb Boulevard and the Agua Fria River on the South, and to the Coyote Lakes development and the Agua Fria River on the West.
6. In 2002, the DISTRICT, PEORIA, and the City of Glendale completed an update of the Glendale Peoria Area Drainage Master Plan, and a recommended plan was chosen for improving the Beardsley Road Channel. In 2011, the 107<sup>th</sup> Avenue and Union Hills Drive Design Concept Report was completed by the DISTRICT to address specific on-going drainage and flooding issues along Union Hills Drive from 107<sup>th</sup> Avenue to 115<sup>th</sup> Avenue. This study recommended a regional flood mitigation project that was recommended for inclusion in the DISTRICT's 2012/2013 CIP program. In 2013 the DISTRICT conducted an Alternatives Analysis to study alternative solutions for conveyance of the Beardsley Channel flows.
7. The Design Concept Report and Alternatives Analysis recommended structural solutions to mitigate flooding hazards in the area bounded on the west by 115<sup>th</sup> Avenue, on the north by Beardsley Road, and east by 107<sup>th</sup> Avenue, and on the south by the Agua Fria River. The anticipated features include improvements to existing channels, construction of new storm drains, and construction and/or improvements to basins, as shown in Exhibit A, hereinafter called the PROJECT. It is anticipated that the PROJECT will be implemented in phases.

The PROJECT will:

- Provide 100-year flood protection to properties between 107<sup>th</sup> Avenue and 115<sup>th</sup> Avenue, and from Beardsley Road to Union Hills Drive, and along 115<sup>th</sup> Avenue south of Bell Road.
  - Mitigate roadway flooding along 107<sup>th</sup> Avenue, Union Hills Drive, 115<sup>th</sup> Avenue, and Bell Road.
  - Safely convey the 100-year flood to the Agua Fria River.
  - Provide opportunities for future multiple-use benefits.
8. On March 28, 2012, the Board of Directors of the DISTRICT adopted Resolution FCD 2011R009 (C-69-12-050-6-00), authorizing the DISTRICT to cost-share in the PROJECT, and to negotiate Intergovernmental Agreements for the design, rights-of-way acquisitions, construction, construction management, and operation and maintenance of the PROJECT. On June 19, 2013, the Board of Directors adopted Resolution FCD 2011R009A (C-69-12-050-6-01) which revised the PROJECT authorized area for obtaining land rights.
  9. On April 24, 2013, the Board of Directors of the DISTRICT approved Intergovernmental Agreement FCD 2012A005 (C-69-13-041-3-00), among the DISTRICT, PEORIA, and SURPRISE, for the design of the PROJECT. The subject design is in progress, with a projected completion date for Phase 1 of March 2015.

## PURPOSE OF THE AGREEMENT

10. This Agreement identifies and defines the responsibilities of the DISTRICT, PEORIA, SURPRISE and the COUNTY, for PROJECT cost-sharing activities related to rights-of-way acquisition, utility relocations, construction, construction management, and operation and maintenance.

## TERMS OF AGREEMENT

11. The PROJECT, as referenced herein, is defined by paragraph 7 of this Agreement.
12. The PROJECT COST, as referenced herein, solely encompasses the following costs directly associated with the PROJECT and incurred after the effective date of this Agreement:
  - 12.1 All costs associated with acquiring rights-of-way required for the PROJECT. All costs associated with additional rights-of-way acquired at a PROJECT PARTNER's request for non-flood control purposes will be borne solely by the requesting party and are not components of the PROJECT COST.
  - 12.2 Costs of relocating conflicting utilities in place by prior rights. Utilities in place without prior rights will be relocated at their owners' expense; associated costs are not components of the PROJECT COST.
  - 12.3 Costs of construction, construction management and post-design contracts.
    - 12.3.1 Shared costs of landscaping and aesthetic features in accordance with and not to exceed the DISTRICT's "Policy for the Aesthetic Treatment and Landscaping of Flood Control Projects" (POLICY). Landscaping, aesthetic features and park amenities, in addition to those allowed by the DISTRICT's POLICY and if compatible with the PROJECT function, may be included in PROJECT contracts at the request of a PROJECT PARTNER; the additional construction and associated construction management costs being solely at the requesting PROJECT PARTNER's expense.
    - 12.3.2 If construction management services are not accomplished under contract, construction management costs shall be assigned a value of eight percent (8%) of the actual construction cost of the PROJECT plus actual costs for materials testing and survey work associated with construction management.
  - 12.4 Each PROJECT PARTNER will pay for, and not seek reimbursement for, its own personnel and internal administrative costs associated with this PROJECT, including costs associated with the issue of PROJECT permits, unless specifically identified otherwise in this Agreement.
13. The PROJECT COST associated with this Agreement is estimated to be \$10,700,000.
  - 13.1 The PROJECT COST is estimated based on the best information available at the time of this Agreement, and is subject to change without amendment to this Agreement. Upon recognition of anticipated cost increases above this estimated PROJECT COST, PROJECT PARTNERS shall communicate these anticipated increases.
14. DISTRICT funding for this Agreement shall be from secondary flood control tax levy revenue and is contingent upon funding availability within the DISTRICT's Capital Improvement Program.
15. SURPRISE funding for this Agreement shall be from capital funding.

16. PEORIA funding for this Agreement shall be from capital funding.
17. COUNTY funding for this Agreement shall be from Highway User Revenue Funds (HURF) monies.
18. The target date for completion of the first phase of the PROJECT construction is September 2016. The DISTRICT shall inform the PROJECT PARTNERS of delays impacting this target completion date.
19. The DISTRICT shall:
  - 19.1 Fund fifty percent (50%) of the PROJECT COST, less the COUNTY's one-time contribution of \$367,000, making the DISTRICT's estimated share \$5,166,500.
  - 19.2 Serve as the lead agency for utility relocations required for the PROJECT.
    - 19.2.1 Coordinate with a PROJECT PARTNER for the relocation of conflicting utilities within the PROJECT PARTNER's rights-of-way.
    - 19.2.2 Invoice SURPRISE and PEORIA for their share of the PROJECT COST associated with the utility relocation as it is incurred, no more frequently than quarterly, and no less frequently than annually.
  - 19.3 Serve as the lead agency for PROJECT rights-of-way acquisition.
    - 19.3.1 Obtain rights-of-way required for the PROJECT, and transfer to the PROJECT PARTNERS the rights-of-way acquired for the PROJECT in their respective jurisdictions, in accordance with operation and maintenance responsibilities as defined in Paragraphs 19.8, 20.7, 21.7, and 22.7 of this Agreement upon completion and acceptance of the PROJECT. The rights-of-way will be transferred to the appropriate PROJECT PARTNER in fee, or a perpetual easement over the rights-of-way will be granted to the appropriate PROJECT PARTNER. The primary use of any land and/or property purchased by the DISTRICT and conveyed to a PROJECT PARTNER shall be for specific flood control purposes, and should that land and/or property cease to be used for flood control purposes, said land and/or property shall revert to the DISTRICT. Said reversion shall be effectuated through judicial proceedings instituted by the DISTRICT in a court of general jurisdiction in the State of Arizona. If all or a part of this property is subsequently sold by A PROJECT PARTNER it shall be a restriction on the transfer document that the primary use of the property must continue to be for flood control purposes, or the aforementioned reversionary clause on the transfer deed to the PROJECT partner, shall be initiated, and the property will be considered reverted back to the DISTRICT. If it is mutually agreed between the PROJECT PARTNERS that property purchased for the PROJECT is no longer needed for flood control purposes and therefore available for sale, the PROJECT PARTNER may sell the property under the stipulation that the DISTRICT and other PROJECT PARTNERS shall be paid its cost share percentage of the original acquisition cost, along with their pro-rata share of any appreciation in land value from the original acquisition price of the property for the PROJECT to the final disposition price at the time that the PROJECT PARTNER disposes of the property.
    - 19.3.2 Invoice the PROJECT PARTNERS for their share of the PROJECT COST associated with right-of-way acquisition as it is incurred, no more frequently than quarterly, and no less frequently than annually.

- 19.4 Serve as the lead agency for PROJECT construction and construction management.
  - 19.4.1 Provide Phase 2 design and construction plans for COUNTY review and comment.
  - 19.4.2 Upon award of a construction contract for the PROJECT, invoice SURPRISE and PEORIA for fifty percent (50%) of their share of the PROJECT COST associated with construction and construction management for that contract.
  - 19.4.3 Upon completion of a construction contract for the PROJECT, prepare a final accounting including change orders and construction management costs not previously paid, and invoice SURPRISE and PEORIA for the remainder of their share of all PROJECT COST incurred to date.
  - 19.4.4 Upon completion of a construction contract for Phase 2 of the PROJECT, invoice the COUNTY for the COUNTY's one-time contribution of \$367,000 (COUNTY's contribution) for its share of the construction costs.
- 19.5 If it incurs non-flood control costs that are not a component of the PROJECT COST at the request of a PROJECT PARTNER, per paragraphs 12.1 and 12.3.1 of this Agreement, invoice the PROJECT PARTNER as these costs are incurred, no more frequently than quarterly, and no less frequently than annually.
- 19.6 Serve as the lead agency for PROJECT public involvement activities.
- 19.7 Participate in a final inspection of the PROJECT with the PROJECT PARTNERS.
- 19.8 Own the PROJECT south of Bell Road, and maintain same, except for any public-use facilities within the areas which will be maintained and managed by SURPRISE; own and maintain the PROJECT Beardsley Channel improvements.
- 19.9 Participate, as desired by the DISTRICT, with the PROJECT PARTNERS in an annual inspection of the PROJECT. Any deficiencies relating to flood control, and for which the PROJECT PARTNER is responsible, shall be corrected by the PROJECT PARTNER within thirty (30) calendar days. If the PROJECT PARTNER has not taken corrective action within this time, the DISTRICT reserves the right to perform the corrective action, and will invoice the PROJECT PARTNER for the total costs incurred by the DISTRICT.
- 19.10 The DISTRICT reserves the right to review and comment on the design and/or construction of any future changes or modifications to the PROJECT that may affect the hydraulic function of the PROJECT.

20. SURPRISE shall:

- 20.1 Fund twenty five percent (25%) of the PROJECT COST, less the COUNTY's contribution, making SURPRISE's estimated share \$2,583,250.
- 20.2 Within thirty (30) calendar days of receipt, pay all invoices issued by the DISTRICT in accordance with the terms of this Agreement.
- 20.3 Participate in PROJECT public involvement activities.

- 20.4 Cause to be relocated at no cost to the PROJECT all utilities within its jurisdiction that are in place by permit and/or without prior rights.
  - 20.5 Provide all SURPRISE owned and controlled rights-of-way necessary for the PROJECT, and not specifically purchased for this PROJECT, at no cost to the PROJECT.
  - 20.6 Participate in the final inspection of the project with the District.
  - 20.7 Be responsible for all operations and maintenance of the PROJECT within SURPRISE limits, including maintenance and management of any public use facilities within SURPRISE limits; as well as the storm drain within 115<sup>th</sup> Avenue.
    - 20.7.1 The maintenance activities to be performed include, but are not limited to, maintaining the flood control function of the PROJECT, including sediment and vegetation removal and any and all aesthetic, park, and public use features, maintenance of landscaping, irrigation, multi-use trails and berms, removal of trash and debris, electricity and other operation costs for the facilities, vandalism repair and replacement, and structural repair and replacement of the flood control structures.
  - 20.8 Schedule, and invite the DISTRICT to participate in, an annual inspection of the PROJECT. Any deficiencies relating to flood control for which SURPRISE is responsible shall be corrected by SURPRISE within thirty (30) calendar days. If SURPRISE has not taken corrective action within this time, the DISTRICT reserves the right to perform the corrective action and SURPRISE shall reimburse the DISTRICT for the total costs incurred by the DISTRICT within thirty (30) calendar days of receipt of an invoice from the DISTRICT.
  - 20.9 Be responsible for assuring the safety and appropriateness of any non-flood control uses of the PROJECT prior to offering to make or making the PROJECT available for such uses.
  - 20.10 Obtain DISTRICT review and comments on the design and/or construction of any future changes or modifications to the PROJECT, and resolve and/or incorporate the DISTRICT's comments into these future PROJECT modifications.
21. PEORIA shall:
- 21.1 Fund twenty five percent (25%) of the PROJECT COST, less the COUNTY's contribution, making PEORIA's estimated share \$2,583,250.
  - 21.2 Within thirty (30) calendar days of receipt, pay all invoices issued by the DISTRICT in accordance with the terms of this Agreement.
  - 21.3 Participate in PROJECT public involvement activities.
  - 21.4 Cause to be relocated at no cost to the PROJECT all utilities within its jurisdiction that are in place by permit and/or without prior rights.
  - 21.5 Provide all PEORIA owned and controlled rights-of-way necessary for the PROJECT, and not specifically purchased for this PROJECT, at no cost to the PROJECT.
  - 21.6 Participate in the final inspection of the project with the District.

21.7 Be responsible for all operations and maintenance of the PROJECT within PEORIA limits, including maintenance and management of any public use facilities within PEORIA.

21.7.1 The maintenance activities to be performed include, but are not limited to, maintaining the flood control function of the PROJECT, including sediment and vegetation removal and any and all aesthetic, park, and public use features, maintenance of landscaping, irrigation, multi-use trails and berms, removal of trash and debris, electricity and other operation costs for the facilities, vandalism repair and replacement, and structural repair and replacement of the flood control structures.

21.8 Schedule, and invite the DISTRICT to participate in, an annual inspection of the PROJECT. Any deficiencies relating to flood control for which PEORIA is responsible shall be corrected by PEORIA within thirty (30) calendar days. If PEORIA has not taken corrective action within this time, the DISTRICT reserves the right to perform the corrective action and PEORIA shall reimburse the DISTRICT for the total costs incurred by the DISTRICT within thirty (30) calendar days of receipt of an invoice from the DISTRICT.

21.9 Be responsible for assuring the safety and appropriateness of any non-flood control uses of the PROJECT prior to offering to make or making the PROJECT available for such uses.

21.10 Obtain DISTRICT review and comments on the design and/or construction of any future changes or modifications to the PROJECT, and resolve and/or incorporate the DISTRICT's comments into these future PROJECT modifications.

22. The COUNTY shall:

22.1 Provide Phase 2 design and construction review and comments to the DISTRICT at the COUNTY's expense.

22.2 Fund a one-time contribution of \$367,000 for the storm drain construction along Union Hills Drive from 107<sup>th</sup> Avenue to 111<sup>th</sup> Avenue. The COUNTY's contribution is based on the fact that the storm drain serves to provide flood protection for the intersection of 107<sup>th</sup> Avenue and Union Hills Drive, which will ultimately provide a safer driving experience for the traveling public

22.3 Within thirty (30) calendar days of receipt, pay the invoice issued by the DISTRICT in accordance with the terms of this Agreement.

22.4 Participate in PROJECT public involvement activities directly related to the storm drain along Union Hills Drive from 107<sup>th</sup> Avenue to 111<sup>th</sup> Avenue.

22.5 Cause to be relocated at no cost to the PROJECT all utilities within its jurisdiction that are in place by permit and/or without prior rights. Utility costs incurred for those utilities with confirmed prior rights will not be paid by the COUNTY, but by the other participating PROJECT PARTNERS to this Agreement.

22.6 Provide all COUNTY owned and controlled rights-of-way necessary for the PROJECT, and not specifically purchased for this PROJECT, at no cost to the PROJECT.

22.7 Participate in the final inspection of the PROJECT along Union Hills Drive from 107<sup>th</sup> Avenue to 111<sup>th</sup> Avenue with the DISTRICT.

22.8 Be responsible for all operations and maintenance of the PROJECT Union Hills Drive storm drain system from approximately 107<sup>th</sup> Avenue to 111<sup>th</sup> Avenue.

22.8.1 The maintenance activities to be performed include, but are not limited to, maintaining the flood control function of the PROJECT, including sediment and vegetation removal and any and all aesthetic, park, and public use features, maintenance of landscaping, irrigation, multi-use trails and berms, removal of trash and debris, electricity and other operation costs for the facilities, vandalism repair and replacement of the flood control structures.

22.9 Schedule, and invite the DISTRICT to participate in, an annual inspection of the storm drain along Union Hills Drive from 107<sup>th</sup> Avenue to 111<sup>th</sup> Avenue . Any deficiencies relating to flood control for which the COUNTY is responsible shall be corrected by the COUNTY within thirty (30) calendar days. If the COUNTY has not taken corrective action within this time, the DISTRICT reserves the right to perform the corrective action and the COUNTY shall reimburse the DISTRICT for the total costs incurred by the DISTRICT within thirty (30) calendar days of receipt of an invoice from the DISTRICT.

22.10 Be responsible for assuring the safety and appropriateness of any non-flood control uses of the portion of the PROJECT within unincorporated Maricopa County prior to offering to make or making the PROJECT available for such uses.

22.11 Obtain DISTRICT review and comments on the design and/or construction of any future changes or modifications to the PROJECT, and resolve and/or incorporate the DISTRICT's comments into these future PROJECT modifications.

23. Each PROJECT PARTNER, and the PROJECT PARTNERS collectively, shall:

23.1 Comply with A.R.S. Sections 41-4401 and 23-214, subsection A.

23.1.1 Each party to this Agreement retains the legal right to inspect the records of the other party's and any contractors' or subcontractors' employees performing work under this Agreement to verify compliance with A.R.S. Sections 41-4401 and 23-214, subsection A.

23.1.2 Failure by either party to this Agreement to comply with A.R.S. Sections 41-4401 and 23-214, subsection A shall be deemed a breach of this Agreement and is subject to penalties up to and including termination of the Agreement.

23.2 Require that any contractor selected for the PROJECT:

23.2.1 Warrant its compliance with all federal immigration laws and regulations that relate to its employees and their compliance with A.R.S. section 23-214(A);

23.2.2 Agree that a breach of the warranty under paragraph 23.2.1 shall be deemed a material breach of contract and is subject to penalties up to and including termination of the contract;

23.2.3 Agree that the other party to this Agreement retains the legal right to inspect the papers of the contractor or subcontractor employee(s) who work(s) on this Agreement to ensure that contractor or subcontractor is complying with the warranty under paragraph 23.2.1;

23.3 Waive fees or provide in-kind services and costs to acquire any permit(s) required for the PROJECT.

- 23.4 Have the right, following mutual written agreement of all PROJECT PARTNERS, to delegate its responsibilities under this Agreement to another party. Any delegation, however, shall not relieve the delegating PROJECT PARTNER of its original responsibilities as defined herein.
- 23.5 In the case of any dispute over any items in this Agreement, agree to use their best efforts and enter into good faith negotiations to resolve the disputed matters. However, this shall not limit the rights of the PROJECT PARTNERS to seek any remedies provided by law.
- 23.6 Take reasonable and necessary actions within its authority to ensure that only storm water is discharged into the PROJECT, and that such discharges into the PROJECT comply at the point of discharge with any applicable requirements of the U.S. Environmental Protection Agency Clean Water Act, Arizona Pollutant Discharge Elimination System or any other applicable discharge requirements, including any permit requirements.
24. If in the future a part of the PROJECT in unincorporated COUNTY is annexed by a PROJECT PARTNER, that PROJECT PARTNER agrees to take over operation and maintenance of the newly annexed part of the PROJECT.
25. The PROJECT PARTNERS agree to equally share the cost of PROJECT compliance and cost audit to be initiated within sixty (60) days of PROJECT completion, if requested by any of the PROJECT PARTNERS. An independent auditing firm agreed to by the PROJECT PARTNERS will perform the audit. Any payments or reimbursements necessary to bring the PROJECT into compliance with the audit findings shall be made within forty five (45) days of acceptance by the PROJECT PARTNERS.
26. The PROJECT may be phased for construction due to funding or other coordination issues. Responsibilities of the PROJECT PARTNERS shall be phased accordingly, including, but not limited to, invoicing, reimbursements, transfer of land rights and accepting of operation and maintenance.
27. If mutually acceptable to the PROJECT PARTNERS, PROJECT invoicing may be conducted periodically based on actual PROJECT COST incurred, no more frequently than quarterly, in lieu of invoicing timelines otherwise established in this Agreement.
28. Each party to this Agreement shall, as "Indemnitor," to the extent permissible by law, indemnify, defend and hold harmless the other Project Partner ("Indemnitee") including agents, officers, directors, governors and employees thereof, from and against any and all loss or expense incurred as a result of any claim or suit of any nature whatsoever, which arises out of any act or omission of Indemnitor pursuant to this Agreement, including but not limited to, reasonable attorneys' fees, court costs, and other expenses relating to the defense against claims or litigation, incurred by the Indemnitee. Notwithstanding the above, Indemnitee shall be liable for its own negligence or wrongful acts as provided by law. In no event shall the Indemnitor owe or be obligated to pay any amounts which the Indemnitee has not actually paid or has no actual obligation to pay. In the event any agreement to pay to resolve issues of liability is not enforceable, or any agreement or settlement results in an actual obligation lower than the full amount of liability, the Indemnitor's obligation to pay shall be limited to the amount Indemnitee has paid or would be obligated to pay in the absence of any agreement to indemnify. Should the any PROJECT PARTNER offer to make or make the PROJECT available for any non-flood control uses, the offering PROJECT PARTNER shall, to the extent permissible by law, indemnify, defend and save harmless the DISTRICT, including agents, officers, directors, governors and employees thereof, from any and all loss or expense incurred as a result of any claim or suit without limitation. Such indemnification obligation is intended to be a specific indemnity obligation rather than the general indemnity obligations set forth in this paragraph regarding all other types of claims or suits and shall include the obligation to provide reasonable attorneys' fees, court costs, and other expenses relating to the defense of such claims or litigation.

29. This Agreement does not imply authority to perform any tasks, or accept any responsibility, not expressly stated in this Agreement.
30. This Agreement does not create a duty or responsibility unless the intention to do so is clearly and unambiguously stated in this Agreement.
31. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law, but if any provision shall be invalid or prohibited under the law, such provision shall be ineffective to the extent of such prohibition or invalidation but shall not invalidate the remainder of such provision or the remaining provisions.
32. All notices or demands upon any party to this Agreement shall be in writing and shall be delivered in person or sent by mail addressed as follows:

Flood Control District of Maricopa County  
Chief Engineer and General Manager  
2801 West Durango Street  
Phoenix, Arizona 85009-6399

City of Surprise  
Public Works Director  
16000 North Civic Center Plaza  
Surprise, Arizona 85374

City of Peoria  
City Manager  
8401 West Monroe Street  
Peoria, Arizona 85345

Maricopa County Department of Transportation  
Attn: Intergovernmental Relations Branch  
2901 West Durango Street  
Phoenix, Arizona 85009-6357

33. This Agreement shall expire either (1) ten (10) years from the date of recording with the County Recorder, or (2) upon completion of the PROJECT and after all funding obligations and reimbursements have been satisfied in accordance with this Agreement, whichever is the first to occur. However, by mutual written agreement of all parties, this Agreement may be amended or terminated. The operation and maintenance and indemnification provisions of this Agreement shall survive the expiration of this Agreement.
34. This Agreement is subject to cancellation by any party pursuant to the provisions of Arizona Revised Statutes Section 38-511.
35. Attached to this Agreement or contained herein are the written determinations by the appropriate attorneys for the parties to this Agreement, that these agencies are authorized under the laws of the State of Arizona to enter into this Agreement and that it is in proper form.

36. If legislation is enacted after the effective date of this Agreement that changes the relationship or structure of one or more parties to this Agreement, the parties agree that this Agreement shall be renegotiated at the written request of any party.
  
37. The DISTRICT and the COUNTY have chosen attorneys employed by the Civil Services Division of the Maricopa County Attorney's Office ("Civil Services Division") to act as their attorney for the purpose of reviewing this Agreement. In so doing, by their signature below, each party acknowledges that it is aware that the Civil Services Division will represent these two parties to this Agreement, and each party expressly waives any conflict created thereby.

**FLOOD CONTROL DISTRICT OF MARICOPA COUNTY  
A Municipal Corporation**

Recommended by:

\_\_\_\_\_  
William D. Wiley, P.E.                      Date  
Chief Engineer and General Manager

Approved and Accepted:

By: \_\_\_\_\_  
Chairman, Board of Directors      Date

Attest:

By: \_\_\_\_\_  
Clerk of the Board                      Date

The foregoing Intergovernmental Agreement FCD 2014A002 has been reviewed pursuant to Arizona Revised Statutes 11-952, as amended, by the undersigned General Counsel, who has determined that it is in proper form and within the powers and authority granted to the Flood Control District of Maricopa County under the laws of the State of Arizona.

\_\_\_\_\_  
Flood Control District General Counsel      Date

**CITY OF SURPRISE  
A Municipal Corporation,**

**Sharon Wolcott, Mayor**

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

Attest:

By: \_\_\_\_\_  
City Clerk Date

The foregoing Intergovernmental Agreement IGA FCD 2014A002 has been reviewed pursuant to Arizona Revised Statutes 11-952, as amended, by the undersigned attorney who has determined that it is in proper form and within the power and authority granted to the City of Surprise under the laws of the State of Arizona.

By: \_\_\_\_\_  
City Attorney Date

**CITY OF PEORIA**  
**A Municipal Corporation,**

**Bob Barrett, Mayor**

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

Attest:

By: \_\_\_\_\_  
City Clerk Date

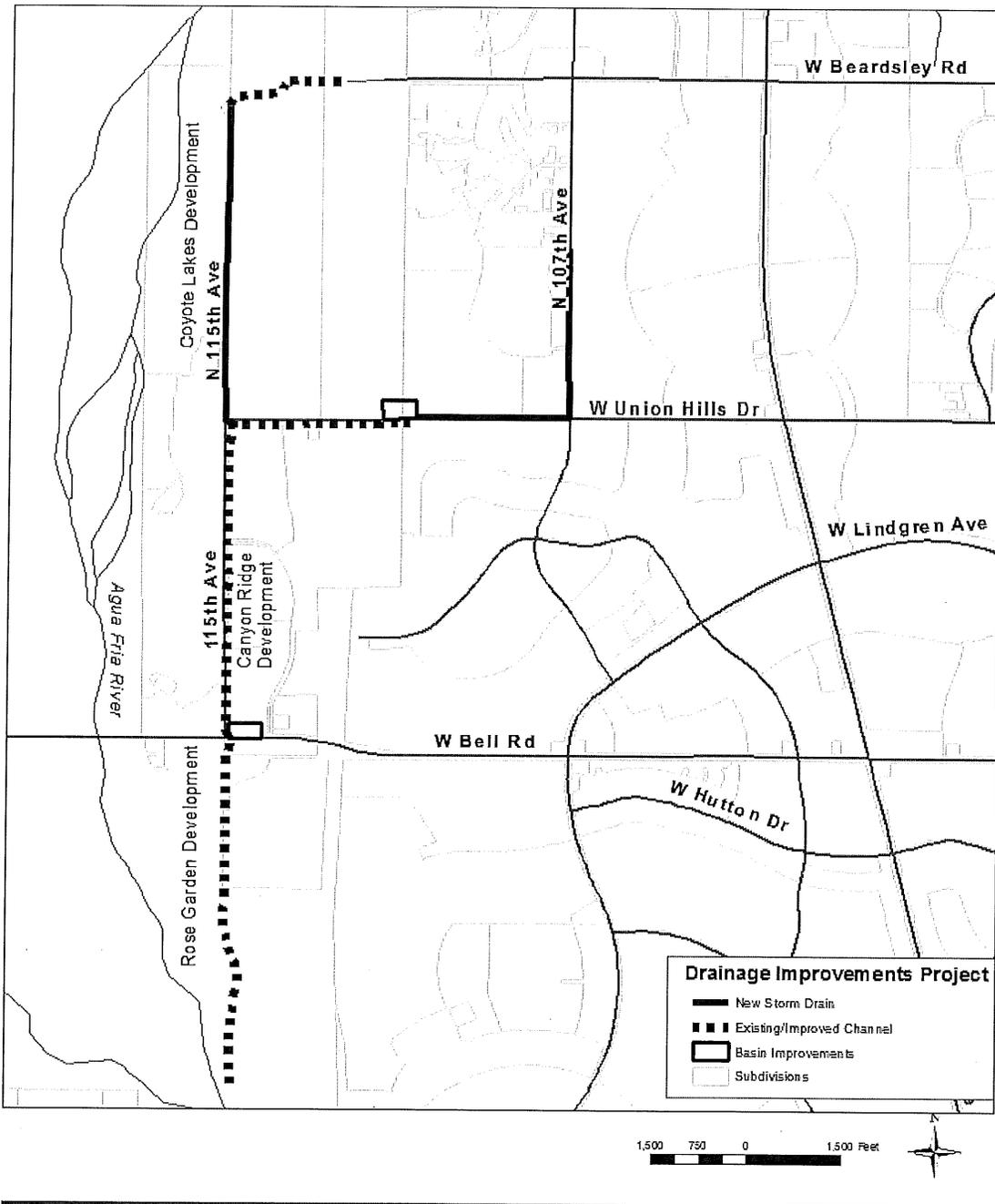
The foregoing Intergovernmental Agreement IGA FCD 2014A002 has been reviewed pursuant to Arizona Revised Statutes 11-952, as amended, by the undersigned attorney who has determined that it is in proper form and within the power and authority granted to the City of Peoria under the laws of the State of Arizona.

By: \_\_\_\_\_  
City Attorney Date





IGA 2014A002  
**EXHIBIT "A"**



**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

**Date Prepared: December 2, 2014**

**Council Meeting Date: December 9, 2014**

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**TO:** Carl Swenson, City Manager  
**FROM:** Brent Mattingly, Finance Director  
**THROUGH:** Jeff Tyne, Deputy City Manager  
**SUBJECT:** Intergovernmental Agreement – Tax Auditing 2015

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**Purpose:**

HB2111 as modified by HB2389 authorizes only the Arizona Department of Revenue (ADOR) to administer Arizona cities' tax audit functions beginning as of January 1, 2015. To enable Arizona cities to continue auditing taxable businesses with a single city presence, ADOR and League of Arizona Cities and Towns propose a modification to the current ADOR/City Intergovernmental Agreement (IGA), as allowed by the current IGA. While ADOR and cities continue to draft a final IGA to encompass all the aspects of the business working relationships between ADOR and the cities, this modification to the current IGA provides a legal basis by which the City will continue to perform tax audit functions.

**Background:**

The City of Peoria adopted the Model City Tax Code in 1987. It is the intent and policy of the City of Peoria to cooperate with other cities and governments with the implementation of the tax and license requirements per HB2111 (2013) and HB2389 (2014) otherwise known as 'tax simplification'.

**Summary:**

The Tax & License Section of the Revenue Division has reviewed and commented on the proposed IGA modification along with the staff from various other taxing jurisdictions and in conjunction with the League of Arizona Cities and Towns. The City Attorney's office and several other attorneys from cities and towns have also reviewed and commented on the proposed IGA.

**Recommendation:**

That the Mayor and City Council approve Resolution No. 2014-175 authorizing the Mayor to execute the modification to the existing Intergovernmental Agreement (IGA) between the City of Peoria and the State of Arizona Department of Revenue (ADOR) for tax audit functions beginning January 1, 2015.

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This agreement will not result in any budgetary impact to the City

**ATTACHMENTS:**

1. Intergovernmental Agreement
2. Resolution No. 2014-175

**MODIFICATION TO INTERGOVERNMENTAL AGREEMENT  
BETWEEN  
THE STATE OF ARIZONA AND CITY/TOWN**

WHEREAS, The Arizona Department of Revenue, hereinafter referred to as Department of Revenue and City/Town of Peoria, hereinafter referred to as City/Town, have entered into an Intergovernmental Agreement regarding the administration of taxes imposed by the State or City/Town dated \_\_\_\_\_, hereinafter referred to as the IGA, and

WHEREAS, The Arizona Legislature has enacted legislation amending the provisions of A.R.S. § 42-6001 et seq. that take effect January 1, 2015, and

WHEREAS, the Department of Revenue and the City/Town are negotiating a comprehensive intergovernmental agreement in accordance with the modified statutory provisions and enter into this modification to the IGA in order to provide an interim method for disclosure of information and audit until the comprehensive agreement is completed and executed.

The parties agree to modify the IGA as follows effective January 1, 2015:

**1. Additional Disclosure of Information by Department of Revenue to City/Town.**

In addition to the information set forth in the IGA, and subject to the same constraints outlined in the IGA, the Department of Revenue shall provide to the City/Town information relating to transaction privilege tax, use tax, severance tax, jet fuel excise and use tax and any other tax collected by the Department of Revenue on behalf of any jurisdiction if the information relates to a taxpayer who is or may be taxable by a county, city or town or who may be subject to audit by the Department of Revenue pursuant to A.R.S. § 42-6002.

**2. Audits.** The Department of Revenue shall administer the audit functions for the City/Town's taxpayers in accordance with the following provisions.

**2.1 Standards:** All audits shall be conducted in accordance with standard audit procedures defined in the Department of Revenue audit manual.

**2.2 Training:** All auditors shall be trained in accordance with the policies of the Department of Revenue.

**2.3 Conflict of Interest:** An auditor that is trained and authorized to conduct an audit may not represent any taxpayer in any tax matter.

**2.4 Single City or Town Audits:** City/Town may conduct an audit of a taxpayer that is engaged in business only in City/Town. Before commencing such audit, City/Town shall notify the Department of Revenue.

**2.5 Other Audits:** The Department of Revenue shall conduct all audits of taxpayers that have locations in two or more cities or towns unless the Department of Revenue expressly authorizes City/Town to conduct such an audit.

**2.6 Jurisdictions Included in Audit:** All audits shall include all taxing jurisdictions in this State regardless of which jurisdiction conducts the audit.

**2.7 Assessments:** The Department of Revenue shall issue all audit assessments on behalf of all taxing jurisdictions in a single notice to the taxpayer.

**2.8 Appeals:** Appeals of audit assessments shall be directed to the Department of Revenue and shall be administered pursuant to A.R.S. § 42-1251 et seq.

**2.9 Notice:** The Department of Revenue shall notify City/Town before entering into any compromise, closing, settlement or other agreement with a person related to the tax levied and imposed by the City/Town.

**3. Merger.** All other terms of the IGA not in conflict with this Modification or the statutory amendments remain in full force and effect until the IGA is terminated.

**4. Signature Authority.**

31.1 By signing below, the signer certifies that he or she has the authority to enter into this Agreement and has read the foregoing and agrees to accept the provisions herein.

31.2 This Intergovernmental Agreement may be executed in counterpart.

Signature	Date	Signature	Date
Typed Name and Title		Typed Name and Title	
Entity Name		Entity Name	
<b>RESERVED FOR THE ATTORNEY GENERAL:</b>		<b>RESERVED FOR CITY/TOWN ATTORNEY:</b>	
<p>Attorney General no. _____, which is an agreement between public agencies, has been reviewed pursuant to A.R.S. § 11-952 by the undersigned Assistant Attorney General who has determined that it is in proper form and is within the powers and authority granted under the laws of the State of Arizona to the Arizona Department of Revenue represented by the Attorney General.</p> <p style="text-align: center;"><b>TOM HORNE</b> The Attorney General</p> <hr/> <p style="text-align: center;">Signature Assistant Attorney General</p> <p>Date: _____</p>		<p>APPROVED AS TO FORM AND AUTHORITY:</p> <p>BY: _____ CITY/TOWN ATTORNEY</p> <p>Date: _____</p>	

RESOLUTION NO. 2014-175

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF PEORIA, MARICOPA COUNTY, ARIZONA, AUTHORIZING EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT, BETWEEN THE CITY OF PEORIA AND THE ARIZONA DEPARTMENT OF REVENUE REGARDING TAX AUDIT FUNCTIONS FOR 2015.

WHEREAS, the Mayor and City Council of the City of Peoria are empowered pursuant to Arizona Revised Statutes § 11-952 *et seq.* and Peoria City Charter Article 1, Section 3(15) to enter into intergovernmental agreements and contracts for services and/or the joint exercise of powers common to the contracting parties for the purpose of joint or cooperative action incident thereto; and

WHEREAS, the City of Peoria desires to enter into an intergovernmental agreement proposed by the Arizona Department of Revenue regarding the audit functions beginning January 1, 2015; and

WHEREAS, the City of Peoria has examined and approved the form and content of the proposed Intergovernmental Agreement modification and is now determined to enter into the agreement for the purposes stated therein.

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

Section 1. The Mayor and City Council of the City of Peoria hereby approves and authorizes the Mayor to execute a modification to an Intergovernmental Agreement with the Arizona Department of Revenue, on behalf of the City of Peoria.

PASSED AND ADOPTED by the Mayor and City Council of the City of Peoria, Maricopa County, Arizona this 9<sup>th</sup> day of December, 2014.

**CITY OF PEORIA**, an Arizona municipal corporation

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

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Rhonda Geriminsky, City Clerk

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

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 10C

**Date Prepared:**  
**November 24, 2014**

**Council Meeting Date:**  
**December 9, 2014**

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**TO:** Carl Swenson, City Manager  
**FROM:** Bobby Ruiz, Fire Chief  
**THROUGH:** Jeff Tyne, Deputy City Manager  
**SUBJECT:** Rural/Metro Mutual-Aid Agreement

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**Purpose:**

To update the Mutual-Aid Agreement between the city of Peoria and the Rural/Metro Corporation.

**Background/Summary:**

The most current Mutual-Aid Agreement between the city of Peoria and the Rural/Metro Corp. on file is dated July 29, 1978. Many things have changed since then, including our ability to send Rural/Metro an invoice for our services when asked by them to provide fire and/or EMS services in their service area.

The current system for invoicing Rural/Metro for our services is based on a fee schedule that is not in any signed agreement. A verbal agreement was agreed to approximately ten years ago for the Rural/Metro Corp. to pay the city of Peoria for emergency responses handled by the Peoria Fire Department.

An updated Mutual-Aid Agreement between the city and the Rural/Metro Corp. has been developed, along with an updated fee schedule that the fire department will follow when billing Rural/Metro for our services from this point forward.

**Previous Actions:**

Abided by the Mutual-Aid Agreement as written.

Invoiced the Rural/Metro Corp. for emergency responses handled by the Peoria Fire Department using the current fee schedule to determine the amount of the invoice.

**Options:**

**A:** Remain with the current Mutual-Aid Agreement for emergency responses. Remain with the current fee schedule for emergency response invoicing.

**B:** Adopt the updated Mutual-Aid Agreement for emergency responses, including the appendix outlining the revised fee schedule.

**Staff's Recommendation:**

Option B.

**Fiscal Analysis:**

Increased receivables due to the increase in the fee schedule.

**Narrative:**

The current Mutual-Aid Agreement is outdated and in need of the recommended revisions. Additionally, the updated fee schedule is in the new Mutual-Aid Agreement as an appendix, and can be changed as needed without revising the whole document. The new updated fee schedule also reflect what our true current costs of operation are.

**Exhibit(s):**

2014-Rural/Metro Mutual-Aid Agreement  
Appendix A – Updated Fee Schedule

**Contact Name and Number:**

Fire Chief Bobby Ruiz  
Ext. 7380

FIRE, MEDICAL EMERGENCIES, AND RESCUE MUTUAL-AID AGREEMENT  
BETWEEN CITY OF PEORIA AND RURAL/METRO CORPORATION

This Fire, Medical Emergencies, and Rescue Agreement (“Agreement”), made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2014, between the City of Peoria, Arizona, a municipal corporation (“City”), and Rural/Metro Corporation, an Arizona corporation (“Rural/Metro”); individually a “Party” and collectively the “Parties.”

RECITALS

Whereas, the Parties entered into an agreement dated July 29, 1978 to provide mutual aid to each other for fire, medical emergencies, and rescue services;

Whereas, since 1978 the Parties have had a mutually beneficial relationship concerning such mutual aid; and

Whereas, it is the desire of the Rural/Metro Corp. and the City of Peoria to enter into this new mutual-aid agreement for fire, medical emergencies, and rescue services.

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises contained herein, the Parties agree as follows:

1. City Response to Rural/Metro Calls. That the Fire Department of the City may respond to calls for help received from the Fire Chief of Rural/Metro or other authorized person in command of or responsible for the fire protection for Rural/Metro, provided that the response is to be given only when the City is not otherwise occupied and only when the services of the responding unit can be spared by the City with a margin of safety to protect the citizens and property of Peoria, Arizona, and provided also that Rural/Metro agrees not to call for such help unless (a) the fire, medical emergency or rescue is of such a nature that it cannot be handled by their equipment due to resources being committed to other fires, medical emergencies or rescues simultaneously, or (b) due to the geographical distance to the call for service it would be advisable to seek assistance by a closer provider.

2. Rural/Metro Response to City Calls. That Rural/Metro may respond to calls for help received from the Fire Chief of the City or other authorized person in command of or responsible for the fire protection in the City; provided, however, that response is to be given only when Rural/Metro is not otherwise occupied and only when the services of the responding unit can be spared by Rural/Metro with a margin of safety to protect their citizens and property; and provided also that the City agrees not to call for such help unless (a) the fire, medical emergency or rescue is of such a nature that it

cannot be handled by their equipment due to resources being committed to other fires, medical emergencies or rescues simultaneously, or (b) due to the geographical distance to the call for service it would be advisable to seek assistance by a closer provider.

3. Role of the Fire Chiefs in Providing Assistance. It is understood and agreed that the Fire Chief, or his/her designee, of the Party requesting assistance shall be the sole judge of how much assistance is needed, and the Fire Chief, or his/her designee, of the Party receiving the request for assistance shall be the sole judge of how much the requested assistance it shall furnish in a given instance, and neither Party is in any way liable to the other or to any other person, firm, or corporation for failure to give the assistance asked.

4. Working Under the Direction of a Fire Chief. It is understood and agreed that the assisting fire units shall work under the direction of the Fire Chief or other authorized persons directing the fire fighting, emergency medical services, or rescue operations for the Party requesting the assistance.

5. City Receiving Payment for Services Provided. It is understood that the City will receive payment for all calls for service initiated through mutual-aid with all subsidiaries of Rural/Metro. A reimbursement schedule is agreed upon by both Parties and is included in this Agreement as Appendix A.

6. Term. This Agreement shall continue in force until terminated by formal act of the governing body of either or both Parties to this Agreement, and if terminated by one only, 30 days notice of intention to terminate shall be given to the other Party.

7. Assignment. No Party may assign this Agreement without first obtaining the advance written approval of the other Party, which approval may be granted or withheld in the sole and unfettered discretion of such other Party.

8. Applicable Law and Venue. The laws of the State of Arizona shall govern the interpretation and enforcement of this Agreement, without regard to conflicts of laws principles. Any mediation, arbitration, or legal proceedings initiated to enforce the terms and conditions of this Agreement shall be conducted in Peoria, Arizona, or in the Maricopa County Superior Court or the United States District Court for the District of Arizona, as appropriate.

9. Rights and Remedies are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties are cumulative, and the exercise by either Party of one or more of its rights or remedies shall not preclude the

exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

10. Indemnity and Insurance.

a. Each Party shall indemnify and hold harmless the other Party, its directors, officers, employees, and agents, for, from and against all claims, demands, suits and costs including, but not limited to, costs of defense, reasonable attorneys' fees, witness fees of any type, losses, damages, expenses and liabilities, whether direct or indirect, and whether to any person including, but not limited to, employees of the Party, or to property, to which the other Party, its directors, officers, employees, or agents may be put or subject to by reason of (i) any act or omission by the respective Party, or any of its directors, officers, employees, agents, or invitees relating to the Party's actions under this Agreement by any person or entity, including but not limited to the Party and the party's employees, agents, contractors, or invitees; or (ii) any failure on the part of the other Party, or any of its directors, officers, employees, or agents to fulfill its obligations hereunder except to the extent that any loss, damage, expense, and liability is attributable to the negligent or willful acts and misconduct of the Party, its directors, officers, employees, and agents. The provisions of this Section shall survive revocation and/or termination of this Agreement.

b. Each party shall secure and maintain during the life of this Agreement statutory worker's compensation and employer's liability insurance, commercial general liability, public liability and property damage and automobile liability insurance, including contractual liability, with limits of not less than \$1,000,000.00 combined single limit per occurrence and not less than \$2,000,000.00 general aggregate. Each party shall retain the option of discharging this obligation by means of funded self-insurance. Should coverage be provided on a claims-made basis, the reporting period for claims shall be written so that it can be extended for two years.

11. Notices, Demands, and Communications Between the Parties. All notices, demands, and communications between the Parties under this Agreement shall be given either by (i) personal service, (ii) delivery by a reputable document delivery service such as Federal Express that provides a receipt showing date and time of delivery, (iii) facsimile or email with a hard copy sent by United States mail; or (iv) by mailing in the United States mail, certified mail, postage prepaid, return receipt requested, addressed to:

To City: City Manager  
City of Peoria  
8401 W. Monroe Street  
Peoria, Arizona 85345

With a copy to: Fire Chief  
City of Peoria  
8401 W. Monroe Street  
Peoria, Arizona 85345

With a copy to: City Attorney  
City of Peoria  
8401 W. Monroe Street  
Peoria, Arizona 85345

To Rural/Metro: Ted Beam – Fire Chief  
9221 E. Via De Ventura  
Scottsdale, Az. 85258

With copy to: General Council  
9221 E. Via De Ventura  
Scottsdale, Az. 85258

Notices personally delivered, sent by fax or email with a confirmation by United States mail or delivered by document delivery service shall be deemed effective on the second business day following deposit in the United States mail. Such written notices, demands, and communications shall be sent in the same manner to such other addresses as any Party may from time to time designate by mail.

12. Entire Agreement, Waivers, and Amendments. This Agreement integrates all of the terms and conditions mentioned herein, or incidental hereto, and supersede all negotiations or previous agreements between the Parties with respect to all or any part of the subject matter hereof. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the Party to be charged, and all amendments and modifications hereto must be in writing and signed by the appropriate authorities of the City and Company.

13. No Third Party Beneficiaries. This Agreement is made and entered into solely for the benefit of the City and Rural/Metro. No other person shall have any right of action or claim under or by reason of this Agreement.

14. No Partnership or Joint Venture. Nothing in this Agreement is intended to or does establish the Parties as partners, joint venturers, or principal and agent with each other.

15. Conflicts of Interest. The provisions of A.R.S. § 38-511 are applicable to this Agreement.

IN WITNESS WHEREOF, the City and Rural/Metro have executed this Agreement through their representatives duly authorized to execute this Agreement and bind their respective entities to the terms and obligations contained herein to be effective on the date first written above.

RURAL/METRO FIRE DEPARTMENT, INC.

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

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

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

THE CITY OF PEORIA:

\_\_\_\_\_  
Carl Swenson, City Manager

ATTEST:

\_\_\_\_\_  
Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

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

## Appendix A - Rural / Metro Billing Rates

<u>Apparatus / Number of Personnel</u>	<u>New Hourly Rate</u>	<u>15 Minute Increment Rate</u>	<u>Old Rate</u>
Brush Truck / Two Personnel	<b>\$228.38 / Per Hour</b>	\$57.10 / Per 15 Minutes	\$132.00 / Per Hour
Fire Engine / Four Personnel	<b>\$426.76 / Per Hour</b>	\$106.69 / Per 15 Minutes	\$241.00 / Per Hour
Ladder Tender / Four Personnel	<b>\$426.76 / Per Hour</b>	\$106.69 / Per 15 Minutes	\$241.00 / Per Hour
Ladder Truck / Four Personnel	<b>\$513.76 / Per Hour</b>	\$128.44 / Per 15 Minutes	\$328.00 / Per Hour
Command Vehicle / Two Personnel	<b>\$244.38 / Per Hour</b>	\$61.10.44 / Per 15 Minutes	\$101.00 / Per Hour
Support Vehicle / Two Personnel	<b>\$228.38 / Per Hour</b>	\$57.10 / Per 15 Minutes	\$132.00 / Per Hour
Water Tender / One Person	<b>\$183.69 / Per Hour</b>	\$45.93 / Per 15 Minutes	\$145.00 / Per Hour
Staff Vehicle / One Person	<b>\$147.69 / Per Hour</b>	\$36.92 / Per 15 Minutes	\$65.00 / Per Hour

All billing will be done starting with a One Hour minimum, and then will be in 15 minute increments; starting with Dispatch time, and ending with Available On Radio (AOR) time.

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 11C

**Date Prepared: November 17, 2014**

**Council Meeting Date: December 9, 2014**

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**TO:** Carl Swenson, City Manager

**FROM:** Brent Mattingly, Chief Financial Officer  
John Imig, Chief Technology Officer

**THROUGH:** Jeff Tyne, Deputy City Manager  
Susan Daluddung, Deputy City Manager

**SUBJECT:** Technology Project Budget – Security Issue

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**Purpose:**

Discussion and possible action to approve a budget adjustment in the amount of \$19,815 to cover costs associated with the sales tax scanning and imaging management software upgrade.

**Background/Summary:**

The Sales Tax scanning and imaging management software, (iCapture/Alchemy) is used to scan and store sales tax returns, renewals and applications. An update to a newer version of the system is necessary in order for the system to be compatible with the city's Windows 7 desktop operating system, which replaced the no longer supported Windows XP. Additionally, the server on which the system resides is currently running the Windows Server 2003 operating system which Microsoft will discontinue support for in July 2015. If the iCapture/Alchemy server is not upgraded to the newest version of the Windows Server operating system, it will have to be taken off the City network (i.e. unable to be used) due to no longer being compliant with current security regulations and best practices.

**Previous Actions:**

The State Legislature passed HB2111 which mandated that the State Department of Revenue take over all administration of sales tax. As such, Peoria staff believed there would be no need to upgrade the City's sales tax scanning and imaging software to comply with the Microsoft support deadline. However, the State has now notified cities that they will not be prepared to take over the tax administration duties until at least January 2016.

As such, the City of Peoria will continue to administer city sales taxes and will continue using the existing tax scanning and imaging software. We will continue to need to use these systems beyond the date when Microsoft will no longer support the current operating system and server system. Recently, the tax scanning and imaging vendor (Impression Technology) provided the city with a quote to upgrade to iCapture 5.0. The project cost includes iCapture 5.0 installation, configuration, porting and integration testing (\$7,040), Alchemy 9.0 software

(\$695), professional consulting assistance (\$2,000), iCapture 5.0 licensing (\$1,495), Alchemy 9.0 server (\$950), Alchemy 9.0 installation, configuration porting and integration testing (\$5,635), and project contingencies (\$2,000).

**Options:**

- A:** Approve the use of reserves and a budget adjustment of \$19,815 from the General Fund to cover the additional iCapture/Alchemy upgrade costs.
  
- B:** Do not approve the use of reserves and a budget adjustment of \$19,815 from the General Fund. This would prevent the city from being able to completely migrate the iCapture/Alchemy server to Windows Server 2003, causing the server to be out of compliance with security regulations and best practices.

**Staff's Recommendation:**

Staff recommends approval of the use of reserves and a budget adjustment of \$19,815 from the General Fund - Contingency account 1000-0300-570000 to Sales Tax - Other Professional Services account 1000-0420-520099 to provide additional funding necessary to complete the iCapture/Alchemy upgrade project.

**Fiscal Analysis:**

This is a one-time expense of \$19,815 using General Fund reserves.

**Contact Name and Number:**

Brent Mattingly, Chief Financial Officer, 623-773-7134  
John Imig, Chief Technology Officer, 623-773-7253

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

**Date Prepared: November 18, 2014**

**Council Meeting Date: December 9, 2014**

**TO:** Carl Swenson, City Manager  
**FROM:** Andrew Granger, P.E., Engineering Director  
**THROUGH:** Susan J. Daluddung, Deputy City Manager  
**SUBJECT:** Budget Amendment, Collision Analysis Software (Project No. TE-1401)

**Purpose:**

This is a request for City Council to approve a budget amendment in the amount of \$25,000 for FY 2015 to purchase collision analysis software (Crash Magic), per the approved Intergovernmental Agreement (IGA) / Joint Project Agreement (JPA), adopted by Resolution No. 2014-76, on May 20, 2014. Per the IGA/JPA, the City of Peoria is responsible for funding \$25,000 of which, \$23,575.00 (94.3%) is reimbursable through the Federal Highway Safety Administration’s (FHWA) annual Highway Safety Improvement Program (HSIP).

**Background/Summary:**

The City, along with seven other municipalities, applied jointly through Maricopa Association of Governments (MAG) for a grant for the Highway Safety Improvement Program (HSIP). Arizona Department of Transportation (ADOT), through HSIP, is responsible for administering the project. The table listed below shows the total cost of the project and the cost to the City:

<b>Crash Magic Software Costs – HSIP</b>								
<b>Partnering Agencies</b>	<b>Project Title</b>		<b>FY</b>	<b>Total Project Cost(\$)</b>	<b>Initial Cost to City</b>	<b>Federal @94.3%</b>	<b>Local @5.7%</b>	<b>Non-Reimbursable</b>
1. Chandler 2. Mesa 3. Avondale 4. Peoria 5. Phoenix 6. Tempe 7. Fountain Hills 8. Scottsdale	Crash Analysis Software Upgrade	Ph 1	2014	\$30,000	\$ 3,750	\$ 28,290	\$1,710	\$ 213.75
Ph 2		2015	\$200,000	\$25,000	\$188,600	\$11,400	\$1,425.00	
				\$230,000	\$28,750	\$216,890	\$13,110	\$1,638.75

ADOT Local Governments Section serves as the project administrator for the HSIP within the Phoenix-Metro area. In addition, MAG, ADOT, and the City ensure that projects in the HSIP are administered to meet the criteria required by the funding sources and programs.

On May 20, 2014, Council approved IGA/JPA No. 14-0004151-I (LCON02814) and adopted Resolution No. 2014-76 for procuring the software which included license, installation, and configuration for Phase 1 of the project during FY 2014. ADOT has completed the procurement process with PD Magic as the vendor.

Phase 2 of the project is to install the software by the vendor.

**Previous Actions:**

1. December 13, 2013 - City along with seven other partnering agencies applied for federal funds for Collision Analysis Software upgrade through HSIP. The current cost estimate for the project is \$230,000 which includes the license, installation and configuration of the software, data migration from the existing Intersection Magic Software to the new system.
2. February 19, 2014 - ADOT approved the project and the City confirmed its desire to participate in this program and was assigned the following project identification numbers: MAG TIP Number: CHN 14-111, ADOT TRACS Number SH622 01D (Scoping and Design – Phase 1 and SH 622 01X (Procurement – Phase 2), and Federal Project Number PEO-0(221)T
3. May 20, 2014 - Council approved the initial cost of \$3,750.00 (Federal \$3,536; City of Peoria \$214) for Phase 1.

**Options:**

- A: Approve a budget amendment to purchase software, utilizing HSIP Funds, to analyze collision data;
- B: Deny the budget amendment, resulting in the City not having the software to analyze collision data, which staff believes to be vital for on-going safety analysis.

**Staff's Recommendation:**

Staff recommends accepting the budget amendment so that the City can utilize the HSIP Funds to purchase the software.

**Fiscal Analysis:**

The total cost of the project is \$230,000, of which the City's portion is \$28,750. This is a multi-year project, which had an FY14 cost to the City of \$3,750 with \$3,536 being reimbursable. The FY15 cost to the City is \$25,000, of which \$23,575 will be reimbursable. Total non-reimbursable cost to City is \$1,639 for FY14 and FY15 and is programmed within the Traffic Engineering budget.

Staff's request is for a budget amendment to the Computer Software account (7000-7043-530021) from the General Fund Contingency (1000-0300-570000) for \$23,575 and \$1,425 to the Traffic Engineering Other Professional Services account (7000-7043-520099).

**Narrative:**

This budget amendment has been reviewed by the Engineering Department, Finance Department, Materials Management Division, and the City Attorney's office.

**Exhibits:**

Exhibit 1: Resolution No. 2014-76

**Contact Name and Number:** Jamal Rahimi, City Traffic Engineer, X7224

RESOLUTION NO. 2014-76

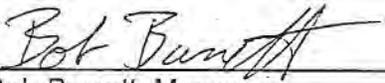
A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF PEORIA, ARIZONA, ADOPTING A RESOLUTION APPROVING THE INTERGOVERNMENTAL AGREEMENT WITH THE STATE OF ARIZONA AND THE CITY OF PEORIA FOR UPGRADING THE INTERSECTION MAGIC SOFTWARE WITH CRASH MAGIC SOFTWARE

WHEREAS, the City of Peoria (City) Mayor and City Council are authorized by Title 9, Chapter 2, Article 4, Section 9-276 (1) to lay out and establish or otherwise improve streets, alleys, avenues, sidewalks, etc. and by Title 11, Chapter 7, Section 11-951 *et seq.* to enter into Intergovernmental Agreements with other governing bodies for services or joint exercise of powers; and

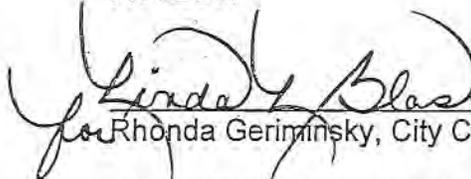
WHEREAS, the City desires to enter into an Intergovernmental Agreement with the State of Arizona for procuring Crash Magic software, which includes the license, installation, and configuration of the software, including data migration from the existing Intersection Magic database to the new system; and

THEREFORE, BE IT RESOLVED that the Mayor and City Council of the City of Peoria, Arizona approves and adopts this Resolution to enter an Intergovernmental Agreement with the State of Arizona, and the City of Peoria (attached) for upgrading the Intersection Magic software.

PASSED AND APPROVED by the Mayor and City Council of the City of Peoria, Arizona this 20<sup>th</sup> day of May, 2014.

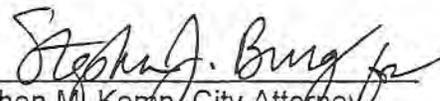
  
\_\_\_\_\_  
Bob Barrett, Mayor

ATTEST:

  
\_\_\_\_\_  
Rhonda Geriminsky, City Clerk



APPROVED AS TO FORM:

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

Attachment:

1. Intergovernmental Agreement

ADOT CAR No.: IGA /JPA 14-0004151-1  
AG Contract No.: P001 2014 001194  
Project: Crash Magic Online Software  
Federal-aid No.: PE0-0(221)T  
ADOT Project No.: SH622 01D/01X  
TIP/STIP No.: CHN14-111  
CFDA No.: 20.205 - Highway Planning  
and Construction  
Budget Source Item No.: HSIP

## INTERGOVERNMENTAL AGREEMENT

BETWEEN  
THE STATE OF ARIZONA  
AND  
CITY OF PEORIA

THIS AGREEMENT is entered into this date June 10, 2014, pursuant to the Arizona Revised Statutes §§ 11-951 through 11-954, as amended, between the STATE OF ARIZONA, acting by and through its DEPARTMENT OF TRANSPORTATION (the "State" or "ADOT") and the CITY OF PEORIA, acting by and through its MAYOR and CITY COUNCIL (the "City"). The State and the City are collectively referred to as "Parties."

### I. RECITALS

1. The State is empowered by Arizona Revised Statutes § 28-401 to enter into this Agreement and has delegated to the undersigned the authority to execute this Agreement on behalf of the State.
  2. The City is empowered by Arizona Revised Statutes § 28-572 to enter into this Agreement and has by resolution, a copy of which is attached hereto and made a part hereof, resolved to enter into this Agreement and has authorized the undersigned to execute this Agreement on behalf of the City.
  3. In accordance with the Moving Ahead for Progress in the 21st Century Act (MAP-21), Highway Safety Improvement Program (HSIP) funds have been approved by Federal Highway Administration (FHWA) for the statewide crash data improvement effort for Arizona.
  4. The purpose of this Agreement between the State and the City is to allow the State to acquire federal funds to upgrade the City's crash data analytical software. The federal funds will be used for the procurement of the license, installation and configuration of the software, data migration from the City's existing database to the new system and State administration, hereinafter referred to as the "Project".
  5. The Parties shall perform their responsibilities consistent with this Agreement and any change or modification to the Project will only occur with the mutual written consent of both Parties.
-

6. The estimated Project costs are as follows:

**SH622 01D (Scoping/Design):**

Federal-aid funds @ 94.3% (capped)	\$ 3,536.00
City's match @ 5.7%	\$ 214.00
<b>Subtotal - Scoping/Design*</b>	<b>\$ 3,750.00</b>

**SH622 01X (Procurement):**

Federal-aid funds @ 94.3% (capped)	\$ 23,575.00
City's match @ 5.7%	\$ 1,425.00
<b>Subtotal – Procurement</b>	<b>\$ 25,000.00</b>

**Summary:**

<b>Total Estimated Town Funds</b>	<b>\$ 1,639.00</b>
<b>Total Federal Funds</b>	<b>\$ 27,111.00</b>

<b>TOTAL Project Cost</b>	<b>\$ 28,750.00</b>
---------------------------	---------------------

\*(Includes the ADOT Project Management Design Review (PMDR) costs)

The Parties acknowledge that the final Project costs may exceed the initial estimate(s) shown above, and in such case, the City is responsible for, and agrees to pay, any and all eventual, actual costs exceeding the initial estimate. If the final cost amount is less than the initial estimate, the difference between the final cost amount and the initial estimate will be de-obligated or otherwise released from the Project. The City acknowledges it remains responsible for, and agrees to pay according to the terms of this Agreement, any and all eventual, actual costs exceeding the final bid amount.

**THEREFORE**, in consideration of the mutual Agreements expressed herein, it is agreed as follows:

**II. SCOPE OF WORK**

1. The State will:

a. Upon execution of this Agreement, be the designated agent for the City, in order to acquire funds, as approved by FHWA.

b. Upon execution of this Agreement, and prior to performing or authorizing **any** work, invoice the City for the City's share of the Project design costs, currently estimated at **\$214.00**. If, during the development of the design, additional funding from the City is required, the State will invoice the City in increments of \$5,000.00 to cover projected costs. Once the Project costs have been finalized, the State will either invoice or reimburse the **City** for the difference between estimated and actual design costs.

c. Procure the cost of the equipment and instruct the vendor to deliver equipment directly to the City for final acceptance and to bill the City directly. The State will reimburse the City 94.3% of the federal funds allocated for this Project not to exceed a total of **\$23,575.00** within thirty days (30) of receipt, inspection and final approval of an invoice for equipment purchased under this Agreement.

d. Evaluate the City's Project one (1) year after reimbursement to ensure Project development and implementation. Should the Project not be in place and/or compatible, the State will invoice the City for all federal funds acquired for the Project.

2. The City will:

- a. Upon execution of this Agreement, designate the State as the authorized agent for the City, in order to be eligible for federal funds, as approved by FHWA.
- b. Upon execution of this Agreement and prior to performing or authorizing any work, and within thirty (30) days of receipt of an invoice from the State pay the City's Project design costs, currently estimated at **\$214.00**. If, during the development of the design, additional funding to cover the design costs is required, pay the invoiced amount to the State within thirty (30) days of receipt. Be responsible for any difference between the estimated and actual design costs of the Project.
- c. Invoice the State within thirty (30) days of making payment for equipment, for reimbursement of eligible costs incurred by the City, and provide all necessary backup documentation with said invoice. Be entirely responsible for all costs incurred in performing and accomplishing the work as set forth in this Agreement not covered by federal funding.
- d. Within one (1) year ensure Project development and implementation. Should the Project not be in place and/or complete within one (1) year after federal funds were made available, the City will repay all federal funds received for the Project.
- e. Establish and maintain a data inventory of before and after crashes for this safety improvement project in order for an analysis and evaluation to be carried out as requested by ADOT.
- f. Purchase and install the equipment acquired under this Agreement and maintain all improvements provided by this Project for the entire design life of the equipment.
- g. Notify the State when all equipment has been installed and is ready for inspection.

### **III. MISCELLANEOUS PROVISIONS**

1. Either party may terminate this Agreement for convenience or cause upon thirty (30) days prior written notice to the other party. Upon any termination of this Agreement, the City shall repay all federal funds received for implementation of the Project.
2. The State assumes no financial obligation or liability under this Agreement, or for any resulting construction Project. The City, in regard to the City's relationship with the State only, assumes full responsibility for the design, plans, specifications, reports, the engineering in connection therewith and the construction of the improvements contemplated, cost over-runs and construction claims. It is understood and agreed that the State's participation is confined solely to securing federal aid and related matters; that any damages arising from carrying out, in any respect, the terms of this Agreement or any modification thereof shall be solely the liability of the City and that to the extent permitted by law, the City hereby agrees to save and hold harmless and indemnify from loss the State, any of its departments, agencies, officers or employees from any and all costs and/or damage incurred by any of the above and from any other damage to any person or property whatsoever, which is caused by any activity, condition, misrepresentation, directives, instruction or event arising out of the performance or non-performance of any provisions of this Agreement by the State, any of its departments, agencies, officers and employees, or its independent contractors, the City, any of its agents, officers and employees, or its independent contractors. Costs incurred by the State, any of its departments, agencies, officers or employees shall include in the event of any action, court costs, and expenses of litigation and attorneys' fees.
3. The Parties warrant compliance with the Federal Funding Accountability and Transparency Act of 2006 and associated 2008 Amendments (the "Act"). Additionally, in a timely manner, the City will provide information that is requested by the State to enable the State to comply with the requirements of the Act, as may be applicable.

4. The City acknowledges compliance with federal laws and regulations and may be subject to the Office of Management and Budget (OMB), Single Audit, Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations). Entities that expend \$500,000 or more (prior to 12/26/14) and (\$750,000 or more on or after 12/26/14) of Federal assistance (Federal funds, Federal grants, or Federal awards) are required to comply by having an independent audit. A copy (paper or electronic) of the Single Audit is to be sent to Arizona Department of Transportation Financial Management Services within the required deadline of nine (9) months of the sub recipient fiscal year end.

ADOT – FMS  
Cost Accounting Administrator  
206 S 17th Ave. Mail Drop 204B  
Phoenix, AZ 85007  
Singleaudit@azdot.gov

5. This Agreement shall become effective upon signing and dating of the Determination Letter by the State's Attorney General.

6. This Agreement may be cancelled in accordance with Arizona Revised Statutes § 38-511.

7. To the extent applicable under law, the provisions set forth in Arizona Revised Statutes §§ 35-214 and 35-215 shall apply to this Agreement.

8. This Agreement is subject to all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable Federal regulations under the Act, including 28 CFR Parts 35 and 36. The parties to this Agreement shall comply with Executive Order Number 2009-09 issued by the Governor of the State of Arizona and incorporated herein by reference regarding "Non-Discrimination".

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

10. In the event of any controversy, which may arise out of this Agreement, the Parties hereto agree to abide by required arbitration as is set forth for public works contracts in Arizona Revised Statutes § 12-1518.

11. All notices or demands upon any party to this Agreement shall be in writing and shall be delivered in person or sent by mail, addressed as follows:

Arizona Department of Transportation  
Joint Project Administration  
205 S. 17<sup>th</sup> Avenue, Mail Drop 637E  
Phoenix, Arizona 85007  
(602) 712-7124  
(602) 712-3132 Fax

**City of Peoria**  
Attn: Mannar Tamirisa  
9875 North 85<sup>th</sup> Avenue  
Peoria, AZ 85345  
(623) 773-7652

Intermodal Transportation Division  
Traffic Records Section  
206 S. 17<sup>th</sup> Ave, Mail Drop 064R  
Phoenix, AZ 85007-3233

12. The Parties shall comply with the applicable requirements of Arizona Revised Statutes § 41-4401.

13. The Parties hereto shall comply with all applicable laws, rules, regulations and ordinances, as may be amended.

14. In accordance with Arizona Revised Statutes § 11-952 (D) attached hereto and incorporated herein is the written determination of each Party's legal counsel and that the Parties are authorized under the laws of this State to enter into this Agreement and that the Agreement is in proper form.

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year first above written.

CITY OF PEORIA

STATE OF ARIZONA

Department of Transportation

By *Bob Barrett*  
**BOB BARRETT**  
Mayor

By [REDACTED]  
**DALLAS HAMMIT, P.E.**  
Senior Deputy State Engineer, Development

ATTEST:

By *Rhonda Geriminsky*  
**RHONDA GERIMINSKY**  
for City Clerk



**ATTORNEY APPROVAL FORM FOR THE CITY OF PEORIA**

I have reviewed the above referenced Intergovernmental Agreement between the State of Arizona, acting by and through its DEPARTMENT OF TRANSPORTATION, and the CITY OF PEORIA, an agreement among public agencies which, has been reviewed pursuant to Arizona Revised Statutes §§ 11-951 through 11-954 and declare this Agreement to be in proper form and within the powers and authority granted to the City under the laws of the State of Arizona.

No opinion is expressed as to the authority of the State to enter into this Agreement.

DATED this 21<sup>st</sup> day of May, 2014.

Steph J. Burg  
City Attorney



THOMAS C. HORNE  
ATTORNEY GENERAL

OFFICE OF THE ATTORNEY GENERAL  
TRANSPORTATION SECTION

SUSAN E. DAVIS  
ASSISTANT ATTORNEY GENERAL  
DIRECT LINE: 602-542-8855  
E-MAIL: [SUSAN.DAVIS@AZAG.GOV](mailto:SUSAN.DAVIS@AZAG.GOV)

**INTERGOVERNMENTAL AGREEMENT**  
**DETERMINATION**

A.G. Contract No. P0012014001194 (ADOT IGA/JPA 14-0004151-I), an Agreement between public agencies, the State of Arizona and the City of Peoria, has been reviewed pursuant to A.R.S. §§ 11-952, as amended, by the undersigned Assistant Attorney General who has determined that it is in the proper form and is within the powers and authority granted to the State of Arizona.

No opinion is expressed as to the authority of the remaining Parties, other than the State or its agencies, to enter into said Agreement.

DATED: June 10, 2014

THOMAS C. HORNE  
Attorney General

  
SUSAN E. DAVIS  
Assistant Attorney General  
Transportation Section

SED:rl:#3845368  
Attachment

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 13C

**Date Prepared:** November 17, 2014

**Council Meeting Date:** December 9, 2014

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**TO:** Carl Swenson, City Manager  
**FROM:** Sonia Andrews, Financial Manager  
**THROUGH:** Brent D. Mattingly, Chief Financial Officer  
**SUBJECT:** Investment Report for the Quarter Ended September 30, 2014

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**Purpose:**

This is a request for City Council to review and accept the Investment Report for the Quarter Ended September 30, 2014.

**Background/Summary:**

Effective cash management includes investment of available funds. The City of Peoria invests all available funds, taking into consideration anticipated cash flow requirements and the safety and risk of investments. Investments are made in accordance with the City's Investment Policy and Arizona Revised Statutes Title 35-321 through 35-329. The primary objective of the City's investments, in order of priority, is:

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

Available funds may only be invested in authorized and suitable investments such as US Treasury Obligations, US Agency Obligations, Certificates of Deposits, Commercial Paper rated A-1/P-1, Money Market Funds and the Arizona State Investment Pool. Investment in equity securities, mutual funds, hedge funds, real estate, foreign investments or other risky investments are strictly prohibited.

The Investment Policy imposes a 1 year maximum weighted average maturity on the overall investment portfolio with specific maximum maturities for each type of investment.

The City utilizes FirstSouthwest, an investment advisory firm, to provide advice and assist with managing its investments. All securities are held by a third party custodian in the City's name.

Quarterly investment reports are provided to City Council to report the investment portfolio holdings, maturity distribution, investment performance and compliance with the Investment Policy.

**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:**

Discussion and possible action to review and accept the Investment Report as presented.

**Fiscal Analysis:**

This item has no financial implications.

**Narrative:**

For the quarter ended 9/30/14, the City's investments were fully in compliance with the Investment Policy. Book value of investments at 9/30/14 was \$293,007,953 and investment income for the quarter (7/1/14 to 9/30/14) totaled \$245,346.

The portfolio's weighted average maturity was 360 days and weighted average yield to maturity was 0.378% for the quarter ended 9/30/14.

The attached Investment Report prepared by FirstSouthwest includes the following detail information on the City's investments:

**Contents of Investment Report**

1. Snapshot of investment portfolio (page 1)
2. Benchmark comparisons (page 2)
3. Investment policy compliance and investment income (page 3)
4. National economic trends (page 4)

**Exhibit(s):**

Quarterly Investment Report

**Contact:**

Sonia Andrews, Finance Manager x5206



# Investment Portfolio Summary

City of Peoria



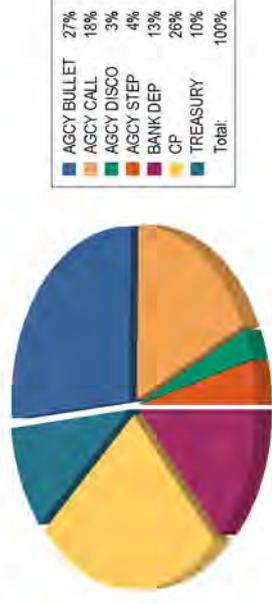
For the Quarter Ended

September 30, 2014

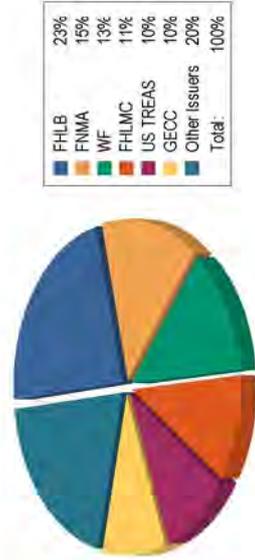
### Account Summary

	Beginning Values as of 06/30/14	Ending Values as of 09/30/14
Par Value	290,413,566.48	292,392,363.75
Market Value	290,856,454.04	292,827,171.41
Book Value	290,915,555.79	293,007,953.44
Unrealized Gain / Loss	(59,101.75)	(180,782.03)
<b>Market Value %</b>	<b>99.98%</b>	<b>99.94%</b>
Weighted Avg. YTW	0.312%	0.346%
Weighted Avg. YTM	0.346%	0.378%

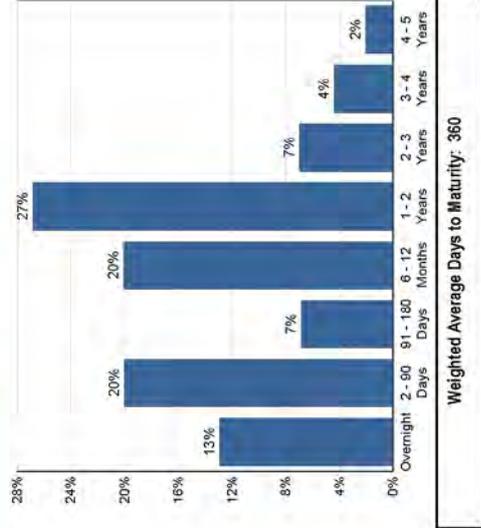
### Allocation by Security Type



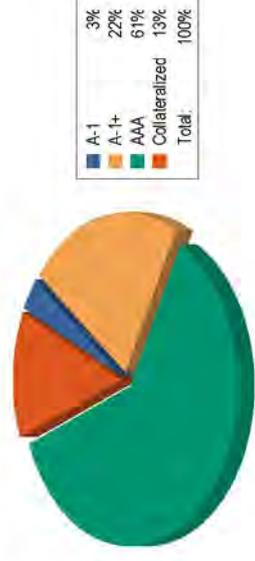
### Allocation by Issuer

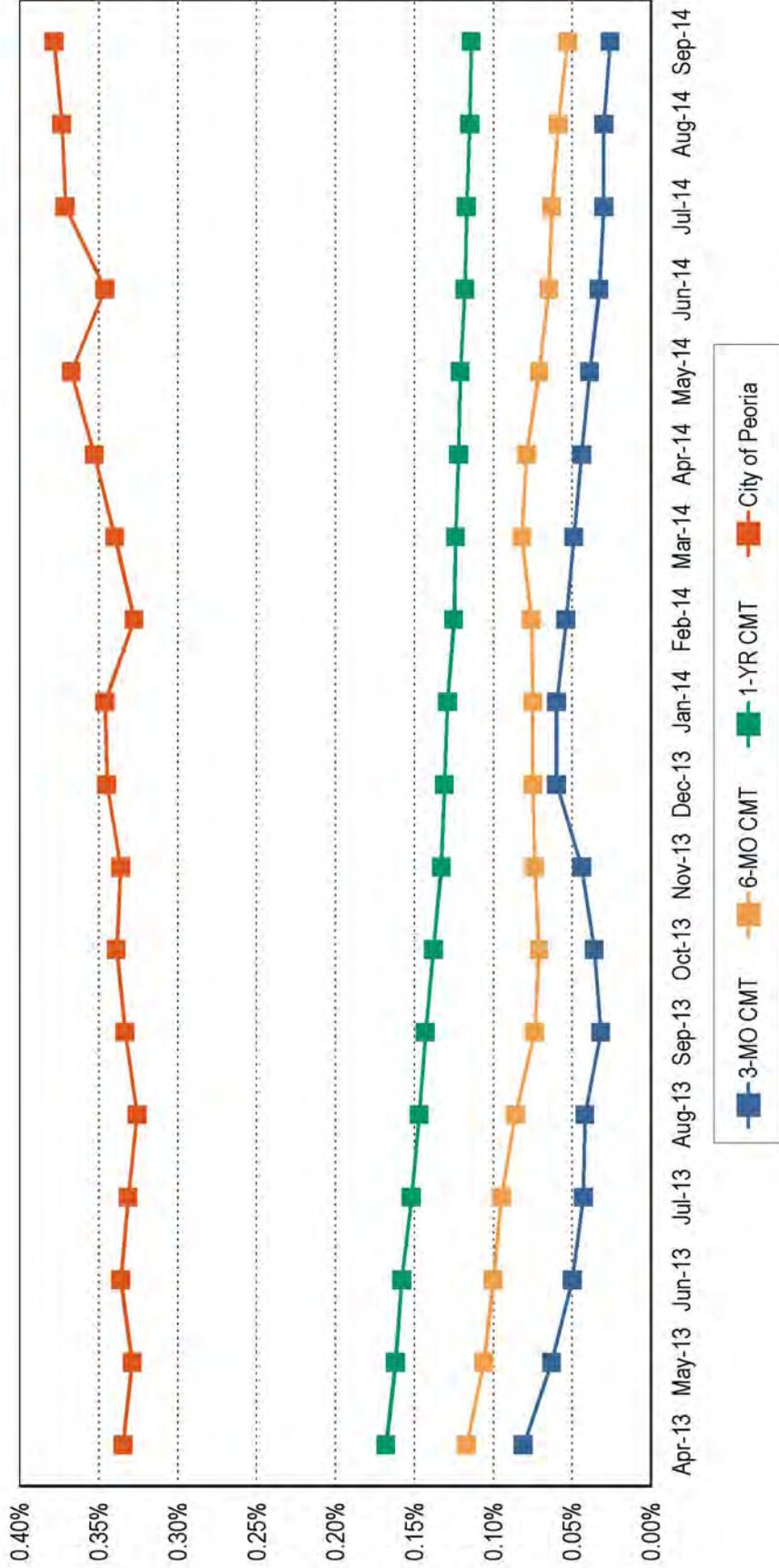


### Maturity Distribution %



### Credit Quality





**Note 1:** CMT stands for Constant Maturity Treasury. This data is published in Federal Reserve Statistical Release H.15 and represents an average of all actively traded Treasury securities having that time remaining until maturity. This is a standard industry benchmark for Treasury securities. The CMT benchmarks are moving averages. The 3-month CMT is the daily average for the previous 3 months, the 6-month CMT is the daily average for the previous 6 months, and the 1-year and 2-year CMT's are the daily averages for the previous 12 months.



**City of Peoria**  
**Investment Policy Compliance and Investment Income**  
**As of 9/30/2014**

Investment Type Allocation:	Book Value	Percent	Policy Maximum	Pass / Fail?
Money Market Funds	37,772,792.32	12.89%	35.00%	Pass
Agencies	151,382,385.42	51.66%	80.00%	Pass
Commercial Paper	75,451,287.53	25.75%	35.00%	Pass
U.S. Treasury	28,401,488.17	9.69%	80.00%	Pass
	<b>293,007,953.44</b>	<b>100.00%</b>		

Maturity Breakdown:	Book Value	Percent	Policy Maximum	Pass / Fail?
Less Than 90 Days	81,264,462.59	27.73%	No Limit	
90 to 180 Days	35,003,726.25	11.95%	No Limit	
181 to 365 Days	58,744,370.49	20.05%	No Limit	
1 to 2 Years	78,531,079.10	26.80%	No Limit	
2 to 3 Years	20,393,476.42	6.96%	No Limit	
More Than 3 Years	19,070,838.59	6.51%	20.00%	Pass
	<b>293,007,953.44</b>	<b>100.00%</b>		

Issuer Allocation:	Book Value	Percent	Policy Maximum	Pass / Fail?
Fannie Mae	42,714,054.32	14.58%	40.00%	Pass
Freddie Mac	32,015,478.54	10.93%	40.00%	Pass
FHLB	66,667,057.36	22.75%	40.00%	Pass
Federal Farm Credit	9,985,795.20	3.41%	40.00%	Pass
U.S. Treasury	28,401,488.17	9.69%	80.00%	Pass
Wells Fargo & Co	9,992,708.30	3.41%	10.00%	Pass
J.P. Morgan Sec	9,985,900.00	3.41%	10.00%	Pass
Wells Fargo MM	37,772,792.32	12.89%	35.00%	Pass
Toyota Mtr Cr	27,481,368.11	9.38%	10.00%	Pass
GE Capital Corp	27,991,311.12	9.55%	10.00%	Pass
	<b>293,007,953.44</b>	<b>100.00%</b>		

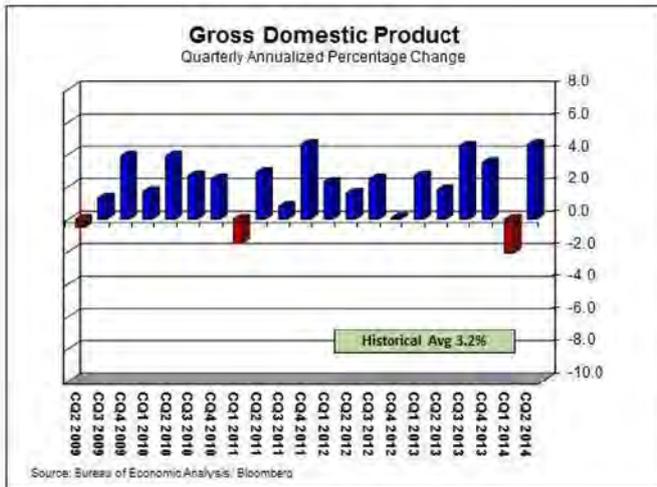
Other Policy Tests:	Pass / Fail?
Policy requires at least 35% of portfolio to mature in less than one year. Current Portfolio Maturing in Less Than One Year = <b>59.7%</b>	Pass
Policy sets a maximum weighted average maturity of 365 days. Current Portfolio Weighted Average Maturity = <b>360</b>	Pass

<b>Investment Income for the Period From 7/1/2014 through 9/30/2014:</b>	
Interest Income	245,346.36
Realized Gains/Losses	-
<b>Net Investment Income</b>	<b>245,346.36</b>

## National Economic Trends

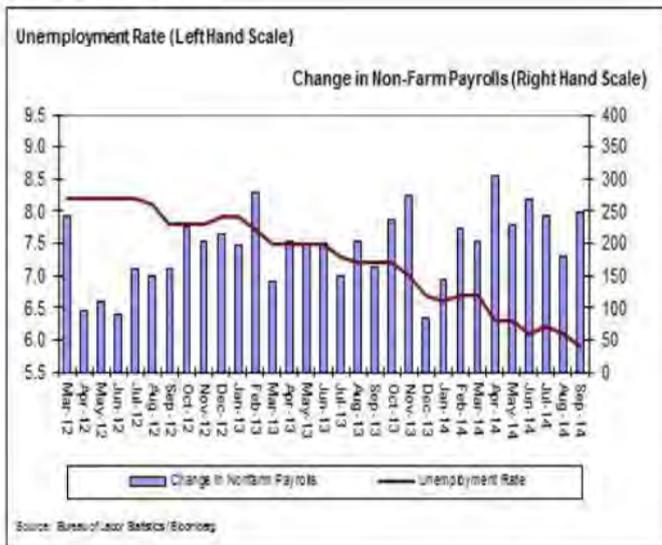
Period ending September 30, 2014

### Gross Domestic Product (GDP)



It's been a volatile year for economy growth. First quarter GDP actually contracted by 2.1% as an unusually harsh winter kept shoppers at home. A second quarter rebound pushed growth well into positive territory at a revised annualized rate of 4.6%. The preliminary reading of third quarter GDP showed that U.S. economy grew at a solid 3.5% annualized rate, well above the 3.0% median forecast; however, 0.7 percentage points were the result of a 16% jump in defense spending, which is likely to reverse itself in the fourth quarter. Net exports added another 1.3pp, which seems odd in the context of a stronger dollar but likely reflects declining oil prices. Personal consumption, a key component of the economy's true underlying strength advanced just 1.8%.

### Nonfarm Payrolls



Solid job growth continues to be the basis for the Fed's winding down of stimulus. Company payrolls rose by 248k in September, while August payroll gains, originally reported at +142k, were revised to +180k, and July payrolls were raised from +212k to +243k. So far in 2014, job growth has averaged 227k per month, well above the 194k average in 2013. The unemployment rate, calculated from a separate household survey, declined from 6.1% to 5.9% in September. On the surface this appears to be a very strong number, but another 97k Americans actually exited the labor force during the month which pulled the participation rate down a notch to 62.7%, the lowest since February 1978. The U6, or "underemployment rate," which includes all those who would accept a suitable fulltime job, if offered, declined from 12% to 11.8%.

## Housing



Existing home sales climbed by 2.4% in September to a 5.17 million unit annual rate, the highest in 12 months, but on a year-over-year basis sales of existing homes are still down 1.7%. The median price increased by 5.6% to \$209,700 from the same period a year ago, while available supply dropped from 5.5 months to 5.3, the lowest level since March. New home sales rose by 0.2% in September to a 467k annual pace. Interesting, the previous month was revised sharply downward from a six-year high of 504k to 466k. The median price for a new home fell by 4% from the same period a year ago to \$259,000. It was the first decline in five months. There were 207,000 new homes available for sale at the end of September, representing the same relatively lean 5.3 month supply as existing homes.

## Retail Sales



After an anemic spring/early summer buying season, consumer spending staged a rebound. Although wage growth was still lackluster, consumers increased their borrowing. Retail sales rose by a substantial 0.6% in August, while July's *unchanged* reading was revised to a respectable +0.3%. Auto sales added to what will likely be the best year for the industry since 2006 as August sales of cars and light trucks reached a 17.45 million unit pace. Unfortunately, consumer purchases slowed into quarter end. Retail sales for September actually fell by 0.3%, suggesting that the global downturn had already reached U.S. shores, while vehicle sales retreated to a less robust 16.34 million unit pace, as dealer inventories cleared of last year's incentive-laden models. Consumer confidence reached a 7-year high of 92.4 in August, before tumbling to a 4-month low of 86 in September.

The paper was prepared by FirstSouthwest Asset Management, is intended for educational and informational purposes only and does not constitute legal or investment advice, nor is it an offer or a solicitation of an offer to buy or sell any investment or other specific product. Information provided in this paper was obtained from sources that are believed to be reliable; however, it is not guaranteed to be correct, complete, or current, and is not intended to imply or establish standards of care applicable to any attorney or advisor in any particular circumstances. The statements within constitute the views of FirstSouthwest Asset Management as of the date of the report and may differ from the views of other divisions/departments of First Southwest Company. In addition, the views are subject to change without notice. This paper represents historical information only and is not an indication of future performance.

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 14C

**Date Prepared:** November 3, 2014

**Council Meeting Date:** December 9, 2014

---

**TO:** Carl Swenson, City Manager

**FROM:** Sonia Andrews, Finance Manager

**THROUGH:** Brent Mattingly, Chief Financial Officer

**SUBJECT:** Fiscal Year 2014 Comprehensive Annual Financial Report, Single Audit Report, Management Letter, and SAS114 Letter

---

**Purpose:**

This is a request for City Council to receive and file the Comprehensive Annual Financial Report, Single Audit Report, Management Letter and SAS114 Letter for the fiscal year ended June 30, 2014.

**Background/Summary:**

**Comprehensive Annual Financial Report (CAFR)**

We are pleased to submit to you the CAFR for fiscal year ended June 30, 2014. This report is prepared annually by the Finance Department and includes basic financial statements, combining fund financial statements, footnotes and other supplementary information prepared in accordance with generally accepted accounting standards for local governments. The financial statements were audited by an independent firm of Certified Public Accountants, Heinfeld, Meech & Co., P.C., whose report is included within. The audit satisfies Article VI, Section 7, of the City Charter, which requires an annual audit of all accounts of the City by an independent certified public accountant.

Responsibility for the accuracy of the information and the completeness and fairness of the presentations, including all disclosures, rests with the management of the City. We believe the information is accurate in all material respects and is presented in a manner which fairly sets forth the financial position and results of operations of the City. Furthermore, we believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

**Single Audit Report**

The City is required to have an independent audit of Federal financial assistance received from Federal agencies, or passed through to the City by the State of Arizona or other governmental entities during the fiscal year (the "Single Audit"). The standards governing Single Audit

engagements require the independent auditor to report on the government's internal controls and compliance with legal requirements having a direct and material impact on major programs, with special emphasis on internal controls and compliance requirements involving the administration of major federal awards. The Single Audit Report from Heinfeld, Meech & Co., P.C. is a separately issued report, copies of which have been provided to Council.

**Management Letter**

As part of the audit process, the auditors also prepare a management letter to present their comments and recommendations for improvements to internal controls and operating efficiencies of the City. A copy of the management letter for the fiscal year ended June 30, 2014, is included with this agenda item. Staff responses to the auditor's recommendations are included in the body of the management letter.

**Statement of Auditing Standards (SAS) 114 Letter**

Additionally, the auditors are required by professional standards to communicate certain information to "those charged with governance". The attached SAS114 letter is that communication. This letter: 1) communicates the responsibilities of the auditors and the City, 2) discusses the audit process, and 3) discusses any issues that may have arisen during the audit or as a result of the audit.

**Previous Actions:**

There are no previous actions for this item.

**Options:**

**A:** Receive and file the Comprehensive Annual Financial Report, Single Audit Report, Management Letter, and SAS114 Letter for the fiscal year ended June 30, 2014.

**B:** Do not receive and file the Comprehensive Annual Financial Report, Single Audit Report, Management Letter, and SAS114 Letter for the fiscal year ended June 30, 2014.

**Staff's Recommendation:**

Staff recommends that Council receive and file the Comprehensive Annual Financial Report, Single Audit Report, Management Letter, and SAS114 Letter for the fiscal year ended June 30, 2014.

**Fiscal Analysis:**

This item has no financial implications.

**Narrative:**

For fiscal year ended June, 30 2014, the City's CAFR received an unqualified opinion from the independent auditors. An unqualified opinion is a "clean" audit report, indicating the auditor's opinion that the financial statements are fairly presented in accordance with accounting principles generally accepted in the United States. This is the desired opinion of each organization. The CAFR is filed with the Arizona Office of the Auditor General and also the Government Finance Officers' Association (GFOA). The City's CAFR has earned the GFOA's Certificate of Achievement for Excellence in Financial Reporting every year since 1985. We will be submitting this 2014 CAFR for consideration of this award again. The CAFR is also filed with the Municipal Securities Rulemaking Board (MSRB) as a required annual continuing disclosure for outstanding bond issues in accordance with SEC Rule 15c2-12.

The Single Audit Report which reports on the City's internal controls and compliance with legal requirements relating to major federal grant programs will be filed with the Federal Audit Clearing House. The City received a "clean" Single Audit Report for fiscal year ended June 30, 2014 indicating that the auditors did not find any material weakness in internal controls or material noncompliance with major federal program requirements.

The Management Letter from the auditors and the SAS114 Letter for the Council are not filed with any external agencies but are required communications from the auditors to the City Council and management of the City. There were no significant issues reported in the Management Letter and SAS 114 Letter.

**Exhibit 1:** Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014

**Exhibit 2:** Single Audit Reporting Package for the year ended June 30, 2014

**Exhibit 3:** 2014 Management Letter

**Exhibit 4:** 2014 SAS114 Letter

**Contact Name and Number:** Sonia Andrews, x 5206

**City of Peoria, Arizona**  
**FY14 Comprehensive Annual**  
**Financial Report (CAFR)**  
Fiscal Year Ended June 30, 2014



# Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2014



## City of Peoria, Arizona

### City Council:

Bob Barrett, *Mayor*  
Ron Aames, *Vice Mayor*  
Ben Toma  
Tony Rivero  
Carlo Leone  
Jon Edwards  
Bill Patena

### Administrative Staff:

Carl Swenson, *City Manager*  
Jeff Tyne, *Deputy City Manager*  
Susan Daluddung, *Deputy City Manager*

### Prepared By: Finance Department

Brent D. Mattingly, *Chief Financial Officer, Finance Director*  
Katie Gregory, *Deputy Finance and Budget Director*  
Sonia Andrews, *Finance Manager*  
Christen Wilcox, *Acting Accounting Supervisor*



## City of Peoria Core Values

*“The City of Peoria team members share a commitment to provide quality service for our community.”*

### **P** Professional

Demonstrates professional skills and knowledge needed to perform the job; keeps informed of developments in the professional field and applies this knowledge to the job; encourages and supports the development of subordinate personnel.

### **E** Ethical

Maintains the highest standards of personal integrity, truthfulness, honesty, and fairness in carrying out public duties; avoids any improprieties; trustworthy, maintains confidentiality; never uses City position or power for personal gain.

### **O** Open

Communicates effectively orally and in writing; involves appropriate individuals and keeps others informed; acts as a team member; participates and supports committees/boards/commissions/task forces; approachable; receptive to new ideas; supports diversity and treats others with respect; actively listens.

### **R** Responsive

Consistently emphasizes and supports customer service; takes responsibility to respond to all customers in a prompt, efficient, friendly, and patient manner; represents the City in an exemplary manner with civic groups/organizations and the public.

### **I** Innovative

Demonstrates original thinking, ingenuity, and creativity by introducing new ideas or courses of action; supports innovative problem-solving by identifying and implementing better methods and procedures; takes responsible risks; demonstrates initiative and “follows through” on development and completion of assignments.

### **A** Accountable

Accepts responsibility; committed to providing quality service to our community; plans, organizes, controls and delegates appropriately; work produced is consistent and completed within required timeframes; implements or recommends appropriate solutions to problems; acknowledges mistakes; manages human and financial resources appropriately.



# **Introductory Section**

CITY OF PEORIA, ARIZONA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
*For the Year Ended June 30, 2014*

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*For the Year Ended June 30, 2014*

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*For the Year Ended June 30, 2014*

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## City of Peoria

### FINANCE DEPARTMENT

8401 West Monroe Street  
Peoria, Arizona 85345  
T 623.773.7150  
F 623.773.7033

November 24, 2014

Honorable Mayor, City Council, City Manager and Citizens of Peoria, Arizona:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the City of Peoria, Arizona (the City) for the fiscal year ended June 30, 2014. The report was prepared by the Financial Services Division of the Finance Department.

This report represents management's report to its governing body, constituents, legislative and oversight bodies, investors, and creditors. Copies of this report will be sent to elected officials, management personnel, bond rating agencies, Nationally Recognized Municipal Securities Information Repositories, and other agencies which have expressed interest in the City's financial matters. Copies of this financial report will also be placed in the City's libraries, as well as on the City's website, for use by the general public.

Management's Discussion and Analysis presented on pages 3-17 has a different focus and purpose than the transmittal letter and should be read in conjunction with this transmittal.

### **THE FINANCIAL REPORTING ENTITY**

The City of Peoria, chartered in 1954, has a Council-Manager form of government with the City Council consisting of the Mayor and six Council Members. Pursuant to an amendment to the City Charter approved by the voters in 1997, the Mayor is elected at-large for a four-year term. Council members are elected, by district, for four-year terms. The City Council is vested with policy and legislative authority and is responsible for passing ordinances; adopting the budget; appointing committee, commission, and board members; and appointing the positions of City Manager, City Attorney, and Judge. The City Manager is responsible for carrying out the policies and ordinances of the City Council, as well as overseeing the day-to-day operations of the City.

The City encompasses approximately 179 square miles in the northwestern portion of Maricopa County, and is one of several major cities comprising the greater Phoenix metropolitan area. Between the 2000 census and the 2010 census the City's population increased by more than 42 percent, from approximately 108,300 to approximately 154,065. The estimated current population is 164,104. The City's tremendous growth is attributable to the comparatively affordable housing, an excellent school district, and the expansion of the metropolitan freeway systems, allowing Peoria residents to commute effectively to other cities in the metropolitan area. Population growth trends are expected to continue, though at a slower pace.

The City provides a full range of municipal services, including police and fire protection, solid waste services, water and sewer services, construction and maintenance of streets, recreational and cultural events, library services, public transportation, planning and zoning services, and general administrative services. Peoria offers a wide range of community facilities including two community centers, three swimming pools, two libraries, and 33 neighborhood parks encompassing 356 acres. The Peoria Sports Complex—operated by the City—is the nation's first two-team baseball spring training facility and the spring training home of the San Diego Padres and Seattle Mariners. Lake Pleasant, in northern Peoria, is the second largest lake in Arizona. The City opened its first large community park, Rio Vista Community Park, in the southern part of the City in fiscal year 2004. This 52 acre facility has athletic fields, playgrounds, ramadas, an urban lake, skate park and other amenities for the citizens' enjoyment. The

City's second community park, Pioneer Community Park was completed in fiscal year 2014 and includes ball fields, multipurpose fields, a dog park, fishing lake and other amenities. The City also has a performing arts center with a 250-seat main auditorium, 80-seat black box theater, and classroom and administrative space in the downtown area.

This report includes financial statements on both a government-wide and fund basis for the primary government as well as its component units. Component units are separate legal entities included in the reporting entity due to the significance of their financial or operational relationship with the City. Criteria used by the City for inclusion of activities in preparing its financial statements are in conformity with GASB Statement No.14, *The Financial Reporting Entity*, as amended by GASB Statement No.61. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the financial reporting entity consists of the City and four blended component units, the City of Peoria Municipal Development Authority, Inc., the Vistancia Community Facilities District, the City of Peoria Employee Benefits Trust and the City of Peoria Workers' Compensation Trust as discussed further in Note 1.A of the notes to the financial statements.

## **LOCAL ECONOMIC CONDITION AND OUTLOOK**

During fiscal year 2014, the local economy, much like the State of Arizona, continued its recovery at a slow and uneven pace with some pick up in construction activity and continued improvement in sales tax collections. However the nagging level of unemployment remained throughout the fiscal year. Peoria's unemployment rate improved marginally from 6.8% in June 2013 to 6.1% in June 2014 compare to an unemployment rate of less than 3% prior to the recession.

Despite the level of unemployment, consumer confidence and spending increased as home values climbed, consumer debt burden fell to a record low since the recession and gains in the stock market restored some of the wealth lost during the recession. The City's sales and use tax collections in fiscal year 2014 totaled \$71.2 million, a 7.9% increase from the \$66.0 million collected in the prior year. Sales and use tax collections peaked at \$68.9 million in 2006-07 prior to the recession and fell to a low of \$56.3 million in 2009-10 during the recession.

The local housing market rebounded from the abnormally low recessionary levels. At the start of the fiscal year, new home inventory was exceptionally low while distressed properties continued to be worked downed. With the dwindling inventory and moderate demand for new homes, builders kept busy during fiscal year 2014. The City issued 1,031 new residential building permits in fiscal year 2014 compare to 833 in fiscal year 2013. Median home sale price in Peoria rose by 13.2% from \$197,000 in June 2013 to \$223,000 in June 2014. The City's total property full cash value, which lags the market, will increase by 11.0% from \$10.1 billion in 2013-14 to \$11.2 billion in 2014-15. Full cash value hit the highest point in 2008-09 at \$18.3 billion and fell to a low of \$10.1 billion in 2013-14 as a result of the housing downturn.

On the commercial front, businesses are slowly increasing their investments. During fiscal year 2014, the City gained several new businesses, most notably Maxwell Technology, At Home Furnishings and GEPACK USA. Maxwell Technology completed its new electrode, cell and module manufacturing facility in November 2013 and estimates it will create 150 jobs over the next three years with an average salary of \$48,000, and an overall capital investment of \$26 million. At Home Furnishings, a home décor superstore opened its 105,000 square foot retail store in June 2014, bringing 20 new jobs to Peoria. GEPACK, a global manufacturer of high quality plastics and advanced composites announced the opening of a 12,000 square foot manufacturing facility in July 2014 and anticipates creating up to 20 manufacturing jobs in Peoria.

## **Economic Outlook**

Forecasters predict the US economy will continue to grow at a slow and steady pace with GDP at +3.0% for the next four quarters. Likewise, the overall economic outlook for the State of Arizona and City of Peoria is expected to be more of the same slow and steady growth as we saw during fiscal year 2014.

Employment conditions are expected to improve, however rises in wage rates are expected to remain weak. Population growth projected for Arizona and the City of Peoria are expected to be modest. The recession hit harder in Arizona and the recovery has been slower while Arizona's job growth is expected to lag behind the rest of the nation. The long term outlook remains positive.

Home sales are expected to taper off as mortgage rates have risen over the last year, home prices are higher and growth in demand has slowed. The housing market is expected to be a quiet market next year characterized by low demand and flat prices according to Mike Orr, director of the Center for Real Estate Theory and Practice at the Arizona State University W. P. Carey School of Business. Median home sale prices in the Phoenix Metro area have stabilized, demand and sales activity were low for the normally strong spring selling season and further significant increases in home sale prices are unlikely without growth in demand. Orr reasons that the low demand for home ownership is a result of various factors such as a lack of household formation because of unemployment, falling birth rates, lower net migration and greater home sharing as well as potential homeowners disqualified from owning for now and investors looking for better bargains in other areas of the country with more foreclosures. Meanwhile demand for rental homes is very high and the availability of those homes is dropping to an unusually low level which will spark construction activity for multifamily units.

Consumer confidence rose to a post-recession high of 85.2 in June, suggesting that spending could increase in future months. Specifically auto sales have been robust and forecasters expect auto sales to remain healthy. As the Federal Reserve continues to keep interest rates low, consumers are expected to borrow and spend more with employment and income growth. However such growth will still be limited. According to Scott Hoyt, Senior Director at Moody's Analytics, consumer debt obligations are rising and job gains will unleash pent up demand and spark more borrowing. The increase in debt burden is expected to be modest and will not be a material impediment to spending growth.

## **MAJOR PROJECTS AND INITIATIVES**

The Council utilizes a goal setting and strategic planning process to assist in the identification, prioritization, and management of capital projects, initiatives, service efforts and emerging strategic issues. Given the limited resources available with the slow economic recovery, careful consideration is given to all projects and initiatives to ensure investments of public funds achieve Council objectives and provide a long term sustainable benefit to the community. Listed below are the Council goals for 2013-15 to further the City's commitment to provide quality service, economic development and improved quality of life for the citizens of Peoria.

- Community building – to preserve and expand our quality of life by strengthening neighborhoods, providing superior quality parks and recreational programs, expanding cultural and entertainment opportunities and other community oriented service efforts
- Enhance current services – to improve cost effectiveness of service delivery, using technology to enhance and streamline service delivery, enhance organizational culture and become an employer of choice
- Preserve our natural environment – to provide environmental stewardship, pursue cost effective green development and land banking for future parks
- Total planning – to identify key corridors and cores throughout the city and create specific development plans for those areas, to provide diverse and sustainable residential housing options and to plan and develop city infrastructure to improve quality of life and coincide with economic development and revitalization efforts
- Economic development – to implement strategies to attract targeted industries, help existing businesses grow, facilitate development opportunities in targeted investment zones and develop Peoria's workforce

- Leadership and image – to conduct city business with the highest standard of integrity and accountability and to build greater community relations

## **Major Initiatives Accomplished in 2014**

Major initiatives accomplished during fiscal 2014 were as follows:

### ***Peoria Sports Complex Renovations and Improvements –***

The professional major league baseball teams, Seattle Mariners and San Diego Padres, continue their Cactus League Spring Training and minor league activities in Peoria at the City-owned, two-team stadium. In 2012-13, both teams signed a new twenty-year joint use contract to share the facilities with an option of extending their contracts for an additional ten years. This agreement contributes significantly to the economic impact of the Spring Training Cactus League of Maricopa County and the City. As part of the contract, the City pledged approximately \$48 million for various improvements to the Sports Complex. The improvement projects consist of 3 distinct phases:

- Phase I - approximately \$30 million for construction and renovation of clubhouses and team facility improvements. Phase I improvements were completed in fiscal year 2014.
- Phase II – at least \$6 million for improvements to the stadium such as a new ticket office and front entrance, expanded seating, souvenir shop and other amenities. These improvements are expected to be completed in 2015.
- Phase III – approximately \$12 million for additional clubhouse and stadium improvements to be completed by 2027.

Financing for Phases I and II were accomplished through Municipal Debt Authority bonds.

### ***P83 Entertainment District-***

The Peoria Eighty Three (P83) Entertainment District surrounding the Sports Complex was one of the outcomes of the City's Urban Redesign Master Plan and continues to be a primary focus of economic development. During 2014, the City completed design concepts for phase 1 improvements which will add signage, branding and medians to give the area a consistent identity. Phase 2 development includes additional streetscapes and also the Avenue Shops which will comprise of 17.5 acres of mixed use space outside the Sports Complex Stadium. Design concepts include a 140 room hotel, retail space to accommodate a variety of retailers, restaurants and two parking structures. The City entered into a new ground lease in March 2014 with Peoria Sports Park LLC to develop phase 2. During fiscal year 2014, the City completed an economic analysis of phase 2 and is working on a development agreement to secure a national/regional retail partner, establish debt and equity commitments and other financing arrangements.

### ***University Recruitment –***

The City continued its efforts in attracting higher learning institutions during fiscal year 2014. Trine University opened a branch campus in the fall of 2013 and the City is in negotiations with Huntington University and St. Scholastica College. Trine, St. Scholastica and Huntington are expected to bring more science, technology, engineering and mathematics programs such as nursing, digital arts, graphic design and engineering to the area. Details are being worked out and a proposal from Huntington University is expected in the fall of 2014. The idea is that over the next few years, all three colleges would come together to create a centralized campus.

### ***Business Recruitment –***

During fiscal year 2014, the City worked with Maxwell Technologies to become the first user-driven Foreign Trade Zone (FTZ) in the City of Peoria. The FTZ is a huge incentive for Maxwell Technologies with benefits that include a reduction of real and personal property taxes by 75%. Maxwell opened its new electrode, cell and module manufacturing facility in November 2013 following a development agreement entered into with the City. The company estimates it will

create 150 jobs over the next three years with an average salary of \$48,000, and an overall capital investment of \$26 million.

***Old Town Redevelopment –***

During fiscal year 2014, the City entered into a cooperative agreement with Chicanos Por La Causa, a nonprofit statewide community development corporation to assess and evaluate potential redevelopment projects and opportunities for the Old Town area. The City had adopted the Old Town Peoria Revitalization Plan back in 2009 to help breathe life into the downtown area while recognizing its historical relevance. The area targeted for revitalization is bounded by 85th Avenue to the west, Peoria Avenue to the north, Grand Avenue to the east, and Monroe Street to the south.

***Vistancia Commercial Core -***

In February 2014, the City approved an amendment to the development agreement with Vistancia Land Holdings Inc. (VLH) to continue its efforts in making Vistancia Commercial Core shovel ready for built-to-suit development opportunities. The Vistancia Commercial Core is an important part of the Loop 303 Investment Zone area identified in the City's adopted Economic Development Implementation Strategy. It is a planned destination in the northern part of Peoria for targeted industries such as healthcare, higher education, corporate offices and headquarters, high technology companies, light manufacturing, bioscience, and other businesses. As part of the agreement with VLH, the city will allocate \$6.7 million to build El Mirage road from its current terminus to Lone Mountain Parkway while VLH will construct access roads, an off-site sewer line, as well as utility and other infrastructure extensions. VLH will also donate up to 50 acres of buildable land in the Vistancia Commercial Core for further targeted economic development initiatives.

***Development Services Enhancements –***

During 2014, the City implemented a Self-Certification Pilot Program and an Over-the-Counter Plan Review program to enhance current services. The Self-Certification Pilot Program allows eligible registered design professionals to self-certify building plans which will expedite issuance of certain building permit types. The Over-the-Counter Plan Review Program allows building and site permits to be issued in as little as 30 minutes. Additional service enhancements include electronic document review and on-line permitting that are targeted for implementation in fiscal year 2015. These additional enhancements are expected to reduce customer trips and cost of maintaining hard copies of plans.

***Youth Council Liaison Program -***

The Peoria Youth Master Plan was adopted by Council in November 2012 to create a culture in which Peoria's youth are safe, valued, and involved, and have the support to reach their highest potential now and in the future. Key goals of the plan include education and life preparation, community collaboration, civic engagement and out-of-school enrichment. A Youth Advisory Board was formed to act in the same, advisory role as boards and commissions relating to planning, zoning, library, parks and recreation, and other city topics that require a minimum age of 18 years. The Youth Advisory Board also advises the city on the development of public recreation as well as programs, events, ordinances, and proposals pertaining to youth within Peoria. During fiscal year 2014, Council appointed a youth liaison to an ex-officio seat with the City Council. The youth liaison will receive council meeting materials, have the opportunity to ask department leads questions regarding meeting issues and report back to the Youth Advisory Board.

***Sustainability –***

In 2012, the council adopted the City's Sustainability Action Plan to ensure that Peoria uses good environmental practices, which enhances quality of life through energy efficiency, financial stewardship and best practices. During 2013-14, the Peoria Community Center achieved LEED Gold certification and the Seattle Mariners' and San Diego Padres' clubhouses were designed for LEED Silver certification. The city also formed a partnership with Habitat for Humanity. In addition, the city is pursuing sustainable best practices in design and construction of new roadways and providing community education and outreach. In September 2013, the city

received the Arizona Forward Environmental Excellence Award and other awards for its sustainability efforts.

### **Other Major Infrastructure Projects**

In addition to the Peoria Sports Complex improvements mentioned above, the City completed the following major infrastructure projects during fiscal year 2014:

- Agua Fria Truck Road Reliever – this \$10.5 million project added 1.8 miles of new roadway connecting 112<sup>th</sup> and Rose Garden and reduced truck traffic on Beardsley by approximately 50%.
- Pioneer Community Park - a \$26.5 million facility which includes ball fields, multipurpose fields, a dog park, fishing lake and other amenities was completed and opened to the public in September 2013.
- Union Hills/Country Club well head water quality mitigation project – a \$3.2 million project that included well rehabilitation, fiber optic and rehabilitation of a storage tank. Additional improvements are slated for fiscal year 2014-15.

Infrastructure projects under construction include:

- Skunk Creek Trail – a \$1.8 million project that includes parking for horse trailers, equestrian amenities, handrail and water fountains
- Camino a Lago Neighborhood Park – a 6.8 acres park with sports courts, ramadas, butterfly garden, lighted ball fields and parking lot.
- 91<sup>st</sup> Ave & drainage improvements – a \$7.1 million project consisting of multi land road improvements, sidewalk, bike lanes street lights and raised landscape median.
- Lake Pleasant Pkwy – a \$30.9 million project with multi land road improvements, sidewalk, signal, water/sewer lines and raised landscape median.

### **BOND RATING**

In April 2014, Fitch Ratings, a global credit rating agency affirmed the City's AA+ rating for its General Obligation bonds and Municipal Debt Authority bonds. Fitch also affirmed the City's AA rating for its water and wastewater revenue bonds. Fitch designated the ratings outlook as stable, reflecting the city's improving economic prospects, sound financial management practices, solid reserves and manageable debt levels.

### **FINANCIAL CONTROLS**

#### **Internal Controls**

The management of the City of Peoria is responsible for establishing and maintaining a system of internal controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: 1) the safeguarding of assets against loss from unauthorized use or disposition, and 2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes: 1) the cost of a control should not exceed the benefits likely to be derived, and 2) the valuation of costs and benefits requires estimates and judgments by management.

The system of internal control is subject to periodic evaluation by management and is also considered by the independent auditors in connection with the annual audit of the City's financial statements. All internal control evaluations occur within the above framework. The City's internal accounting controls are considered to adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

## **Budgetary Controls**

The City of Peoria, like all cities in the State of Arizona, is subject to numerous budget and related legal requirements. Article IX, Section 20 (1) of the Arizona Constitution sets limits on the City's legal budget capacity. At a general election held in March 2003, the citizens of Peoria approved a permanent adjustment of the expenditure base from the original 1979-80 base of \$3,247,857 to a new base of \$18,247,857. The permanent adjustment eliminated the need for voter approval every four years. After adjustment for inflation and population growth, the City's expenditure limitation for fiscal year 2013-14 was \$781,620,317. The City may utilize the additional expenditure authority for any local budgetary purposes.

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated operating budget approved by the Mayor and Council. Activities of the general fund, special revenue funds, debt service funds, capital project funds, enterprise funds, and internal service funds are included in the annual appropriated budget. The legal level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the total budget, as adopted by the City Council. The City additionally exercises management control and oversight of the budget at the department level within each fund. In addition to maintaining budgetary control via a formal appropriation, the City maintains an encumbrance accounting system. Encumbrances are made against appropriations upon the issuance of a purchase order. Encumbered appropriations lapse at fiscal year-end and are re-budgeted as needed in the next fiscal year.

## **Financial Policies**

The City has an important responsibility to its citizens to carefully account for public funds, to manage its finances wisely, and to plan for the adequate funding of services desired by the public, including the provision and maintenance of public facilities. The City needs to ensure that it is capable of adequately funding and providing those government services desired by the community. Ultimately, the City's reputation and success depends on the public's awareness and acceptability of the management and delivery of these services.

The City operates under a comprehensive set of financial policies adopted by Council. The *Principles of Sound Financial Management* establishes guidelines for the City's overall fiscal planning and management. These principles are intended to foster and support the continued financial strength and stability of the City of Peoria as reflected in its financial goals. The City's financial goals are broad, fairly timeless statements of the financial position the City seeks to attain:

- To deliver quality services in an affordable, efficient and cost-effective basis providing full value for each tax dollar.
- To maintain an adequate financial base to sustain a sufficient level of municipal services, thereby preserving the quality of life in the City of Peoria.
- To have the ability to withstand local and regional economic fluctuations, to adjust to changes in the service requirements of our community, and to respond to changes in Federal and State priorities and funding as they affect the City's residents.
- To maintain a high bond credit rating to ensure the City's access to the bond markets and to provide assurance to the City's taxpayers that the City government is well managed and financially sound.

These policies establish minimum and recommended fund balance/net asset reserves, as well as establishing policies on the use of one-time revenues (to be used for one-time expenditures), fiscal planning and budgeting, expenditure control, capital improvement program, cash management, debt management, and economic development.

## **Long Term Financial Planning**

The City annually updates a five-year long-range forecast, incorporating both projected revenues and expenditures for the City's major operating funds. The five-year revenue forecast only includes revenues that are anticipated to be sustainable over the five-year period. Expenditure projections include anticipated operating impacts of the adopted capital improvement program.

Additionally, the City maintains a 10-year Capital Improvement Program which the City Manager submits annually for review by the City Council. The program is updated annually and includes the cost of construction and operating expenditures. No capital improvement projects will be authorized or awarded until the funding sources have been established to finance the project. When current revenues or resources are available for Capital Improvement Projects, consideration will be given first to those capital assets with the shortest useful life, and for assets whose nature make them comparatively more difficult to finance with bonds or lease financing.

## **OTHER INFORMATION**

Responsibility for the accuracy of the presented data and the completeness and fairness of the presentations in this CAFR, including all disclosures, rests with the management of the City. The City has established and maintains a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to allow the compilation of sufficient reliable information for the preparation of financial statements. We believe the data, as presented in this report, is accurate in all material respects and is presented in a manner that fairly sets forth the financial position and results of operations of the City on both a government-wide and fund basis. Furthermore, we believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity and financial stability have been included.

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

## **Independent Audit**

The basic financial statements and related notes have been audited by an independent firm of certified public accountants, Heinfeld, Meech & Co., P.C., whose report is included herein. The audit satisfies Article VI, Section 7, of the City Charter, which requires an annual audit of all accounts of the City by an independent certified public accountant. As stated in the independent auditors' report, the goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Peoria, Arizona, for the fiscal year ended June 30, 2014, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing 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 financial statements of the City of Peoria, Arizona, for the fiscal year ended June 30, 2014, are fairly presented, in all material respects, in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Additionally, the City is required to have an independent audit ("Single Audit") of federal financial assistance received by the City directly from federal agencies, or passed through to the City by the State of Arizona or other governmental entities during the fiscal year. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements having a direct and material impact on major programs, with special emphasis on internal controls and compliance requirements involving the administration of major federal awards. The results of the City's single audit for the fiscal year ended June 30, 2014, found no instances of material weakness or

significant deficiencies in the internal controls. The reports from Heinfeld, Meech & Co., P.C. are available in the City of Peoria, Arizona's separately issued Single Audit Report.

### **Award**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Peoria, Arizona for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. This is the 29th consecutive year the City of Peoria has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. That report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement program's requirements. As such, we are submitting this report to the GFOA to determine its eligibility for a certificate.

### **Acknowledgments**

The preparation of this Comprehensive Annual Financial Report could not have been accomplished without the efficient and dedicated services of the staff of the Finance Department, especially the Financial Services Division. We want to give special recognition to the City's accounting team for their diligent efforts and superior contributions to this report. We also wish to thank the members of the City Council for their interest and support in planning and conducting the financial affairs of the City in a responsible and progressive manner.

Sincerely,



Brent D. Mattingly  
Chief Financial Officer



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

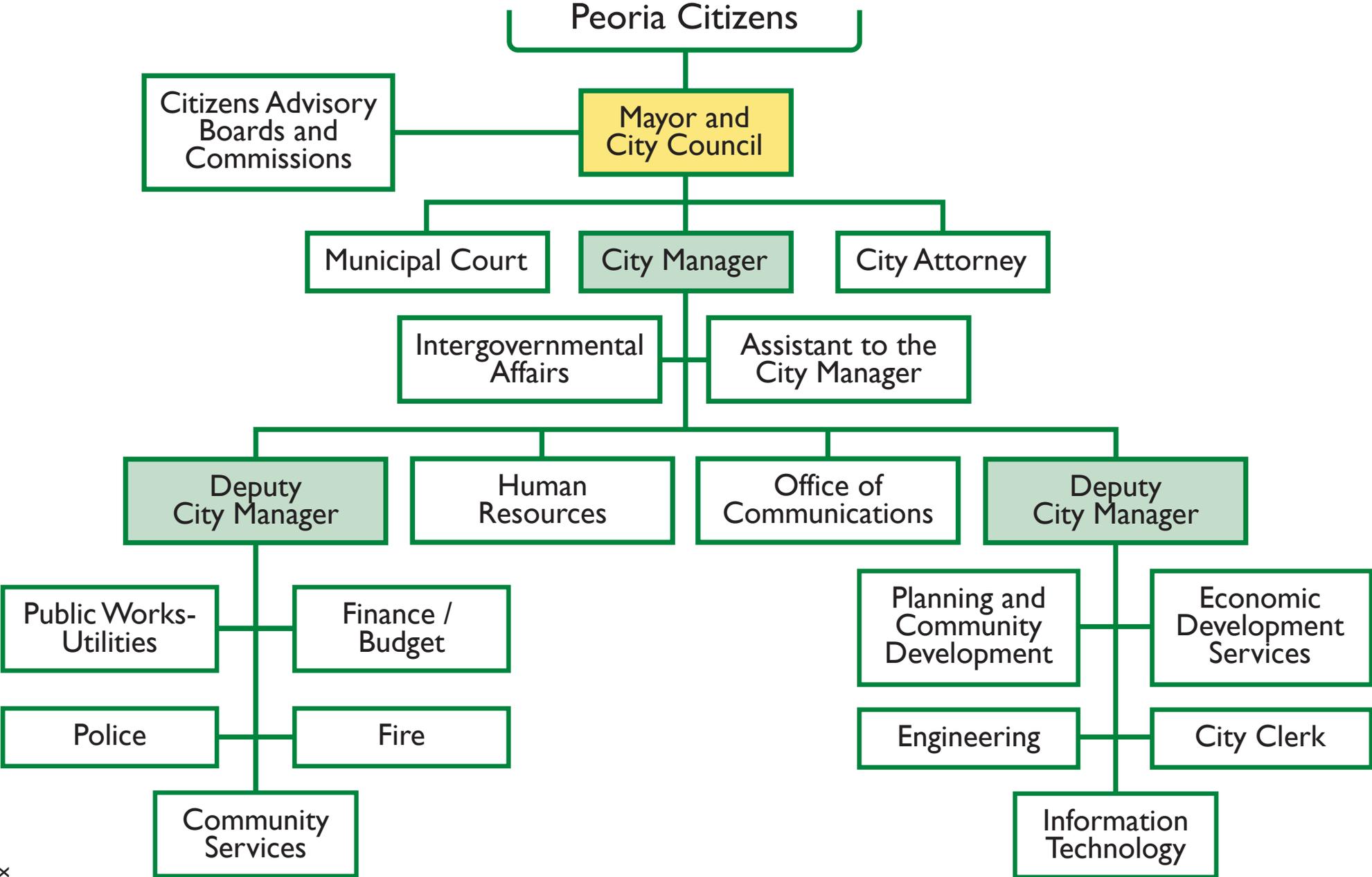
**City of Peoria  
Arizona**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

# City of Peoria Organizational Chart





# City of Peoria

## Principal Officials of the City

### Fiscal Year 2014

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**Bob Barrett**  
*Mayor*

**Ron Aames**  
*Vice Mayor*

**Ben Toma**  
*Councilmember*

**Jon Edwards**  
*Councilmember*

**Carlo Leone**  
*Councilmember*

**Bill Patena**  
*Councilmember*

**Tony Rivero**  
*Councilmember*

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**Carl Swenson**  
*City Manager*

**Susan J. Daluddung**  
*Deputy City Manager*

**Jeff Tyne**  
*Deputy City Manager*

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**George Anagnost**  
*Municipal Judge*

**John Schell**  
*Governmental Affairs Director*

**John Imig**  
*Information Technology Director*

**Stephen M. Kemp**  
*City Attorney*

**Bobby Ruiz**  
*Fire Chief*

**Bo Larsen**  
*Director of Communications*

**John Sefton**  
*Community Services Director*

**Roy Minter**  
*Police Chief*

**Bill Mattingly**  
*Public Works-Utility Operations Director*

**Andrew Granger**  
*Engineering Director*

**Rhonda Geriminsky**  
*City Clerk*

**Scott Whyte**  
*Economic Development Services Director*

**Julie Ayers**  
*Human Resources Director*

**Brent Mattingly**  
*Finance and Budget Director*

**Chris Jacques**  
*Planning and Community Development Director*

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# City of Peoria Council Districts



**Mayor  
Bob Barrett**



**Vice Mayor  
Tony Rivero**  
Acacia District



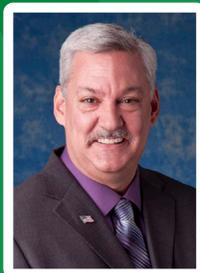
**Councilmember  
Ron Aames**  
Palo Verde District



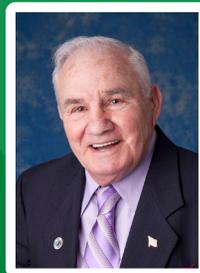
**Councilmember  
Bill Patena**  
Ironwood District



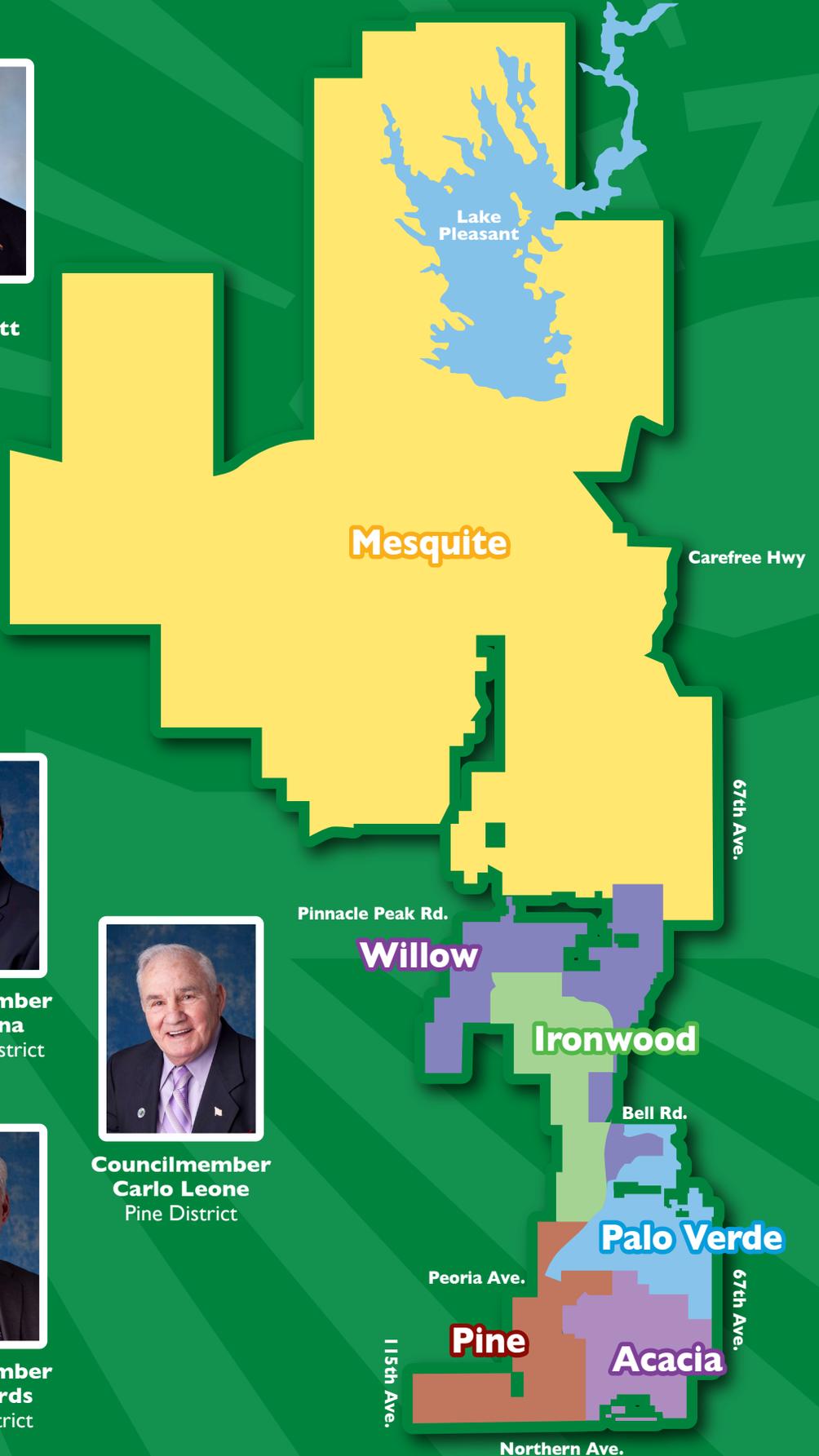
**Councilmember  
Cathy Carlat**  
Mesquite District



**Councilmember  
Jon Edwards**  
Willow District



**Councilmember  
Carlo Leone**  
Pine District







# Financial Section

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council  
City of Peoria, Arizona

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Peoria, Arizona (the City), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the City's non-major governmental, internal service, and fiduciary funds presented as supplementary information in the accompanying combining fund financial statements as of and for the year ended June 30, 2014, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Peoria, Arizona, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Half-cent Sales Tax, Highway User Revenue, and Transportation Sales Tax Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental, internal service, and fiduciary fund of the City of Peoria, Arizona, as of June 30, 2014, 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 1S., the City implemented a change with respect to liabilities associated with developer impact fee credits and sales tax reimbursements, for the year ended June 30, 2014, 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 on pages 3 through 17 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, statistical section, continuing disclosures section and schedules listed in the table of contents as Supplementary Information and Other Supplementary Information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information and Other Supplementary Information 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 Supplementary Information and Other Supplementary Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory, statistical and continuing disclosure sections 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 24, 2014, on our consideration of City of Peoria, 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 Peoria, Arizona’s internal control over financial reporting and compliance.



HEINFELD, MEECH & CO., P.C.  
CPAs and Business Consultants

November 24, 2014



**Management's  
Discussion & Analysis**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Peoria, Arizona (the City), we offer this narrative overview and analysis of the financial activities of the City of Peoria, Arizona for the fiscal year ended June 30, 2014. This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the City's financial activity, (3) identify changes in the City's financial position, (4) identify any material deviations from the financial plan (the approved annual budget), and (5) identify individual fund issues or concerns.

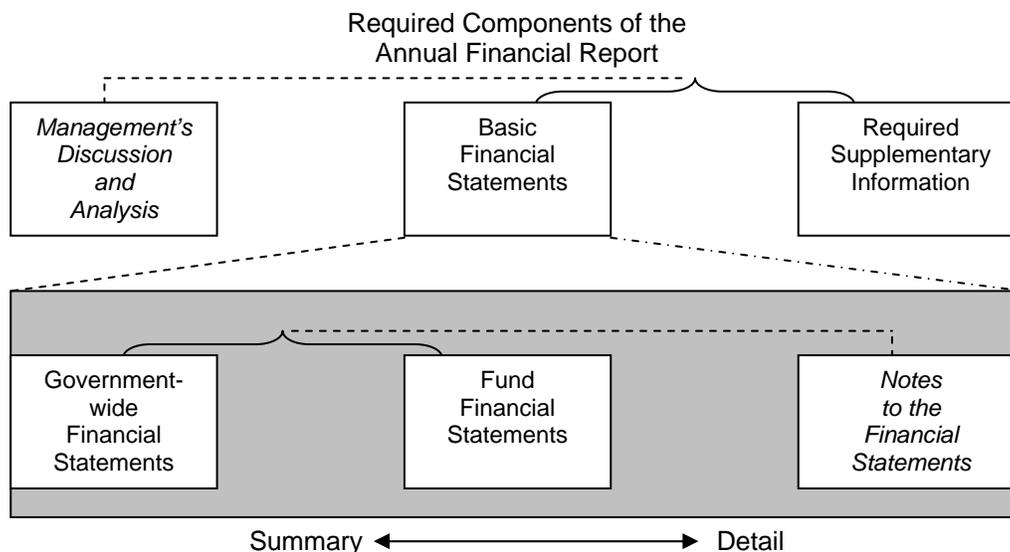
This discussion and analysis (MD&A) has a different focus and purpose than the transmittal letter presented on pages v-xiii of this report. It is designed to be read in conjunction with the transmittal letter as well as the financial statements beginning on page 19 and the accompanying notes to the financial statements. The City also issues separate financial reports, including management's discussion and analysis, for the Vistancia Community Facilities District, the Employee Benefit Trust and the Workers' Compensation Trust, which are blended component units of the City.

### Financial Highlights

- ◆ The City's total net position increased \$20.1 million (1.2%) in fiscal year 2014, a decrease of \$18.6 million (-1.7%) in governmental activities and an increase of \$38.7 (6.6%) million in business-type activities.
- ◆ Total net position of the City is \$1,716.3 million, of which \$152.6 million is unrestricted (down \$6.3 million (-4.0%) from last year's \$158.9 million unrestricted net position).
- ◆ The governmental activities program revenues decreased by approximately \$9.1 million (-17.2%) from the previous year. This was primarily due to a decrease in donated capital assets with fewer large developments being completed in fiscal year 2014.
- ◆ The business-type activities program revenues increased by approximately \$4.2 million (5.7%) from the previous year. Charges for services increased by \$2.3 million (3.4%).
- ◆ At June 30, 2014, total fund balance of the governmental funds was \$237.2 million, down \$38.2 million (-13.9%) from the previous year. Of this, \$17.3 million (up 23.7%) was unassigned (available for spending at the government's discretion).
- ◆ General Fund inflows (on a budgetary basis) were higher than budgeted inflows by \$7.3 million for fiscal year 2014. Budgetary basis outflows of the General Fund were 80.0% (\$28.9 million in savings) of the final budgeted outflows.
- ◆ At June 30, 2014, unassigned fund balance for the General Fund was \$17.3 million, or 16.8% of General Fund expenditures for fiscal year 2014.

### OVERVIEW OF THE FINANCIAL STATEMENTS

As pictured in the following table, the financial section of the Comprehensive Annual Financial Report (CAFR) for the City of Peoria, Arizona consists of this discussion and analysis, the basic financial statements, other required supplementary information and other non-required financial schedules. The basic financial statements include the government-wide financial statements, fund financial statements, including the budgetary statements for the general fund and major special revenue funds, and notes to the financial statements. The additional non-required information includes combining schedules and other supplementary schedules presented after the basic financial statements (Combining Statements, Supplemental Information and Statistical Sections of this report).



### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide a broad overview of the City's finances in a manner similar to those used by private businesses. All of the activities of the City, except those of a fiduciary nature, are included in these statements.

The activities of the City are broken into two columns on these statements – governmental activities and business-type activities. A total column for the City is also provided.

- The *governmental activities* include the basic services of the City including general government (administration), culture and recreation, police, fire, development services, highways and streets, public works, and human services. These activities are generally supported by taxes and general revenues.
- The *business-type activities* include the private sector type activities such as the water, wastewater solid waste, and storm drain utilities, the stadium, and public housing. These activities are primarily supported through user charges or fees.

The *statement of net position* presents information on all of the City's assets and liabilities (excluding fiduciary funds), both current and long-term and deferred inflows/outflows of resources, with the difference reported as net position. The focus on net position is designed to be similar to the emphasis for businesses. Over time, increases or decreases in net position may serve as a useful indicator of how the financial position of the City may be changing. Increases in net position may indicate an improved financial position; however, even decreases in net position may reflect a changing manner in which the City may have used previously accumulated funds (i.e. cash funding of capital projects). To assess the overall health of the City, other indicators, including non-financial indicators such as the City's property tax base and condition of its infrastructure, should also be considered.

The *statement of activities* presents information showing how the City's net position changed over the most recent fiscal year. Since full accrual accounting is used for the government-wide financial statements, all changes to net position are reported at the time the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement also focuses on both the gross and net costs of the various functions of the City, based only on direct functional revenues and expenses. This is designed to show the extent to which the various functions depend on general taxes and revenues for support.

## Fund Financial Statements

Also presented are fund financial statements for governmental funds, proprietary funds and fiduciary funds. The fund financial statements focus on major funds of the City. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or conditions. Funds are used to ensure and demonstrate compliance with finance-related legal requirements as well as for managerial control to demonstrate fiduciary responsibility over the assets of the City.

**Governmental funds** – Governmental funds are used to account for most of the City's basic services. These are essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the governmental activities column on the government-wide financial statements, these fund financial statements focus on near-term inflows and outflows 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 determining what financial resources are available in the near future to finance the City's programs.

Since the governmental fund financial statements focus on near-term spendable resources, while the governmental activities on the government-wide financial statements have a longer-term focus, it may be 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 government's near-term financing decisions. To facilitate this comparison, reconciliations of the differences between the two are provided immediately following the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances and in Note 2.

The City maintains several individual governmental funds organized according to their type (special revenue, debt service, and capital projects). Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Half-Cent Sales Tax Fund, Highway User Revenue Fund, Transportation Sales Tax Fund, GO Bond Debt Service Fund, GO Bond Capital Projects Fund, and Development Fee Fund which are considered to be major funds of the City. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements.

**Proprietary funds** – Proprietary funds are used to account for services primarily supported by user fees. The proprietary fund financial statements are prepared with the same long-term focus as the government-wide financial statements. The City maintains the following two types of proprietary funds.

**Enterprise funds** are used for activities that primarily serve customers outside the governmental unit. The enterprise funds generally provide information similar to the business-type activities column of the government-wide financial statements, but provide more detail and additional information such as cash flows. Any reconciliation necessary between the enterprise funds and the business-type activities column of the government-wide financial statements is provided on the face of the fund statements. The City's enterprise funds are the Water, Wastewater, Storm Drain and Solid Waste utilities, as well as the sports complex (Stadium Fund). All of the enterprise funds are considered to be major funds of the City. The Storm Drain Utility Fund was reclassified in fiscal year 2012 from a governmental fund to an enterprise fund. This change was due to a change in the revenue source from primarily transfers from other governmental funds to a user fee to external customers.

**Internal service funds** are used for activities where the primary customer is the City itself. Because the primary customers of the internal service funds are the governmental activities, the assets and liabilities of those funds are included in the governmental activities column of the government-wide statement of net position. The costs of internal service funds are allocated to the various user functions on the government-wide statement of activities. The internal service funds are combined into a single column on the proprietary fund statements. Additional detail of the internal service funds is provided in combining statement. The internal service funds of the City include the Motor Pool, Self-Insurance, Facilities Maintenance, and Information Technology Funds.

**Fiduciary funds** – Fiduciary funds are used to account for resources held for the benefit of others. Fiduciary funds are not included in the government-wide financial statements because the resources of those funds are not available to support programs of the City. The fiduciary fund statements are prepared on the same basis as the government-wide and proprietary fund statements.

**Notes to the financial statements** – The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements and should be read with the financial statements.

**Required supplementary information other than MD&A** – Governments have an option of including the budgetary comparison statements for the general fund and major special revenue funds as either part of the fund financial statements within the basic financial statements, or as required supplementary information after the footnotes. The City has chosen to present these budgetary statements as part of the basic financial statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following tables, graphs and analysis discuss the financial position and changes to the financial position for the City as a whole as of and for the year ended June 30, 2014, with comparative information for the previous year.

### Net Position

Net position may serve over time as a useful indicator of a government's financial position. The following table reflects the condensed Statement of Net Position of the City for June 30, 2014, compared to the prior year.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013 (restated)	2014	2013 (restated)	2014	2013 (restated)
Current and other assets	\$ 289.9	\$ 326.6	\$ 101.7	\$ 95.8	\$ 391.6	\$ 422.4
Capital assets	1,129.8	1,129.3	645.7	621.4	1,775.5	1,750.7
Total assets	1,419.7	1,455.9	747.4	717.2	2,167.1	2,173.1
Total deferred outflows of resources	0.3	0.4	0.3	0.3	0.6	0.7
Other liabilities	26.2	27.1	9.3	8.5	35.5	35.6
Long-term liabilities outstanding	302.7	319.4	113.2	122.5	415.9	441.9
Total liabilities	328.9	346.5	122.5	131.0	451.4	477.5
Net position:						
Net investment in capital assets	855.3	886.2	533.6	500.1	1,388.9	1,386.3
Restricted	151.6	129.5	23.2	21.6	174.8	151.1
Unrestricted	84.2	94.1	68.4	64.8	152.6	158.9
Total net position	\$ 1,091.1	\$ 1,109.8	\$ 625.2	\$ 586.5	\$ 1,716.3	\$ 1,696.3

The net position of the City increased \$20.1 million in fiscal year 2014. Net position of governmental activities decreased \$18.6 million, while the business-type activities increased \$38.7 million.

Net position consists of three components. The largest portion of net position, \$1,388.9 million reflects the City's investment in capital assets net of accumulated depreciation and any related outstanding debt used to acquire or construct those assets. The City uses these capital assets to provide services to its citizens. Consequently, it is not the City's intention to sell these assets, and they are therefore not available for future spending. Although the capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are not intended to be used to liquidate these liabilities. This category of net position increased \$2.6 million in fiscal year 2014 due to \$62.6 million in capital asset expenditures, \$9.6 million in donated assets, and a \$26.8 million decrease in net capital related debt, offset by \$48.0 million in depreciation expense, and asset disposals.

The second portion of the City's net position, \$174.8 million represents resources that are subject to external restrictions on how they may be used. The increase of \$23.7 million includes an increase of \$16.6 million in restricted for capital projects and a \$4.0 million increase in restricted for transportation

purposes due to increased capital project activity and a \$1.4 million increase in net position restricted for trust purposes.

The third portion consists of Unrestricted Net Position of \$152.6 million. This category of net position may be used to meet the City's ongoing obligations to citizens and creditors. This category decreased \$6.3 million in fiscal year 2014. Unrestricted net position is the balance of net position remaining after calculating the other two categories discussed above. Unrestricted net position of governmental activities decreased \$9.9 million, while unrestricted net position of business-type activities increased \$3.6 million.

### Changes in Net Position

The following table compares the government-wide revenue and expenses for the current and previous fiscal year.

	Changes in Net Position					
	(in millions of dollars)					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
<b>REVENUES:</b>						
Program revenues:						
Fees, fines & charges for services	\$ 19.2	\$ 18.7	\$ 69.5	\$ 67.2	\$ 88.7	\$ 85.9
Federal grants	2.7	2.9	0.0	0.1	2.7	3.0
Capital contributions	5.3	6.7	9.3	7.3	14.6	14.0
Other grants and entitlements	16.4	24.3	-	-	16.4	24.3
General revenues:						
Property taxes	18.2	19.5	-	-	18.2	19.5
Sales and use taxes	70.2	66.0	-	-	70.2	66.0
Franchise taxes	4.2	4.1	-	-	4.2	4.1
State shared sales tax	13.4	12.7	-	-	13.4	12.7
Urban revenue sharing	17.2	14.4	-	-	17.2	14.4
Auto-in-lieu taxes	5.5	5.2	-	-	5.5	5.2
Investment earnings	0.9	0.6	0.4	0.2	1.3	0.8
Gain on sale of capital assets	0.1	0.1	-	-	0.1	0.1
Forgiveness of debt	-	0.6	-	-	-	0.6
Miscellaneous	3.9	4.4	-	-	3.9	4.4
Total revenues	<u>177.2</u>	<u>180.2</u>	<u>79.2</u>	<u>74.8</u>	<u>256.4</u>	<u>255.0</u>
<b>EXPENSES:</b>						
Program activities:						
Governmental activities:						
General government	20.0	19.1	-	-	20.0	19.1
Culture and recreation	25.6	22.4	-	-	25.6	22.4
Police	36.4	35.4	-	-	36.4	35.4
Fire	23.9	21.4	-	-	23.9	21.4
Development services	9.2	8.4	-	-	9.2	8.4
Highways and streets	31.4	30.0	-	-	31.4	30.0
Public works	7.0	7.0	-	-	7.0	7.0
Human services	1.6	2.2	-	-	1.6	2.2
Interest expense on debt	12.0	12.7	-	-	12.0	12.7
Unallocated depreciation	0.6	0.6	-	-	0.6	0.6
Business-type activities:						
Water utility	-	-	30.8	29.1	30.8	29.1
Wastewater utility	-	-	21.1	20.3	21.1	20.3
Solid Waste utility	-	-	10.8	10.5	10.8	10.5
Stadium	-	-	5.2	5.1	5.2	5.1
Storm Drain utility	-	-	0.8	0.8	0.8	0.8
Housing	-	-	-	0.3	-	0.3
Total expenses	<u>167.7</u>	<u>159.2</u>	<u>68.7</u>	<u>66.1</u>	<u>236.4</u>	<u>225.3</u>
Excess (deficit) before transfers	<u>9.5</u>	<u>21.0</u>	<u>10.5</u>	<u>8.7</u>	<u>20.0</u>	<u>29.7</u>
Transfers	<u>(28.2)</u>	<u>(9.4)</u>	<u>28.2</u>	<u>9.4</u>	<u>-</u>	<u>-</u>
Restatement	<u>55.1</u>	<u>-</u>	<u>6.3</u>	<u>(2.1)</u>	<u>61.4</u>	<u>(2.1)</u>
Increase (decrease) in net position	<u>\$ 36.4</u>	<u>\$ 11.6</u>	<u>\$ 45.0</u>	<u>\$ 16.0</u>	<u>\$ 81.4</u>	<u>\$ 27.6</u>

For fiscal year 2014, total governmental activities revenues decreased \$3.0 million, and total business-type activities revenues increased \$4.4 million. Expenses increased \$8.5 million and \$2.6 million for the governmental activities and business-type activities, respectively. General government expenses increased by \$0.8 million; culture & recreation expenses increased by \$3.2 million; public safety increased \$3.5 million. Development services expenses increased by \$0.8 million, human services decreased by \$0.6 and highways and streets expenses increased by \$1.4 million. The increase in the business-type activities expenses are primarily in the Water Utility (\$1.7 million), Wastewater Utility (\$0.7

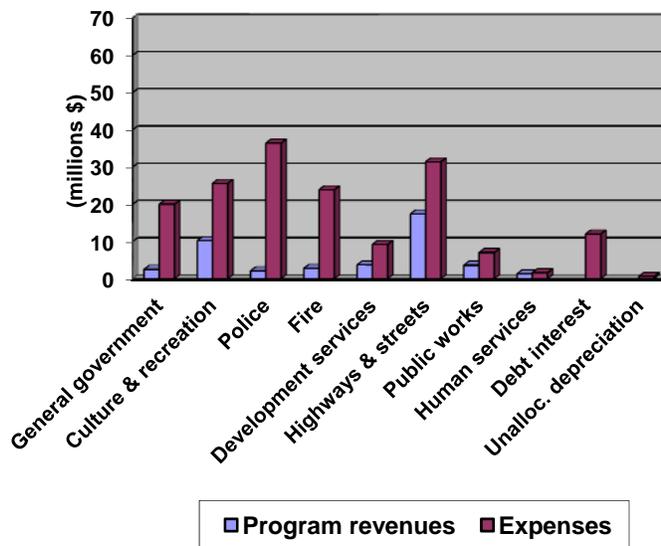
million,) and the Solid Waste Utility (\$0.3 million). For further explanation of these expense changes, refer to the financial analysis of the City's funds later in this document.

The general revenues of governmental activities increased \$6.1 million from the previous year. The primary drivers were decreases in property tax, capital contributions and other grants, offset by increased local and state sales taxes. Property tax revenues decreased by \$1.3 million in fiscal year 2014 as assessed values continued to decline. Capital contributions decreased by \$1.5 million in fiscal year 2014. Other grants decreased by \$7.9 million, due to decreased highways & streets revenue. Local sales and use taxes increased \$4.3 million as retail and restaurant & bar sales taxes increased \$2.8 million and \$0.3 million respectively while state shared sales taxes increased \$0.8 million.

Program revenues of governmental activities decreased \$9.1 million mainly as a result of the following change: Development/Impact Fees decreased by \$8.2 million due to a change in reporting reimbursements made to developers. The program revenues of business-type activities increased by \$4.2 million primarily due to a \$1.7 million increase in charges for services revenues in the Water Utility and a \$1.5 million increase in Capital Grants in the Water Utility.

The following graph shows the functional revenues and expenses of governmental activities to demonstrate the extent to which the governmental functions produce direct revenues to offset the program costs. It should be noted that this is not intended to represent full cost allocation to these

### Governmental Activities Program Revenues & Expenses



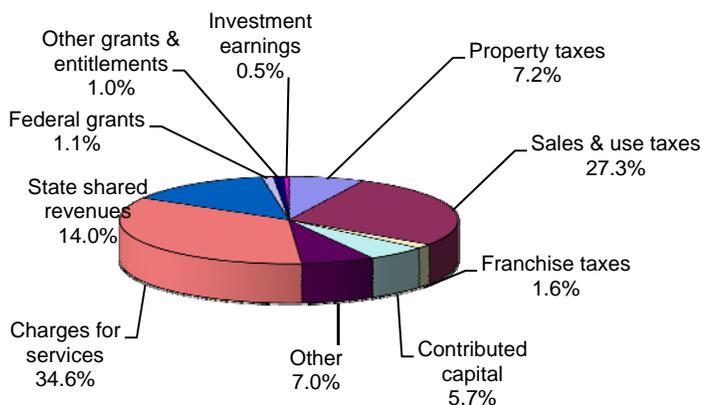
functions. Expenses not covered by direct program revenues are covered by general revenues of the City, primarily taxes and state shared revenues. In the governmental activities, the program revenues of \$43.6 million are 26.0% of the governmental activities expenses for fiscal year 2014, down from 33.1% in fiscal year 2013. In the business-type activities, program revenues of \$78.8 million are 114.7% of the business-type expenses for fiscal year 2014. This compares to \$74.6 million and 112.7% in fiscal year 2013.

Governmental activities account for 69.2% of the total revenues of the City and 70.9% of the total expenses in fiscal year 2014. These percentages were 70.7% and 70.6% respectively in fiscal year 2013.

As seen in the following graph, one of the largest financing sources for the City in fiscal year 2014 is charges for services (33.7%), primarily because this is the major funding source of the business-type activities (87.8% of business-type revenues in fiscal year 2014). The major funding sources of the governmental activities are property, franchise and sales/use taxes (36.2% of total revenues, 52.3% of

governmental revenues) and state shared revenues (14.0% of total revenues, 20.3% of governmental revenues).

### Government-Wide Revenue Sources Fiscal Year 2014

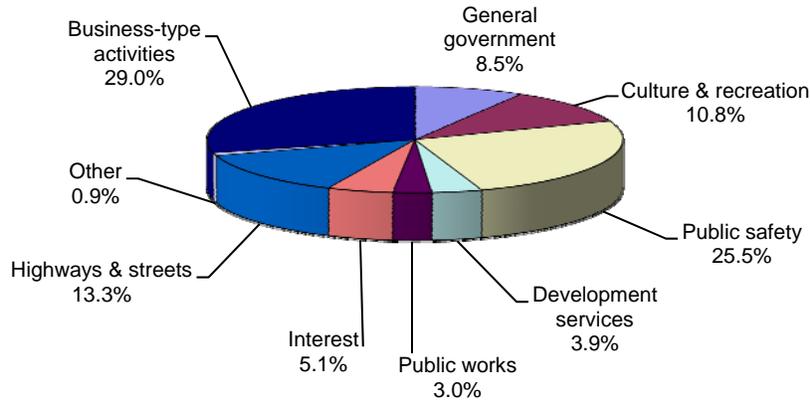


Property taxes decreased 5.0% from fiscal year 2013 with a continued decline in assessed value. The tax rates did not change in fiscal year 2014 compared to the previous year.

Total government-wide expenses (not including transfers out) of the City increased \$11.0 million in fiscal year 2014. Expenses of the governmental activities increased \$8.4 million. This includes increases of \$3.1 million for culture and recreation, \$2.5 million for fire, \$1 million in each of general government and police, and \$2.8 million for highways and streets offset by a decrease of \$0.6 million for human services, \$0.5 million for development services, and \$0.7 million for interest expense. Highways and streets expenses increased primarily due to an increase of \$2.8 million in maintenance performed on the City's street system. Culture and recreation expenses increased primarily due to the opening of a new regional city park, Pioneer Park. General government expenses increased with \$1.3 million in costs to install energy efficiency lighting within the City. Expenses in business-type activities increased \$2.6 million primarily due to increased costs of contractual services, materials and supplies.

As shown in the following Government-Wide Functional Expenses graph, business-type activities account for 29.0% of the functional expenses of the City for fiscal year 2014, while governmental activities account for 71.0% of the functional expenses. For the governmental activities, the largest users of resources are public safety (25.5% of total expense, 35.9% of governmental expenses), general government (8.5% of total expenses, 12.0% of governmental expenses), highways and streets (13.3% of total expenses, 18.7% of governmental expenses), and culture and recreation (10.8% of total expenses, 15.2% of governmental expenses).

## Government-Wide Functional Expenses Fiscal Year 2014



### FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City maintains fund accounting to demonstrate compliance with budgetary and legal requirements. The following is a brief discussion of financial highlights from the fund financial statements.

#### Governmental funds

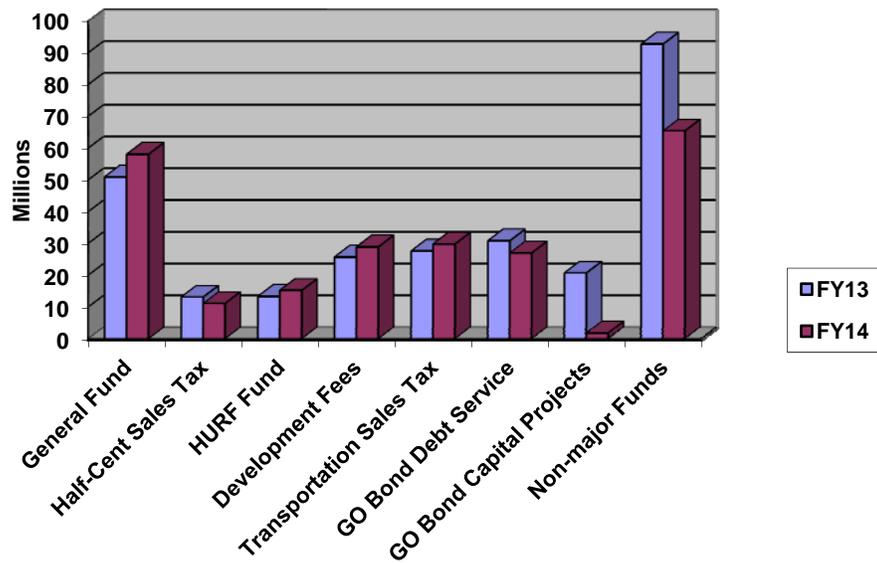
The focus of the governmental fund financial statements is to provide information on near-term inflows, outflows and balances of spendable resources. All major governmental funds are discretely presented on these financial statements, while the non-major funds are combined into a single column. Combining statements for the non-major funds may be found on pages 97-100. Although the Highway User Revenue Fund, Transportation Sales Tax Fund, Development Fee Fund and GO Bond Debt Service Fund do not meet the GASB 34 criteria of a major fund, the City has chosen to present them as major funds due to local significance or outstanding debt.

The fund balance of the governmental funds is \$237.2, a decrease of \$38.3 million from the previous year. Of this, \$145.8 million (down \$43.1 million from the previous year) is classified as Unspendable or Restricted because it is not appropriable for expenditure or is legally segregated for a specific future use. The decrease in restricted fund balance is caused by a decrease in restricted for capital projects of \$46.8 million and a decrease in restricted for debt service of \$3.5, offset by an increase of \$3.2 million in restricted for development fees due to increased development fee revenues, and \$4.1 in restricted for transportation purposes due to increased capital expenditures.

An additional \$74.1 million of the governmental fund balance (up \$1.5 million from the previous year) has been committed or assigned for specific purposes by council or administrative action. These commitments include various stabilization reserves (\$36.8 million), debt service reserves (\$1.0 million), capital projects (\$18.4 million) and arts capital and various other purposes (\$17.9).

The remaining \$17.3 million of governmental fund balance is classified as Unassigned. This balance may serve as a useful indicator of a government's net resources available for spending at the end of the year. By Council policy, these resources are used to fund one-time needs of the City including capital facilities and transportation improvements. The unassigned fund balance increase of \$3.3 million during fiscal year 2014 is due primarily to increased General Fund revenues.

## Governmental Funds - Fund Balance



The General Fund is the chief operating fund of the City and accounts for many of the major functions of the government, including public safety, parks and recreation, community development and general administrative services. The General Fund revenues increased \$6.1 million from the previous year. Urban revenue sharing increased \$2.7 million. Property taxes decreased by \$0.2 million as assessed values continue to decrease. The City's sales tax revenues in the General Fund increased \$3.0 million and state shared sales tax revenues increased \$0.8 million due to a recovering retail sales and restaurant & bar sales. Auto-in-lieu revenue (licensing fees) increased \$0.3 million with an increase in auto sales. Total General Fund expenditures increased \$1.3 million. Personnel costs increased \$1.5 million while other costs (contractual services and commodities) increased \$2.0 million as the economy begins to recover. Capital outlay decreased by \$2.6 million. The unassigned fund balance of the General Fund was 16.8% of expenditures at June 30, 2014, compared to 13.8% at June 30, 2013.

The Half-Cent Sales Tax Fund tracks the revenues from a \$.05 sales tax committed for specific purposes by Council policy. Revenues in this fund increased \$1.4 million from the previous year due to increased sales tax revenues. Expenditures in this fund increased \$1.5 million due to a project in fiscal year 2014 to replace energy efficiency in the lighting within the City. Transfers out from the Half-Cent Fund increased \$2.7 million with higher debt service transfers. Total fund balance of the Half-Cent Sales Tax Fund decreased by \$2.5 million in fiscal year 2014.

The Highway User Revenue Fund (HURF Fund) is required by state statute to track the receipt of the state allocation of gasoline taxes and other state revenues shared with local governments that are required to be used for transportation purposes. Also, there is a sales tax on utilities and property tax revenues from street light improvement districts included in this fund. Revenues increased by \$0.4 million due to increased highway user revenues and a small increase in sales taxes. Expenditures decreased by \$0.9 million in fiscal year 2014 primarily due to decreased operating costs. Fund balance increased \$1.9 million in fiscal year 2014.

The Transportation Sales Tax Fund tracks the collection and expenditure of the .3% voter approved sales tax to address transportation issues. Revenues in this fund increased \$0.9 million while expenditures decreased \$1.1 million. The increased revenues are due to increasing sales tax revenue while the decreased expenditures are primarily capital outlay. The fund balance increased \$2.2 million in fiscal year 2014. All fund balance in this fund is restricted.

Another major governmental fund of the City is the Development Fee Fund, which collects governmental impact fees for parks and recreational facilities, public safety, and streets and intersections. Revenues in

the Development Fee Fund decreased \$4.4 million, while expenditures decreased \$3.1 million in fiscal year 2014. Fund balance increased \$3.2 million in fiscal year 2014, primarily due to decreased principal payments on development agreements. All fund balance in this fund is restricted.

The GO Bond Debt Service Fund accounts for the payment of general obligation bonds and the related interest. Revenues in this fund decreased \$1.3 million due to decreased secondary property tax revenues. The secondary assessed value of the City decreased 7.0% in fiscal year 2014 while the secondary tax rate was unchanged. Expenditures increased by \$0.8 million due to increased principal payments on general obligation bonds. Fund balance decreased \$3.9 million in fiscal year 2014.

The GO Bond Capital Project Fund accounts for the use of proceeds from general obligation bonds for capital projects. Revenues in this fund increased \$0.2 million due to a settlement agreement with a construction company. Expenditures increased by \$1.4 million due to increased capital outlay. Fund balance decreased \$18.9 million in fiscal year 2014.

All non-major governmental funds of the City are combined into one column on the governmental fund statements.

### **Proprietary funds**

The proprietary fund financial statements are prepared on the same accounting basis and measurement focus as the government-wide financial statements, but provide additional detail since each major enterprise fund is shown discretely. Although the Solid Waste Fund, Stadium Fund, and Storm Drain Utility Fund do not meet the GASB 34 criteria of a major fund, the City has chosen to present them as major funds due to local significance.

Total net position of the enterprise funds increased \$44.6 million in fiscal year 2014. Net investment in capital assets increased \$39.8 million with the addition of utility infrastructure and equipment in the Water and Wastewater Funds and renovation of the clubhouses and sports complex in the Stadium Fund. Restricted net position increased \$1.6 million primarily due to an increase in capital project activity in the Water Utility, Wastewater Utility, and Stadium Funds. Beginning unrestricted net position was restated due to a change in accounting principle. Previously, contracts payable related to development agreements were included on the financial statements as a long-term liability. It was determined that these liabilities are contingent liabilities and should not have been recorded. The unrestricted net position of the enterprise funds increased 3.2 million primarily due to increased net income in all of the enterprise funds. The Water Utility Fund, Wastewater Utility Fund, Solid Waste Fund, Stadium Fund, and Storm Drain Utility Fund experienced increases in total net position of \$14.0 million, \$5.5 million, \$0.7 million, \$24.2 million and \$0.2 million respectively. The Water Utility Fund unrestricted net position increased \$1.8 million, the Wastewater Utility Fund unrestricted net position increased \$2.1 million, the Solid Waste Fund unrestricted net position decreased \$1.0 million, and the Stadium Fund unrestricted net position increased \$0.3 million.

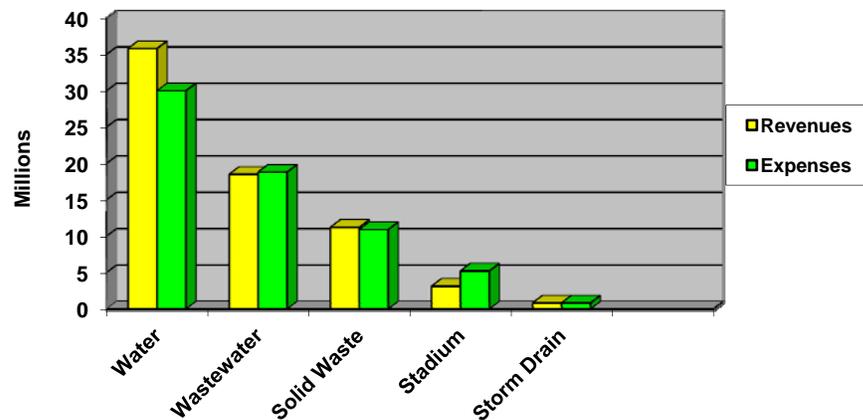
Operating revenues of the enterprise funds increased \$2.2 million in fiscal year 2014. Charges for services increased \$1.4 million in the Water Utility Fund and \$0.3 million in the Solid Waste Fund primarily due to increased usage. In the Stadium Fund, rent revenue increased by \$0.3 million. Operating expenses of the enterprise funds increased \$2.3 million in fiscal year 2014. The Water Utility Fund operating expenses increased \$1.6 million primarily due to increases in depreciation expense of \$0.4 million and contractual services/commodities of \$1.1 million which consists primarily of increases in various Central Arizona Project related water charges and internal service charges. The Wastewater Utility Fund operating expenses increased \$0.8 million due to increases in contractual services/commodities of \$0.6 million primarily in professional service fees and internal service charges. In the Solid Waste Fund, operating expenses increased \$0.1 million due to an increase in contractual services/commodities primarily in landfill services.

Operating income for the Water Utility Fund increased by \$0.1 million from fiscal year 2013 due to the increases in contractual services/commodities and depreciation expenses being offset by increases in charges for services revenue. Operating income for the Wastewater Utility Fund decreased by \$0.8 million in fiscal year 2014 with the increase in contractual services/commodities expenses as discussed above. The Solid Waste Utility Fund operating income increased \$0.2 million due to increased charges

for services. The \$0.5 million decrease in the Stadium Fund operating loss in fiscal year 2014 is primarily due to an increase in rent revenues. The Stadium Fund's operating loss is substantially covered by transfers from the Half-Cent Sales Tax Fund for governmental use and support of this facility. The Storm Drainage Utility Fund essentially broke even in fiscal years 2013 and 2014.

The following graph shows the operating revenues and expenses for the enterprise funds for fiscal year 2014.

### Fiscal year 2014 Enterprise Fund Operating Revenues and Expenses



#### BUDGETARY HIGHLIGHTS

The City's annual budget is the legally adopted expenditure control document of the City. Budgetary comparison statements are required for the General Fund and all major special revenue funds and may be found on pages 30-34. These statements compare the original adopted budget, the budget as amended throughout the fiscal year, and the actual expenditures prepared on a budgetary basis. Budgetary schedules for the other governmental funds as well as the proprietary funds are also presented on pages 92-93, 102-110, 112-116, and 121-124.

Amendments to the adopted budget may occur throughout the year in a legally permissible manner (see Note 1.E for more information on budget policies). Some of these amendments include transfers from contingency to cover approved carryovers from the previous budget, capital projects with budget overages (or whose timing was accelerated), and other unanticipated costs. Also, throughout the year, budget amendments are processed to provide expenditure authority from unanticipated revenue sources. These include new or increased grants and intergovernmental agreements. It is generally the policy of the City to not include revenues and operational expenditure authority for these types of items in the operational budgets unless the funding is reasonably assured at the time of completion of the annual budget. Instead, the City budgets contingency accounts to allow for later transfer to operational budgets if and when the funding is received.

No amendments increasing the City's total adopted budget of \$468 million occurred during fiscal year 2014. Budget amendments between funds or departments or from budgeted contingencies into operational expense/expenditure accounts did occur.

General Fund inflows (revenues and other sources) of \$125.2 million, on a budgetary basis, exceeded budgeted inflows of \$118.1 million by \$7.1 million while budgetary basis outflows (expenditures and other uses) of \$115.5 million were 80.1% of final budgeted outflows. Revenues, on a budgetary basis, exceeded budgeted revenues in sales tax, property tax, franchise tax, state shared sales tax, urban revenue sharing, auto in-lieu tax, charges for other services, licenses and permits, rents, while falling short in investment earnings and fines and forfeitures. Reduced General Fund outflows resulted primarily

from the functional categories of Police, Culture and recreation and Finance. There were no expenditure overages for any of the functional categories, with the exception of Court.

During the fiscal year, the original General Fund expenditures and other uses budget of \$141.3 million was amended by \$3.1 million to the final expenditure and other uses budget of \$144.4 million. Notable General Fund transfers were as follows:

- Budget appropriation of \$1.73 million was transferred to the General Fund from operating and capital funds for FY2014.
- Contingency appropriation of \$1.85 million was transferred from General Fund to the Sports Complex Reserve Fund as part of a contractual payment from the City's new Sports Complex concessionaire.
- Reduction of Lake Pleasant Parkway and Truck Route Reliever capital improvement projects of \$5.4 million from capital funds to General Fund contingency appropriation.
- Additions to Camino A Lago Park, Skunk Creek Trailhead and the Sports Complex capital improvements projects of \$1.8 million was transferred to capital funds from General Fund contingency appropriation.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

As of June 30, 2014, the City had \$1.4 billion invested in various capital assets, net of accumulated depreciation and related debt, up 3.8% from the previous year. The capital assets of the City (net of depreciation, but not capital debt) are \$1.8 billion. This is a net increase of \$25.8 million from June 30, 2013. Net assets of business-type activities increased \$24.8 million while governmental activities increased \$0.5 million.

Major additions to capital assets during the fiscal year included the following:

- ✓ The City spent \$23.6 million completing a major renovation of the team clubhouses located at the Peoria Sports Complex. An additional \$1.8 million was spent to begin phase two, to renovate the main stadium. These improvements are pursuant to the new lease agreement with the San Diego Padres and the Seattle Mariners. The presence of these two teams has proven to be an important community asset, as well as an important economic driver. Recently constructed Spring Training complexes have raised the bar for these facilities, and the Padres and Mariners are desirous that the Peoria Spots Complex reflect this new standard. The total project costs for the clubhouses were \$30 million. The projected costs for phase two are \$7.2 million.
- ✓ Located at the southeast corner of 83rd and Olive Avenue, the City constructed a second community park, Pioneer Park. The park has approximately 80 acres of area to include six baseball/softball fields with the associated concessions, restrooms, spectator areas and parking, four lighted soccer fields and support facilities, a five-acre lake, a skate park, a dog park, a splash park, picnic areas and gardens. The City spent an additional \$2 million in fiscal year 2014. Pioneer Park completed project costs are \$21.7 million. Pioneer Park opened in September 2013.
- ✓ Traffic projections indicate that Lake Pleasant Parkway should be widened to four lanes between Westwing Parkway (Dynamite Blvd) and the Loop 303 to accommodate the anticipated increased traffic anticipated following the connection of Loop 303 to Lake Pleasant Parkway. This project will add two lanes in both directions to the two existing lanes, bike lanes, median improvements, street lighting, sidewalk installation along Lake Pleasant Parkway from Happy Valley Road to Westwing Parkway and aesthetic enhancements to existing walls in the area. Project costs as of June 2014 are \$9.8 million. This project is expected to be completed in FY2015.
- ✓ The City of Peoria, MCDOT, City of Surprise, and the Arizona Rock Products Association identified an alternative truck route to reduce truck traffic on Beardsley Road between 111th Avenue and 99th

Avenue. Additionally, the route will alleviate the noise and other environmental impacts on residents in the area. This project was approved by the voters as part of the 2008 bond election. Project costs as of June 2014 are \$4.5 million. This project is expected to be completed in FY2015.

The following table provides a breakdown of the capital assets of the City at June 30, 2014, and 2013. Additional information on the City's capital assets may be found in Note 12.

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2014	2013	2014	2013	2014	2013
Buildings and building improvements	\$ 133.0	\$ 137.7	\$ 50.6	\$ 21.5	\$ 183.5	\$ 159.2
Furniture	.5	.4	-	.1	.5	.5
Equipment	11.7	13.1	6.2	5.3	17.9	18.4
Vehicles	7.8	7.1	6.2	4.7	13.9	11.8
Surface water system	56.6	58.6	-	-	56.8	58.6
Street system	353.4	362.8	-	-	353.4	362.8
Park system	68.4	48.6	-	-	68.4	48.6
Water system	-	-	236.9	237.6	236.9	237.6
Water rights	-	-	11.1	11.3	11.1	11.3
Wastewater system	-	-	268.8	274.8	268.8	274.8
Land	340.1	339.2	16.6	16.6	356.7	355.8
Work in progress	158.3	161.7	50.2	49.5	208.5	211.2
Total	<u>\$ 1,129.8</u>	<u>\$ 1,129.2</u>	<u>\$ 646.6</u>	<u>\$ 621.4</u>	<u>\$ 1,776.4</u>	<u>\$ 1,750.6</u>

The City has adopted a ten year capital improvement plan budgeted at \$598.6 million, including \$145.2 million in fiscal year 2015. Anticipated funding for this plan for fiscal year 2015 is through a combination of impact fees (20.4%), general obligation bonds (8.0%), municipal development authority bonds (25.6%), operating revenues (23.2%), City (17.6%) and County (1.5%) transportation sales taxes and other outside funding sources (3.7%). The estimated operating budget impact of the capital improvement program over the next five fiscal years is expected to be \$10.5 million. The capital improvement plan is updated annually as part of the City's budget process.

### Long-term Debt

The City's outstanding non-current long-term debt, including bonds, compensated absences, and deferred bond premiums, net of deferred loss on bond refunding, was \$379.5 million at June 30, 2014. Of this total, \$276.1 million was in governmental activities and \$103.4 million was in business-type activities. The City's outstanding non-current debt decreased \$84.9 million in fiscal year 2014. This decrease in outstanding non-current debt is due to the change in accounting principle implemented in fiscal year 2014. All contracts payable related to development agreements were removed from the financial statements. Contracts payable of \$57,165,982 was removed from governmental activities and \$6,297,204 was removed from business-type activities.

Of the total outstanding bonds, net of unamortized bond premium, of \$398.6 million, \$152.8 million is general obligation bonds backed by the full faith and credit of the City. An additional \$3.2 million is special assessment bonds where the City is contingently liable in the event that the assessment revenues are insufficient to pay the debt payments. The outstanding debt also includes \$51.1 million in Community Facilities District bonds where the City has no obligation for payment. All other outstanding debt is secured by pledges of specific revenue sources of the City.

The State constitution imposes certain debt limitations on the City of six percent (6%) and twenty percent (20%) of the assessed valuation of the City. The City's available debt margin at June 30, 2014, is \$63.1 million in the 6% category and \$59.0 million in the 20% category. Additional information on the debt limitations and capacities may be found in Note 14 and also in Table XXV in the statistical section of this report.

The following schedule shows the outstanding debt of the City (both current and long-term) as of June 30, 2014, and 2013. Further detail on the City's outstanding debt may be found in Note 14.

**Outstanding Debt**  
(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013 (restated)	2014	2013 (restated)	2014	2013 (restated)
General obligation debt	\$ 152.8	\$ 162.4	\$ -	\$ -	\$ 152.8	\$ 162.4
Municipal Development Authority debt	81.0	85.2	-	-	81.0	85.2
Special assessment debt	3.2	3.5	-	-	3.2	3.5
Water/Sewer Revenue bonds	-	-	110.5	119.5	110.5	119.5
Community Facilities District bonds	51.1	53.7	-	-	51.1	53.7
Compensated absences	6.9	6.9	0.8	0.8	7.7	7.7
<b>Total</b>	<b>\$ 295.0</b>	<b>\$ 311.7</b>	<b>\$ 111.3</b>	<b>\$ 120.3</b>	<b>\$ 406.3</b>	<b>\$ 432.0</b>

The City currently maintains the following ratings on its general obligation debt: "AA+" from Standard & Poor's, "Aa1" from Moody's and "AA+" from Fitch. For the water and sewer revenue bonds, the ratings are "AA" from Standard & Poor's, "Aa3" from Moody's and "AA" from Fitch.

### ECONOMIC FACTORS

The unemployment rate in the metropolitan Phoenix region for June 2014 was 6.0% which remains below both the state (7.5%) and national average (6.3%). The regional economy continues to recover at a slow pace with population growth in the 1% range and modest improvements in job creation over the 12-month period at 2.3%, slightly faster than the national rate of 1.5%. Construction activity began to improve markedly over the previous year (though, much lower than after previous recessions) in the region as home values and re-sale activity rebounded. Most job gains in the state were in the leisure and hospitality, business and financial services, education, and healthcare sectors. Peoria also experienced growth in new home starts with a 25.0% increase in single-family home permits compared to the previous fiscal year. Commercial activity improved during the year, but reflects increases over historically low levels during the previous two fiscal years.

The adopted fiscal year 2015 budget is \$470 million, a slight increase from the fiscal year 2014 budget as the City anticipates slight property tax revenue decreases due to lag between the time properties are valued and the time they are billed. The operating budget totals \$324.8 million, which is an increase of 3.5% from 2014. The capital projects portion of the budget, \$145.2 million (a 5.8% decrease), is divided in the following manner: \$0.9 million for drainage projects, \$6.0 for operational facilities, \$17.8 million for parks, trails and open space, \$10.8 million for public safety projects, \$35.9 million for streets and traffic control projects, \$44.3 million for economic development projects, \$8.0 million for wastewater projects, and \$21.5 million for water projects.

The General Fund operating budget (not including contingency) is \$123.2 million, up 3.1% from the prior year budget. With the muted economic recovery, the citizens' needs for City services were balanced with a slowly increasing revenue base. The budget continues to focus on preserving the City's excellent quality of life, while preserving our future financial viability.

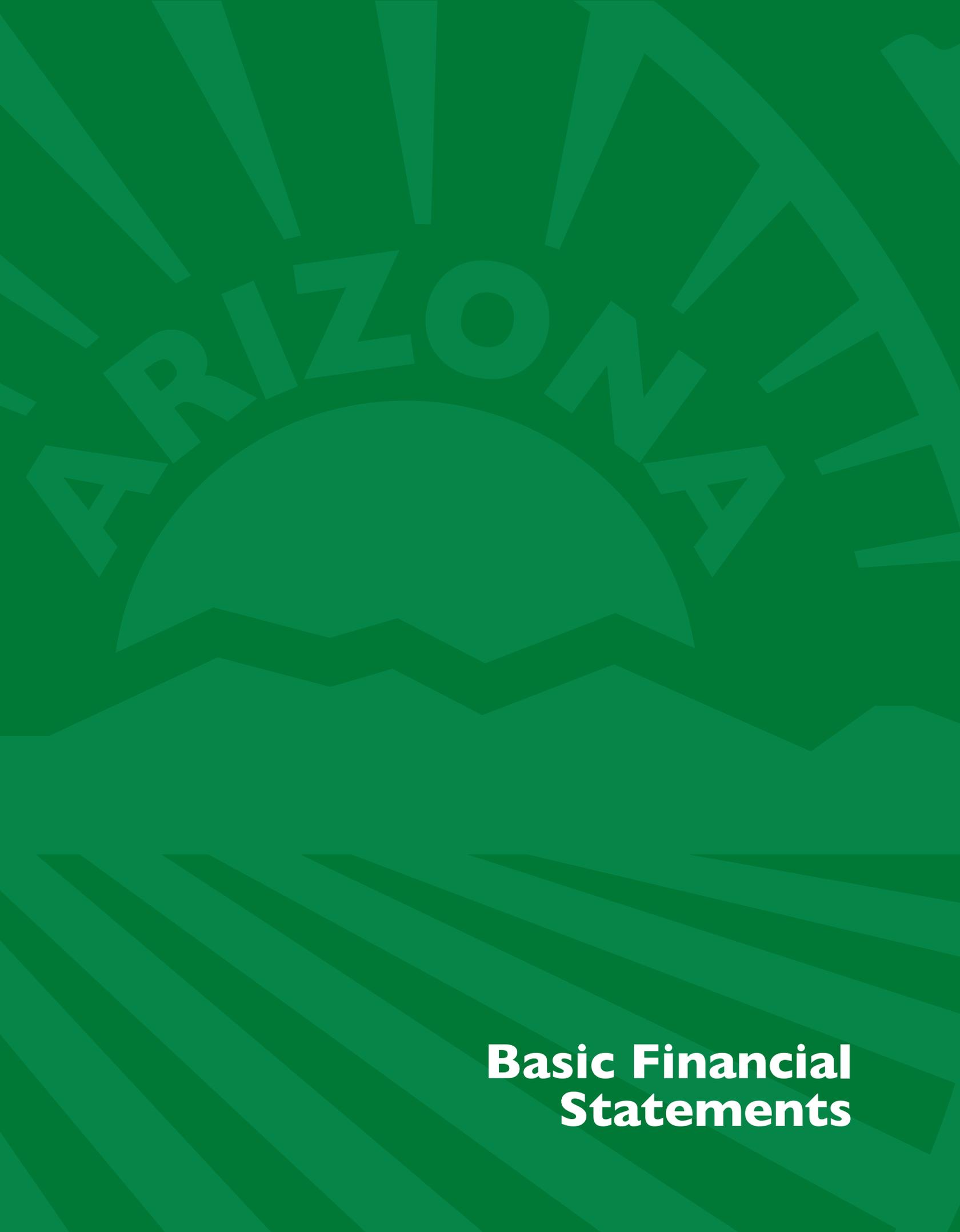
The fiscal year 2015 budget no longer required staff cuts, but adhering to the commitment to avoid ongoing commitments, seven new positions were added in the budget.

The City has maintained cash balances over the last few years, both for financial stability and in anticipation of the capital and ongoing operational needs of an ever-changing city. The City has established several stabilization reserves within the General Fund and Half-Cent Sales Tax Fund in accordance with the City's adopted financial policies – The Principles of Sound Financial Management. These reserves totaled \$31.5 million in the General Fund and \$5.2 million in the Half-Cent Sales Tax Fund at June 30, 2014. The City also maintains working capital policy reserve, rate stabilization, and debt stabilization reserves in the Utility Funds. At June 30, 2014, those reserves were \$12.3 million in the Water Utility, \$8.8 million in the Wastewater Utility, and \$2.2 million in the Solid Waste Utility. It should be noted that while these reserves are established to address immediate and dramatic fiscal difficulties, they are not intended to cover structural budget shortfalls. With this in mind, the fiscal year 2015 budget does not anticipate the use of reserves to address recurring expenses.

## **FINANCIAL CONTACT**

This financial report is designed to provide a general overview of the City of Peoria, Arizona's finances and to demonstrate accountability for the use of public funds. Questions about any of the information provided in this report, or requests for additional financial information should be addressed to the City's Finance Director at the following address: City of Peoria, 8401 W. Monroe Street, Peoria, Arizona 85345.





**Basic Financial  
Statements**

**CITY OF PEORIA, ARIZONA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 53,613,894	\$ 20,694,824	\$ 74,308,718
Cash with fiscal agents	3,681,859	-	3,681,859
Investments	179,737,909	69,540,816	249,278,725
Accounts receivable, net	8,891,034	8,679,861	17,570,895
Interest receivable	99,040	35,482	134,522
Internal balances	(2,241,926)	2,241,926	-
Due from other governments	4,587,905	-	4,587,905
Prepaid items	230,822	91,000	321,822
Supply inventories	429,506	389,058	818,564
Restricted cash and cash equivalents	22,102,392	-	22,102,392
Restricted investments	15,248,986	-	15,248,986
Other assets	900,000	-	900,000
Special assessments receivable	2,603,127	-	2,603,127
Capital assets:			
Non-depreciable	498,433,470	65,819,496	564,252,966
Depreciable (net)	631,321,478	579,910,785	1,211,232,263
Total assets	<u>1,419,639,496</u>	<u>747,403,248</u>	<u>2,167,042,744</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on bond refunding	<u>349,692</u>	<u>284,406</u>	<u>634,098</u>
<b>LIABILITIES</b>			
Accounts payable	11,159,551	3,188,124	14,347,675
Accrued payroll	1,272,054	155,006	1,427,060
Interest payable	6,078,842	1,786,943	7,865,785
Due to other governments	1,208,783	219,028	1,427,811
Other liabilities	3,302,122	87,769	3,389,891
Customer deposits	3,567	2,018,373	2,021,940
Unearned revenue-other	3,159,970	1,848,389	5,008,359
Non-current liabilities:			
Due within one year:			
Current portion of claims payable	2,477,231	-	2,477,231
Current portion of compensated absences	5,177,550	619,410	5,796,960
Current portion of bonds payable	17,305,000	9,210,037	26,515,037
Due in more than one year:			
Noncurrent portion of claims payable	1,585,358	-	1,585,358
Noncurrent portion of compensated absences	1,728,590	213,930	1,942,520
Noncurrent portion of bonds payable	274,407,869	103,181,509	377,589,378
Total liabilities	<u>328,866,487</u>	<u>122,528,518</u>	<u>451,395,005</u>
<b>NET POSITION</b>			
Net investment in capital assets	855,286,264	533,623,141	1,388,909,405
Restricted for:			
Debt service	50,307,079	-	50,307,079
Capital projects	18,452,158	23,053,024	41,505,182
Development fees	28,897,666	-	28,897,666
Transportation purposes	44,934,361	-	44,934,361
Grant purposes	2,790,691	-	2,790,691
Facilities maintenance	54,193	100,000	154,193
Trust purpose	6,188,544	-	6,188,544
Unrestricted	84,211,745	68,382,971	152,594,716
Total net position	<u>\$ 1,091,122,701</u>	<u>\$ 625,159,136</u>	<u>\$ 1,716,281,837</u>

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Fees, Fines &amp; Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 20,038,112	\$ 2,303,848	\$ 138,563	\$ -
Culture and recreation	25,559,518	7,299,943	422,945	2,515,028
Police	36,344,807	995,068	628,923	525,073
Fire	23,868,374	1,772,238	453,757	591,566
Development services	9,193,743	2,677,468	1,013,410	-
Highways and streets	31,411,752	621,056	8,691,989	8,071,780
Public works	7,015,316	3,506,520	41,028	-
Human services	1,629,118	45,780	1,302,920	-
Interest on long-term debt	12,009,243	-	-	-
Unallocated depreciation	574,550	-	-	-
Total governmental activities	<u>167,644,533</u>	<u>19,221,921</u>	<u>12,693,535</u>	<u>11,703,447</u>
Business-type activities:				
Water Utility	30,836,235	35,800,393	-	5,611,597
Wastewater Utility	21,083,666	18,455,600	-	3,510,961
Solid Waste Utility	10,806,101	11,309,198	-	-
Stadium	5,176,689	3,103,333	-	-
Storm Drain Utility	823,780	831,439	-	203,078
Total business-type activities	<u>68,726,471</u>	<u>69,499,963</u>	<u>-</u>	<u>9,325,636</u>
Total primary government	<u>\$ 236,371,004</u>	<u>\$ 88,721,884</u>	<u>\$ 12,693,535</u>	<u>\$ 21,029,083</u>

General revenues:

Taxes:

Property taxes, levied for general purposes

Property taxes, levied for debt service

Sales and use taxes

Franchise taxes

State shared sales taxes- unrestricted

Urban revenue sharing- unrestricted

Auto in-lieu taxes- unrestricted

Investment earnings

Gain on sale of capital assets

Miscellaneous

Transfers in (out)

Total general revenues and transfers

Change in net position

Net position - beginning

Cumulative effect of change in accounting principle (note 1)

Net position - beginning - restated

Net position - ending

The accompanying notes are an integral part of the financial statements

**Net (Expense) Revenue and  
Changes in Net Position  
Primary Government**

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (17,595,701)	\$ -	\$ (17,595,701)
(15,321,602)	-	(15,321,602)
(34,195,743)	-	(34,195,743)
(21,050,813)	-	(21,050,813)
(5,502,865)	-	(5,502,865)
(14,026,927)	-	(14,026,927)
(3,467,768)	-	(3,467,768)
(280,418)	-	(280,418)
(12,009,243)	-	(12,009,243)
(574,550)	-	(574,550)
<u>(124,025,630)</u>	<u>-</u>	<u>(124,025,630)</u>
-	10,575,755	10,575,755
-	882,895	882,895
-	503,097	503,097
-	(2,073,356)	(2,073,356)
-	210,737	210,737
<u>-</u>	<u>10,099,128</u>	<u>10,099,128</u>
<u>\$ (124,025,630)</u>	<u>\$ 10,099,128</u>	<u>\$ (113,926,502)</u>
\$ 2,744,900	\$ -	\$ 2,744,900
15,479,771	-	15,479,771
70,213,953	-	70,213,953
4,194,371	-	4,194,371
13,431,637	-	13,431,637
17,172,500	-	17,172,500
5,495,225	-	5,495,225
878,164	359,158	1,237,322
111,342	-	111,342
3,920,109	-	3,920,109
<u>(28,205,646)</u>	<u>28,205,646</u>	<u>-</u>
<u>105,436,326</u>	<u>28,564,804</u>	<u>134,001,130</u>
<u>(18,589,304)</u>	<u>38,663,932</u>	<u>20,074,628</u>
<u>1,054,652,077</u>	<u>580,198,000</u>	<u>1,634,850,077</u>
<u>55,059,928</u>	<u>6,297,204</u>	<u>61,357,132</u>
<u>1,109,712,005</u>	<u>586,495,204</u>	<u>1,696,207,209</u>
<u>\$ 1,091,122,701</u>	<u>\$ 625,159,136</u>	<u>\$ 1,716,281,837</u>

**CITY OF PEORIA, ARIZONA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2014**

	Major Funds			
	General Fund	Half-Cent Sales Tax Fund	Highway User Revenue Fund	Transportation Sales Tax Fund
<b>ASSETS &amp; DEFERRED OUTFLOWS</b>				
Assets:				
Cash and cash equivalents	\$ 13,758,042	\$ 2,197,029	\$ 3,369,335	\$ 6,874,794
Cash with fiscal agents	-	-	-	-
Investments	45,083,344	7,388,011	11,330,155	23,118,058
Accounts receivable, net	4,791,063	1,535,489	378,420	920,313
Interest receivable	23,139	4,694	5,940	12,156
Due from other funds	-	-	-	-
Due from other governments	2,673,176	-	822,335	-
Prepaid items	108,002	-	-	-
Supply inventories	154,850	-	79,107	-
Restricted cash and cash equivalents	326,735	-	-	-
Restricted investments	-	-	-	-
Special assessments receivable	-	-	-	-
Total assets	<u>66,918,351</u>	<u>11,125,223</u>	<u>15,985,292</u>	<u>30,925,321</u>
Total assets & deferred outflows	<u>\$ 66,918,351</u>	<u>\$ 11,125,223</u>	<u>\$ 15,985,292</u>	<u>\$ 30,925,321</u>
<b>LIABILITIES, DEFERRED INFLOWS &amp; FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 2,675,205	\$ -	\$ 650,929	\$ 1,049,528
Accrued payroll	1,115,339	-	44,290	-
Due to other funds	-	-	-	-
Due to other governments	1,208,783	-	-	-
Customer deposits	3,567	-	-	-
Other liabilities	2,438,667	-	-	87,798
Unearned revenue-other	1,472,954	-	-	-
Total liabilities	<u>8,914,515</u>	<u>-</u>	<u>695,219</u>	<u>1,137,326</u>
Deferred Inflows of Resources:				
Unavailable revenue-property taxes	9,051	-	41,589	-
Unavailable revenue-special assessments	-	-	-	-
Total deferred inflows of resources	<u>9,051</u>	<u>-</u>	<u>41,589</u>	<u>-</u>
Fund balances:				
Nonspendable:				
Supply inventories	154,850	-	79,107	-
Prepaid items	108,002	-	-	-
Restricted for:				
Debt service	-	-	-	-
Capital projects	-	-	-	-
Development fees	-	-	-	-
Transportation purposes	-	-	15,169,377	29,787,995
Grant purposes	-	-	-	-
Arts Center maintenance	54,193	-	-	-
Committed to:				
Debt service	-	1,000,000	-	-
Economic development	5,496,922	-	-	-
Arts capital	-	-	-	-
Operating reserve	13,514,000	-	-	-
Emergency reserve	9,009,000	-	-	-
Budget stabilization reserve	9,009,000	5,242,000	-	-
Assigned to:				
Capital projects	-	-	-	-
Municipal Complex reserve	3,340,512	-	-	-
Other purposes	-	4,883,223	-	-
Unassigned:				
Total fund balance	<u>57,994,785</u>	<u>11,125,223</u>	<u>15,248,484</u>	<u>29,787,995</u>
Total liabilities, deferred inflows & fund balance	<u>\$ 66,918,351</u>	<u>\$ 11,125,223</u>	<u>\$ 15,985,292</u>	<u>\$ 30,925,321</u>

The accompanying notes are an integral part of the financial statements

<b>GO Bond Debt Service Fund</b>	<b>GO Bond Capital Projects Fund</b>	<b>Development Fee Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 6,111,342	\$ -	\$ 7,461,895	\$ 7,983,858	\$ 47,756,295
-	-	-	3,681,859	3,681,859
20,550,778	-	25,092,320	27,477,736	160,040,402
93,941	-	-	1,168,701	8,887,927
8,749	116	13,357	21,652	89,803
-	-	-	1,819,656	1,819,656
188,206	-	-	904,188	4,587,905
-	52,534	-	-	160,536
-	-	-	-	233,957
-	788,737	-	16,403,396	17,518,868
-	2,497,638	-	9,753,598	12,251,236
-	-	-	2,603,127	2,603,127
<u>26,953,016</u>	<u>3,339,025</u>	<u>32,567,572</u>	<u>71,817,771</u>	<u>259,631,571</u>
<u>\$ 26,953,016</u>	<u>\$ 3,339,025</u>	<u>\$ 32,567,572</u>	<u>\$ 71,817,771</u>	<u>\$ 259,631,571</u>
\$ -	\$ 1,057,263	\$ 1,850,250	\$ 1,823,377	\$ 9,106,552
-	-	-	14,681	1,174,310
-	-	1,819,656	-	1,819,656
-	-	-	-	1,208,783
-	-	-	-	3,567
-	461,624	-	314,033	3,302,122
-	-	-	1,687,016	3,159,970
<u>-</u>	<u>1,518,887</u>	<u>3,669,906</u>	<u>3,839,107</u>	<u>19,774,960</u>
-	-	-	12,922	63,562
-	-	-	2,603,127	2,603,127
-	-	-	2,616,049	2,666,689
-	-	-	-	233,957
-	52,534	-	-	160,536
26,953,016	-	-	23,354,063	50,307,079
-	1,767,604	-	16,632,020	18,399,624
-	-	28,897,666	-	28,897,666
-	-	-	-	44,957,372
-	-	-	2,790,691	2,790,691
-	-	-	-	54,193
-	-	-	-	1,000,000
-	-	-	-	5,496,922
-	-	-	4,058,556	4,058,556
-	-	-	-	13,514,000
-	-	-	-	9,009,000
-	-	-	-	14,251,000
-	-	-	18,415,187	18,415,187
-	-	-	-	3,340,512
-	-	-	112,098	4,995,321
-	-	-	-	17,308,306
<u>26,953,016</u>	<u>1,820,138</u>	<u>28,897,666</u>	<u>65,362,615</u>	<u>237,189,922</u>
<u>\$ 26,953,016</u>	<u>\$ 3,339,025</u>	<u>\$ 32,567,572</u>	<u>\$ 71,817,771</u>	<u>\$ 259,631,571</u>



**CITY OF PEORIA, ARIZONA  
RECONCILIATION OF THE BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL ACTIVITIES  
JUNE 30, 2014**

Fund balances - total governmental funds balance sheet \$ 237,189,922

Amounts reported for governmental activities in the statement of net position are different because (also see note 2):

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets	\$ 1,406,372,622	
Less accumulated depreciation	<u>(295,117,985)</u>	1,111,254,637

Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Deferred loss on bond refunding		349,692
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Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.

Governmental bonds payable	288,145,000	
Compensated absences	<u>6,188,290</u>	(294,333,290)

Certain long-term debt is offset by an intangible asset (goodwill) for government-wide reporting		900,000
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Advances for long-term special assessments is shown on the governmental governmental funds balance sheet, but is not on the statement of net position		2,603,127
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Bond premiums are recognized at the time of issuance in the governmental funds, but recognized over the life of the bonds for government-wide reporting		(3,567,869)
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Property tax revenue earned but not received within 60 days of year-end is a deferred inflow of resources for the governmental statements, but is recognized as revenue for the government-wide statements		63,562
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Interest payable on long-term debt is not reported in the governmental funds.		(6,078,842)
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Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds that are reported with the governmental activities.		<u>42,741,762</u>
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Total net position of governmental activities - statement of net position		<u><u>\$ 1,091,122,701</u></u>
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**CITY OF PEORIA, ARIZONA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Major Funds</b>			
	<b>General Fund</b>	<b>Half-Cent Sales Tax Fund</b>	<b>Highway User Revenue Fund</b>	<b>Transportation Sales Tax Fund</b>
<b>REVENUES:</b>				
Taxes:				
Sales and use taxes	\$ 39,454,451	\$ 17,776,962	\$ 3,356,033	\$ 10,649,695
Property taxes	2,174,962	-	543,246	-
Franchise taxes	4,194,371	-	-	-
Intergovernmental:				
State shared sales taxes	13,431,637	-	-	-
Urban revenue sharing	17,172,500	-	-	-
Auto in-lieu taxes	5,495,225	-	-	-
Highway user revenue	-	-	8,691,989	-
From federal government	-	-	-	-
Other	257,065	-	-	-
Charges for services	12,207,472	-	328,007	-
Licenses and permits	2,800,894	-	-	-
Fines and forfeitures	1,933,142	-	-	-
Rents	731,901	-	-	-
Investment earnings	83,771	49,707	51,013	131,450
Special assessments	-	-	-	-
Miscellaneous	436,071	27,391	98	80,000
Total revenues	<u>100,373,462</u>	<u>17,854,060</u>	<u>12,970,386</u>	<u>10,861,145</u>
<b>EXPENDITURES:</b>				
Current:				
General government	12,207,156	3,241,986	-	-
Culture and recreation	20,955,595	-	-	-
Police	35,086,801	-	-	-
Fire	22,455,728	-	-	-
Development services	6,984,941	-	-	-
Highways and streets	-	-	11,494,957	1,030,186
Public works	5,069,896	-	-	-
Human services	-	-	-	-
Debt service:				
Principal payments	-	1,023,188	-	-
Interest and other charges	-	8,287	-	-
Capital outlay	201,560	-	500,764	2,212,668
Total expenditures	<u>102,961,677</u>	<u>4,273,461</u>	<u>11,995,721</u>	<u>3,242,854</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,588,215)</u>	<u>13,580,599</u>	<u>974,665</u>	<u>7,618,291</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Loan proceeds	-	-	-	-
Transfers in	11,039,167	-	1,000,000	-
Transfers out	(1,137,515)	(16,057,076)	(75,429)	(5,417,059)
Total other financing sources and uses	<u>9,901,652</u>	<u>(16,057,076)</u>	<u>924,571</u>	<u>(5,417,059)</u>
Net change in fund balances	<u>7,313,437</u>	<u>(2,476,477)</u>	<u>1,899,236</u>	<u>2,201,232</u>
Fund balances - beginning	50,924,988	13,601,700	13,349,248	27,586,763
Restatement (note 1)	(243,640)	-	-	-
Fund balances (deficit) - beginning - restated	<u>50,681,348</u>	<u>13,601,700</u>	<u>13,349,248</u>	<u>27,586,763</u>
Fund balances - ending	<u>\$ 57,994,785</u>	<u>\$ 11,125,223</u>	<u>\$ 15,248,484</u>	<u>\$ 29,787,995</u>

The accompanying notes are an integral part of the financial statements

<b>GO Bond Debt Service Fund</b>	<b>GO Bond Capital Projects Fund</b>	<b>Development Fee Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ 71,237,141
13,429,627	-	-	2,152,633	18,300,468
-	-	-	-	4,194,371
-	-	-	-	13,431,637
-	-	-	-	17,172,500
-	-	-	-	5,495,225
-	-	-	-	8,691,989
-	-	-	2,717,331	2,717,331
-	-	-	2,367,175	2,624,240
-	-	4,477,101	671,777	17,684,357
-	-	-	-	2,800,894
-	-	-	195,147	2,128,289
-	-	-	-	731,901
89,959	10,934	141,338	199,575	757,747
-	-	-	1,137,018	1,137,018
-	257,058	-	4,259,725	5,060,343
<u>13,519,586</u>	<u>267,992</u>	<u>4,618,439</u>	<u>13,700,381</u>	<u>174,165,451</u>
-	-	-	417,470	15,866,612
-	-	181,062	626,068	21,762,725
-	-	38,598	714,252	35,839,651
-	-	236,293	445,201	23,137,222
-	-	-	2,327,023	9,311,964
-	4,095,067	117,396	360,984	17,098,590
-	-	-	41,028	5,110,924
-	-	-	1,604,288	1,604,288
9,555,000	-	-	7,150,000	17,728,188
6,077,659	2,500	-	6,455,528	12,543,974
-	14,444,860	890,856	3,687,053	21,937,761
<u>15,632,659</u>	<u>18,542,427</u>	<u>1,464,205</u>	<u>23,828,895</u>	<u>181,941,899</u>
<u>(2,113,073)</u>	<u>(18,274,435)</u>	<u>3,154,234</u>	<u>(10,128,514)</u>	<u>(7,776,448)</u>
-	-	-	112,000	112,000
-	-	-	8,120,774	20,159,941
-	(638,458)	-	(25,325,151)	(48,650,688)
-	(638,458)	-	(17,092,377)	(28,378,747)
<u>(2,113,073)</u>	<u>(18,912,893)</u>	<u>3,154,234</u>	<u>(27,220,891)</u>	<u>(36,155,195)</u>
30,825,566	20,733,031	25,743,432	92,686,443	275,451,171
(1,759,477)	-	-	(102,937)	(2,106,054)
<u>29,066,089</u>	<u>20,733,031</u>	<u>25,743,432</u>	<u>92,583,506</u>	<u>273,345,117</u>
<u>\$ 26,953,016</u>	<u>\$ 1,820,138</u>	<u>\$ 28,897,666</u>	<u>\$ 65,362,615</u>	<u>\$ 237,189,922</u>



**CITY OF PEORIA, ARIZONA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014**

Net change in fund balances - total governmental funds	\$ (36,155,195)
Amounts reported for governmental activities in the statement of activities are different because (also see note 2):	
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.	(20,120)
Certain revenues are advances in the governmental funds because they do not provide current financial resources, but are considered revenue on the statement of activities.	(75,797)
Certain long-term obligations are offset by goodwill that is amortized over the life of the debt. Goodwill amortization is included in the statement of activities, but not the governmental fund statements	(900,000)
Special assessment principal payments received are revenues on the governmental operating statement, but are reductions in the outstanding special assessment debt for government-wide reporting.	(916,873)
Interest expense in the statement of activities differs from the amount reported in governmental funds because accrued interest was calculated for bonds and notes payable for the statement of activities, but is expensed when due for the governmental fund statements.	534,731
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$21,937,761), plus other capital \$0, is exceeded by depreciation (\$28,510,136) in the current period.	(6,572,375)
In the statement of activities, only the gain on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the assets sold or disposed of. Also gains/losses on sales of capital assets are not shown in the governmental funds, but are revenues or expenses on the statement of activities.	141,376
Donations of capital assets are not reflected on the governmental fund statements but are shown in the statement of activities.	5,250,155
Repayment of bonds/contracts principal is an expenditure in the governmental funds, but reduces long-term liabilities in the statement of net position. No effect on net position.	16,705,000
The donation of governmental capital assets from Governmental Funds is not shown in the governmental fund statements but is a transfer out in the statement of activities	(2,749,603)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	6,169,397
Change in net position of governmental activities- statement of activities	<u>\$ (18,589,304)</u>

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA  
BUDGETARY COMPARISON STATEMENT  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>(budgetary basis)</u>	<u>Final Budget</u> <u>Over</u> <u>(Under)</u>
Budgetary fund balance, July 1, 2013	\$ 49,901,946	\$ 49,901,946	\$ 49,901,946	\$ -
<b>RESOURCES (INFLOWS):</b>				
Taxes:				
Sales and use taxes	35,799,364	35,799,364	39,362,157	3,562,793
Property taxes	2,166,429	2,166,429	2,437,408	270,979
Franchise taxes	4,127,136	4,127,136	4,182,052	54,916
Intergovernmental:				
State shared sales taxes	13,136,907	13,136,907	13,369,551	232,644
Urban revenue sharing	16,994,859	16,994,859	17,172,500	177,641
Auto in-lieu taxes	5,215,662	5,215,662	5,509,827	294,165
Other	285,667	285,667	469,025	183,358
Charges for services	23,512,060	23,512,060	26,420,793	2,908,733
Licenses and permits	2,215,734	2,215,734	2,800,894	585,160
Fines and forfeitures	2,124,729	2,124,729	1,933,142	(191,587)
Rents	639,773	639,773	743,340	103,567
Investment earnings	137,652	146,586	100,539	(46,047)
Miscellaneous	685,000	685,000	436,071	(248,929)
Transfers from other funds	11,080,843	11,080,843	10,517,719	(563,124)
Total inflows	<u>118,121,815</u>	<u>118,130,749</u>	<u>125,455,018</u>	<u>7,324,269</u>
Amounts available for appropriation	<u>168,023,761</u>	<u>168,032,695</u>	<u>175,356,964</u>	<u>7,324,269</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
General government:				
Mayor and council	676,888	686,874	600,775	(86,099)
City manager	4,112,354	4,167,474	3,838,977	(328,497)
Human resources	2,679,726	2,637,843	2,316,520	(321,323)
Attorney	3,155,905	3,255,905	3,066,127	(189,778)
City clerk	819,344	819,344	744,288	(75,056)
Court	1,906,941	1,906,941	1,910,068	3,127
Economic development	1,439,059	1,582,082	915,902	(666,180)
Finance	9,790,335	10,011,335	8,954,037	(1,057,298)
Non-departmental	1,720,819	2,250,979	2,421,425	170,446
Culture and recreation	21,711,985	21,772,023	20,088,394	(1,683,629)
Police	36,805,169	36,745,319	34,721,210	(2,024,109)
Fire	23,000,939	23,000,939	22,221,748	(779,191)
Development services	8,209,879	8,645,276	6,912,161	(1,733,115)
Public works	5,296,323	5,418,896	4,829,375	(589,521)
Capital outlay	1,761,920	2,362,171	1,253,285	(1,108,886)
Contingencies	17,500,000	18,384,776	-	(18,384,776)
Transfers to other funds	718,189	718,189	715,748	(2,441)
Total charges to appropriations	<u>141,305,775</u>	<u>144,366,366</u>	<u>115,510,040</u>	<u>(28,856,326)</u>
Budgetary fund balance, June 30, 2014	<u>\$ 26,717,986</u>	<u>\$ 23,666,329</u>	<u>\$ 59,846,924</u>	<u>\$ 36,180,595</u>

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA  
BUDGETARY COMPARISON STATEMENT  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	\$ 175,356,964
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(49,901,946)
Transfers from other funds are a budgetary resource but are not revenues for financial reporting purposes	(10,517,719)
Interdepartmental service charges are revenue on a budgetary basis, but are eliminated from the financial statements under GASB34's allocation rules	(12,743,673)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	(1,820,164)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 100,373,462</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 115,510,040
Differences - budget to GAAP:	
The City budgets for claims and compensated absences on the cash basis, rather than on the modified accrual basis	130,947
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	780,111
Certain interdepartmental service charges are recognized as expenditures for budgetary purposes but are eliminated from the financial statements under GASB34's allocation rules	(12,743,673)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(715,748)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 102,961,677</u>

**CITY OF PEORIA, ARIZONA  
BUDGETARY COMPARISON STATEMENT  
HALF-CENT SALES TAX FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>(budgetary basis)</u>	<u>Final Budget</u> <u>Over</u> <u>(Under)</u>
Budgetary fund balance, July 1, 2013	\$ 12,712,986	\$ 12,712,986	\$ 12,712,986	\$ -
<b>RESOURCES (INFLOWS):</b>				
Taxes:				
Sales and use taxes	15,853,416	15,853,416	17,740,482	1,887,066
Investment earnings	39,000	39,000	56,125	17,125
Miscellaneous	-	-	27,391	27,391
Total inflows	<u>15,892,416</u>	<u>15,892,416</u>	<u>17,823,998</u>	<u>1,931,582</u>
Amounts available for appropriation	<u>28,605,402</u>	<u>28,605,402</u>	<u>30,536,984</u>	<u>1,931,582</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
General government- non-departmental	2,308,796	3,323,928	3,241,986	(81,942)
Debt service:				
Principal payments	1,310,000	1,310,000	1,023,188	(286,812)
Interest and other charges	26,000	26,000	8,287	(17,713)
Capital outlay	1,170,000	-	-	-
Contingencies	3,000,000	3,054,868	-	(3,054,868)
Transfers to other funds	15,961,477	15,961,477	15,957,076	(4,401)
Total charges to appropriations	<u>23,776,273</u>	<u>23,676,273</u>	<u>20,230,537</u>	<u>(3,445,736)</u>
Budgetary fund balance, June 30, 2014	<u>\$ 4,829,129</u>	<u>\$ 4,929,129</u>	<u>\$ 10,306,447</u>	<u>\$ 5,377,318</u>

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	\$ 30,536,984
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(12,712,986)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	30,062
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 17,854,060</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 20,230,537
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(15,957,076)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 4,273,461</u>

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA  
BUDGETARY COMPARISON STATEMENT  
HIGHWAY USER REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (budgetary basis)</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, July 1, 2013	\$ 11,911,821	\$ 11,911,821	\$ 11,911,821	\$ -
<b>RESOURCES (INFLOWS):</b>				
Taxes:				
Sales and use taxes	3,286,725	3,286,725	3,362,779	76,054
Property taxes	548,978	548,978	465,254	(83,724)
Intergovernmental:				
Highway user revenue	8,011,080	8,011,080	8,671,502	660,422
Charges for services	426,000	426,000	583,517	157,517
Investment earnings	75,100	75,100	56,782	(18,318)
Miscellaneous	-	-	98	98
Transfers from other funds	1,548,978	1,548,978	1,541,755	(7,223)
Total inflows	<u>13,896,861</u>	<u>13,896,861</u>	<u>14,681,687</u>	<u>784,826</u>
Amounts available for appropriation	<u>25,808,682</u>	<u>25,808,682</u>	<u>26,593,508</u>	<u>784,826</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Highways and streets	9,741,292	9,737,816	9,739,948	2,132
Capital outlay	3,664,176	4,023,368	2,955,837	(1,067,531)
Contingencies	1,000,000	791,345	-	(791,345)
Transfers to other funds	624,407	624,407	617,184	(7,223)
Total charges to appropriations	<u>15,029,875</u>	<u>15,176,936</u>	<u>13,312,969</u>	<u>(1,863,967)</u>
Budgetary fund balance, June 30, 2014	<u>\$ 10,778,807</u>	<u>\$ 10,631,746</u>	<u>\$ 13,280,539</u>	<u>\$ 2,648,793</u>

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	\$ 26,593,508
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(11,911,821)
Transfers from other funds are a budgetary resource but are not revenues for financial reporting purposes	(1,541,755)
Interdepartmental service charges are revenue on a budgetary basis, but are eliminated from the financial statements under GASB 34's allocation rules.	(295,000)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	125,454
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 12,970,386</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 13,312,969
Differences - budget to GAAP:	
The City budgets for claims and compensated absences on the cash basis, rather than on the modified accrual basis	4,990
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	(410,054)
Certain interdepartmental service charges are recognized as expenditures for budgetary purposes but are eliminated from the financial statements under GASB34's allocation rules	(295,000)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(617,184)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 11,995,721</u>

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA  
BUDGETARY COMPARISON STATEMENT  
TRANSPORTATION SALES TAX FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>(budgetary basis)</u>	<u>Final Budget</u> <u>Over</u> <u>(Under)</u>
Budgetary fund balance, July 1, 2013	\$ 28,371,138	\$ 28,371,138	\$ 28,371,138	\$ -
<b>RESOURCES (INFLOWS):</b>				
Taxes:				
Sales and use taxes	9,552,852	9,552,852	10,628,918	1,076,066
Investment earnings	125,000	125,000	144,769	19,769
Miscellaneous	-	-	80,000	80,000
Total inflows	<u>9,677,852</u>	<u>9,677,852</u>	<u>10,853,687</u>	<u>1,175,835</u>
Amounts available for appropriation	<u>38,048,990</u>	<u>38,048,990</u>	<u>39,224,825</u>	<u>1,175,835</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Highways and streets	471,541	435,458	257,501	(177,957)
Capital outlay	23,432,478	18,154,324	3,485,448	(14,668,876)
Contingencies	1,000,000	2,651,497	-	(2,651,497)
Transfers to other funds	5,424,294	5,424,294	5,417,059	(7,235)
Total charges to appropriations	<u>30,328,313</u>	<u>26,665,573</u>	<u>9,160,008</u>	<u>(17,505,565)</u>
Budgetary fund balance, June 30, 2014	<u>\$ 7,720,677</u>	<u>\$ 11,383,417</u>	<u>\$ 30,064,817</u>	<u>\$ 18,681,400</u>

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	\$ 39,224,825
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(28,371,138)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	7,458
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 10,861,145</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 9,160,008
Differences - budget to GAAP:	
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	(500,095)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(5,417,059)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 3,242,854</u>

The accompanying notes are an integral part of the financial statements



**CITY OF PEORIA, ARIZONA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2014**

	<b>Business-type Activities - Major Enterprise Funds</b>			
	Water Utility Fund	Wastewater Utility Fund	Solid Waste Utility Fund	Stadium Fund
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 10,974,011	\$ 4,576,097	\$ 4,333,308	\$ 644,400
Investments	36,858,854	15,390,100	14,571,735	2,158,524
Accounts receivable, net	4,944,065	1,984,631	1,180,673	495,094
Interest receivable	20,425	6,041	8,344	349
Prepaid items	91,000	-	-	-
Supplies inventory	245,007	-	144,051	-
Total current assets	<u>53,133,362</u>	<u>21,956,869</u>	<u>20,238,111</u>	<u>3,298,367</u>
Non-current assets:				
Restricted assets:				
Cash equivalents	-	-	-	-
Investments	-	-	-	-
Net restricted assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital assets:				
Buildings and improvements	1,744,850	7,659,795	10,799	55,779,184
Distribution and collection systems	318,065,019	350,897,553	-	-
Water Rights	12,889,809	-	-	-
Equipment	7,333,928	2,185,969	28,430	916,344
Vehicles	1,782,263	1,293,603	11,246,609	503,728
Furniture	186,058	29,004	-	-
Less accumulated depreciation and amortization	(87,405,013)	(85,498,050)	(5,697,538)	(14,268,856)
Land and improvements	6,031,539	3,878,001	-	6,703,349
Construction in progress	30,469,751	16,690,662	-	1,958,239
Capital assets, net	<u>291,098,204</u>	<u>297,136,537</u>	<u>5,588,300</u>	<u>51,591,988</u>
Total assets	<u>344,231,566</u>	<u>319,093,406</u>	<u>25,826,411</u>	<u>54,890,355</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred loss on bond refunding	269,279	15,127	-	-
Total deferred outflows of resources	<u>269,279</u>	<u>15,127</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	1,819,781	807,315	334,961	223,093
Accrued payroll	60,889	28,791	40,209	21,183
Accrued interest payable	575,492	1,211,451	-	-
Due to other governments	215,889	-	-	3,139
Customer Deposits	2,018,373	-	-	-
Other current liabilities	78,263	7,003	-	2,503
Current portion of claims payable	-	-	-	-
Current portion of compensated absences	283,120	108,740	142,890	68,110
Current portion of bonds & contracts payable	4,178,424	5,031,613	-	-
Unearned revenue-other	-	-	-	1,848,389
Total current liabilities	<u>9,230,231</u>	<u>7,194,913</u>	<u>518,060</u>	<u>2,166,417</u>
Non-current liabilities:				
Long-term portion of claims payable	-	-	-	-
Long-term portion of compensated absences	100,810	27,550	50,400	31,010
Long-term portion of bonds & contracts payable	30,907,296	70,383,199	-	-
Plus: Deferred bond premium	1,448,892	442,122	-	-
Total non-current liabilities	<u>32,456,998</u>	<u>70,852,871</u>	<u>50,400</u>	<u>31,010</u>
Total liabilities	<u>41,687,229</u>	<u>78,047,784</u>	<u>568,460</u>	<u>2,197,427</u>
<b>NET POSITION</b>				
Net investment in capital assets	254,832,871	221,294,730	5,588,300	51,591,988
Restricted:				
Capital projects	11,800,419	3,751,241	7,064,311	437,053
Debt service	-	-	-	-
Sports Complex OM&R	-	-	-	100,000
Grant purpose	-	-	-	-
Trust purpose	-	-	-	-
Unrestricted	36,180,326	16,014,778	12,605,340	563,887
Total net position	<u>\$ 302,813,616</u>	<u>\$ 241,060,749</u>	<u>\$ 25,257,951</u>	<u>\$ 52,692,928</u>

Some amounts reported for *business-type activities* in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities.  
Net position of business-type activities

The accompanying notes are an integral part of the financial statements

Storm Drain Utility Fund	Total	Governmental Activities - Internal Service Funds
\$ 167,008	\$ 20,694,824	\$ 5,857,599
561,603	69,540,816	19,697,507
75,398	8,679,861	3,107
323	35,482	9,237
-	91,000	70,286
-	389,058	195,549
<u>804,332</u>	<u>99,431,041</u>	<u>25,833,285</u>
-	-	4,583,524
-	-	2,997,750
-	-	<u>7,581,274</u>
-	65,194,628	148,102
227,934	669,190,506	-
-	12,889,809	-
-	10,464,671	34,700,693
-	14,826,203	24,738,456
-	215,062	30,745
(637)	(192,870,094)	(44,597,728)
-	16,612,889	-
<u>87,955</u>	<u>49,206,607</u>	<u>3,480,043</u>
<u>315,252</u>	<u>645,730,281</u>	<u>18,500,311</u>
<u>1,119,584</u>	<u>745,161,322</u>	<u>51,914,870</u>
-	284,406	-
-	284,406	-
2,974	3,188,124	2,052,999
3,934	155,006	97,744
-	1,786,943	-
-	219,028	-
-	2,018,373	-
-	87,769	-
-	-	2,477,231
16,550	619,410	509,860
-	9,210,037	-
-	1,848,389	-
<u>23,458</u>	<u>19,133,079</u>	<u>5,137,834</u>
-	-	1,585,358
4,160	213,930	207,990
-	101,290,495	-
-	1,891,014	-
<u>4,160</u>	<u>103,395,439</u>	<u>1,793,348</u>
<u>27,618</u>	<u>122,528,518</u>	<u>6,931,182</u>
315,252	533,623,141	18,500,311
-	23,053,024	-
-	-	-
-	100,000	-
-	-	-
-	-	6,188,544
776,714	66,141,045	20,294,833
<u>\$ 1,091,966</u>	<u>622,917,210</u>	<u>\$ 44,983,688</u>
	<u>2,241,926</u>	
	<u>\$ 625,159,136</u>	

**CITY OF PEORIA, ARIZONA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Business-type Activities - Major Enterprise Funds</b>			
	Water Utility Fund	Wastewater Utility Fund	Solid Waste Utility Fund	Stadium Fund
<b>OPERATING REVENUES</b>				
Charges for services	\$ 35,448,171	\$ 18,420,134	\$ 11,213,152	\$ 1,323,412
Rents	-	-	-	1,757,010
Other governmental				
From federal government	-	-	-	-
Miscellaneous	345,998	35,466	1,000	22,911
Total operating revenues	<u>35,794,169</u>	<u>18,455,600</u>	<u>11,214,152</u>	<u>3,103,333</u>
<b>OPERATING EXPENSES</b>				
Salaries, wages and employee benefits	4,876,579	2,491,788	3,405,321	1,554,702
Contractual services, materials and supplies	16,315,969	7,258,400	6,605,531	2,862,482
Insurance claims and expenses	-	-	-	-
Depreciation and amortization	8,761,560	9,017,314	937,951	790,984
Total operating expenses	<u>29,954,108</u>	<u>18,767,502</u>	<u>10,948,803</u>	<u>5,208,168</u>
Operating income (loss)	<u>5,840,061</u>	<u>(311,902)</u>	<u>265,349</u>	<u>(2,104,835)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	204,635	60,892	86,573	4,510
Interest expense	(982,357)	(2,361,556)	-	-
Gain(loss) on sale of capital assets	6,224	-	95,046	-
Total non-operating revenues (expenses)	<u>(771,498)</u>	<u>(2,300,664)</u>	<u>181,619</u>	<u>4,510</u>
Income (loss) before contributions and transfers	5,068,563	(2,612,566)	446,968	(2,100,325)
Capital contributions	8,361,200	3,510,961	-	-
Transfers in	1,411,627	2,837,689	-	26,254,160
Transfers out	(3,904,455)	(1,223,233)	(4,077)	(2,567)
Change in net position	<u>10,936,935</u>	<u>2,512,851</u>	<u>442,891</u>	<u>24,151,268</u>
Total net position - beginning	288,815,691	235,575,740	24,551,003	28,541,660
Cumulative effect of changes in accounting principle (note 1)	3,060,989	2,972,158	264,057	-
Total net position - beginning, restated	<u>291,876,680</u>	<u>238,547,898</u>	<u>24,815,060</u>	<u>28,541,660</u>
Total net position - ending	<u>\$ 302,813,615</u>	<u>\$ 241,060,749</u>	<u>\$ 25,257,951</u>	<u>\$ 52,692,928</u>

Some amounts reported for *business-type activities* on the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities.

Change in net position of business-type activities

Storm Drain Utility Fund	Total	Governmental Activities - Internal Service Funds
\$ 831,439	\$ 67,236,308	\$ 39,525,879
-	1,757,010	-
-	-	-
-	405,375	365,028
<u>831,439</u>	<u>69,398,693</u>	<u>39,890,907</u>
318,611	12,647,001	7,928,962
508,837	33,551,219	12,460,372
-	-	16,133,160
635	19,508,444	4,040,721
<u>828,083</u>	<u>65,706,664</u>	<u>40,563,215</u>
<u>3,356</u>	<u>3,692,029</u>	<u>(672,308)</u>
2,548	359,158	120,417
-	(3,343,913)	-
-	101,270	111,342
<u>2,548</u>	<u>(2,883,485)</u>	<u>231,759</u>
5,904	808,544	(440,549)
203,078	12,075,239	15,000
87,955	30,591,431	3,080,772
(1,057)	(5,135,389)	(46,068)
<u>295,880</u>	<u>38,339,825</u>	<u>2,609,155</u>
796,086	578,280,180	42,374,533
-	6,297,204	-
<u>796,086</u>	<u>584,577,384</u>	<u>42,374,533</u>
<u>\$ 1,091,966</u>	<u>\$ 622,917,209</u>	<u>\$ 44,983,688</u>

324,106

\$ 38,663,931

**CITY OF PEORIA, ARIZONA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Business-type Activities - Major Enterprise Funds</b>			
	Water Utility Fund	Wastewater Utility Fund	Solid Waste Utility Fund	Stadium Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 35,916,126	\$ 18,653,194	\$ 11,280,858	\$ 4,434,428
Payments to suppliers	(13,574,541)	(5,600,211)	(3,355,530)	(2,650,520)
Payments to employees	(4,859,357)	(2,495,370)	(3,404,408)	(1,561,185)
Self-insurance costs	-	-	-	-
Payments to internal service funds	(2,444,534)	(1,990,450)	(3,524,174)	(636,949)
Net cash provided (used) by operating activities	<u>15,037,694</u>	<u>8,567,163</u>	<u>996,746</u>	<u>(414,226)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Transfers in	1,411,627	2,837,689	-	26,254,160
Transfers out	(3,904,455)	(1,223,233)	(4,077)	(2,567)
Interfund loans payable	-	-	-	-
Special Item	-	-	-	-
Net cash provided (used) by non-capital financing activities	<u>(2,492,828)</u>	<u>1,614,456</u>	<u>(4,077)</u>	<u>26,251,593</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(7,502,346)	(1,571,811)	(2,467,934)	(24,417,077)
Disposal of capital assets	6,224	-	97,267	-
Capital contributions	3,042,141	1,269,012	-	-
Principal payments on capital debt	(4,119,061)	(4,888,056)	-	-
Interest paid on capital debt	(1,193,204)	(2,494,785)	-	-
Net cash provided (used) by capital and related financing activities	<u>(9,766,246)</u>	<u>(7,685,640)</u>	<u>(2,370,667)</u>	<u>(24,417,077)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of investments	(5,707,600)	(2,382,600)	(2,257,200)	(334,400)
Proceeds from sale of investments	4,637,867	926,165	3,813,817	(726,383)
Interest received on investments	224,189	66,941	96,701	6,192
Net cash provided (used) by investing activities	<u>(845,544)</u>	<u>(1,389,494)</u>	<u>1,653,318</u>	<u>(1,054,591)</u>
Net increase (decrease) in cash and cash equivalents	1,933,076	1,106,485	275,320	365,699
Cash and cash equivalents at beginning of year	9,040,935	3,469,612	4,057,988	278,701
Cash and cash equivalents at end of year	<u>\$ 10,974,011</u>	<u>\$ 4,576,097</u>	<u>\$ 4,333,308</u>	<u>\$ 644,400</u>

The accompanying notes are an integral part of the financial statements

Storm Drainage Fund	Public Housing Fund	Total	Governmental Activities - Internal Service Funds
\$ 845,688	\$ -	\$ 71,130,294	\$ 39,923,000
(313,670)	(468,216)	(25,962,688)	(11,996,933)
(315,963)	-	(12,636,283)	(7,915,159)
-	-	-	(15,906,345)
(201,378)	-	(8,797,485)	-
<u>14,677</u>	<u>(468,216)</u>	<u>23,733,838</u>	<u>4,104,563</u>
87,955	-	30,591,431	3,080,772
(1,057)	-	(5,135,389)	(46,068)
-	-	-	-
-	-	-	-
<u>86,898</u>	<u>-</u>	<u>25,456,042</u>	<u>3,034,704</u>
(87,955)	-	(36,047,123)	(4,638,216)
-	-	103,491	168,422
-	-	4,311,153	-
-	-	(9,007,117)	-
-	-	(3,687,989)	-
<u>(87,955)</u>	<u>-</u>	<u>(44,327,585)</u>	<u>(4,469,794)</u>
(87,400)	-	(10,769,200)	(3,047,600)
94,754	-	8,746,220	4,585,409
2,881	-	396,904	136,659
<u>10,235</u>	<u>-</u>	<u>(1,626,076)</u>	<u>1,674,468</u>
23,855	(468,216)	3,236,219	4,343,941
143,153	468,216	17,458,605	6,097,182
<u>\$ 167,008</u>	<u>\$ -</u>	<u>\$ 20,694,824</u>	<u>\$ 10,441,123</u>

(continued)

**CITY OF PEORIA, ARIZONA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Business-type Activities - Major Enterprise Funds</b>			
	<u>Water Utility Fund</u>	<u>Wastewater Utility Fund</u>	<u>Solid Waste Utility Fund</u>	<u>Stadium Fund</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>				
Operating income (loss)	\$ 5,840,061	\$ (311,902)	\$ 265,349	\$ (2,104,835)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	8,761,560	9,017,314	937,951	790,984
(Increase) decrease in assets:				
Accounts receivable	4,882	197,594	66,706	(490,844)
Prepaid items	(91,000)	-	2,610	-
Supplies inventory	3,648	-	(66,214)	-
Increase (decrease) in liabilities:				
Accounts payable	425,635	(192,391)	(210,569)	(427,911)
Accrued payroll	10,292	778	6,663	1,657
Due to other governments	8,143	-	-	2,924
Other liabilities	(49,532)	(139,870)	-	-
Deposits payable	117,075	-	-	-
Claims payable	-	-	-	-
Unearned revenue - other	-	-	-	1,821,939
Compensated absences	6,930	(4,360)	(5,750)	(8,140)
Total adjustments	<u>9,197,633</u>	<u>8,879,065</u>	<u>731,397</u>	<u>1,690,609</u>
Net cash provided (used) by operating activities	<u>\$ 15,037,694</u>	<u>\$ 8,567,163</u>	<u>\$ 996,746</u>	<u>\$ (414,226)</u>
	-	-	-	-
Non-cash investing, capital and financing activities:				
Capital assets acquired through contributions from developers and property owners	\$ 5,319,059	\$ 2,241,949	\$ -	\$ -
Increase in fair market value of investments	43,352	13,192	20,690	1,756
Total non-cash investing, capital and financing activities	<u>\$ 5,362,411</u>	<u>\$ 2,255,141</u>	<u>\$ 20,690</u>	<u>\$ 1,756</u>

The accompanying notes are an integral part of the financial statements

<u>Storm Drainage Fund</u>	<u>Public Housing Fund</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 3,356	\$ -	\$ 3,692,029	\$ (672,308)
635	-	19,508,444	4,040,721
14,249	-	(207,413)	32,093
-	-	(88,390)	(47,541)
-	-	(62,566)	(2,441)
(6,211)	-	(411,447)	513,421
718	-	20,108	9,883
-	(468,216)	(457,149)	-
-	-	(189,402)	-
-	-	117,075	-
-	-	-	226,815
-	-	1,821,939	-
1,930	-	(9,390)	3,920
<u>11,321</u>	<u>(468,216)</u>	<u>20,041,809</u>	<u>4,776,871</u>
<u>\$ 14,677</u>	<u>\$ (468,216)</u>	<u>\$ 23,733,838</u>	<u>\$ 4,104,563</u>
	-	-	
\$ 203,078	\$ -	\$ 7,764,086	\$ 15,000
-	-	78,990	29,907
<u>\$ 203,078</u>	<u>\$ -</u>	<u>\$ 7,843,076</u>	<u>\$ 44,907</u>

(concluded)

**CITY OF PEORIA, ARIZONA  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2014**

	<b>Firemen's Pension Fund</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 20,592	\$ 102,485
Investments (pooled), at fair value	69,245	344,628
Interest receivable	43	
Total assets	89,880	447,113
<b>LIABILITIES</b>		
Accounts payable		-
Other liabilities		447,113
Total liabilities	-	447,113
<b>NET POSITION</b>		
Held in trust for pension benefits	\$ 89,880	

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA  
STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Firemen's Pension Fund</b>
<b>ADDITIONS</b>	
Contributions:	
State insurance premium tax rebate	\$ 623
Total contributions	623
Investment earnings:	
Interest and investment income	\$ 463
Total investment earnings	463
Less investment expenses:	
Investment management fees	-
Net investment earnings	463
Total additions	1,086
<b>DEDUCTIONS</b>	
Retirement payments	20,400
Total deductions	20,400
Change in net position	(19,314)
Net position - beginning of the year	109,194
Net position - end of the year	\$ 89,880

The accompanying notes are an integral part of the financial statements

# Notes to the Financial Statements

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The Notes to the Basic Financial Statements include a summary of significant accounting policies and other disclosures considered necessary for a clear understanding of the accompanying financial statements.

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The City of Peoria (City) was incorporated in 1954 under the Arizona Revised Statutes. The current City charter provides for the Council - Manager form of government and provides such services as authorized by the charter as limited by the constitution of the State of Arizona.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the City conform to accounting principles generally accepted in the United States of America ("GAAP") as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles for state and local governments.

The following is a summary of other significant accounting policies:

**A. Financial Reporting Entity**

The City's major operations include police and fire protection, parks and recreation, development services, public works, certain social services and general administrative services. In addition, the City owns and operates enterprise funds, which include water, wastewater, solid waste and storm drain operations, and a baseball stadium complex.

The financial reporting entity presented in these financial statements consists of the City and four blended component units. In accordance with GASB Statement #14, as amended by GASB Statement #61, these component units, discussed below, are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. These component units are governed by boards, wholly or substantially, comprised of the government's elected council and the City is financially accountable for these component units. Additionally, these component units provide services entirely to the City.

**Individual Component Units - Blended**

**City of Peoria Municipal Development Authority, Inc.**

City of Peoria Municipal Development Authority, Inc. (Authority), an Arizona not-for-profit corporation, was organized for the purpose of financing the construction of municipal facilities within the City through the issuance of bonds. Concurrent with these bond issues, the City entered into contracts with the Authority whereby the City will pay, to the Authority, amounts sufficient to retire the Authority's bonds and related interest. The outstanding Municipal Development Authority, Inc. bonds are reported as a debt service fund in the City's financial statements. All of the outstanding debt of the Authority will be repaid by revenues of the City. No separate financial statements are prepared for the Municipal Development Authority, Inc.

**Vistancia Community Facilities District**

The Vistancia Community Facilities District (the District) was formed by petition to the City Council in 2002. The district's purpose is to acquire or construct public infrastructure in a specified area of the City. As a special purpose district and separate political subdivision under the Arizona Constitution, the District can levy taxes and issue bonds independently of the City. Property owned in the designated areas is assessed for the District's property taxes, and thus for the costs of operating the District. The City Council serves as the Board of Directors of the District and City management has operational responsibility for the District. The City has no liability for the District's debt. For reporting purposes, the transactions of the District are included as governmental type funds as if they were part of the City's operations.

Stand-alone financial statements are prepared for the Vistancia Community Facilities District. The accounting records of the District are maintained by the City and the financial statements for the District are available on the City's website [www.peoriaaz.gov](http://www.peoriaaz.gov).

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**City of Peoria Employee Benefit Trust**

The City of Peoria Employee Benefit Trust (the Trust) was formed by petition to the City Council on January 1, 2010. The Trust's purpose is to fund health, welfare and related benefit programs by the City in accordance with the provisions of Arizona law. Plan premiums are paid by Participants and the City. The City Council Sub Committee on Boards and Commissions nominate individuals to serve as Trustees overseeing the management and administration of the Trust. For financial reporting purposes, the transactions of the Trust are included as part of the Self-Insurance Fund, an internal service fund in the City's financial statements.

Stand-alone financial statements are prepared for the Trust. The accounting records of the Trust are maintained by the City and the financial statements are available on the City's website [www.peoriaaz.gov](http://www.peoriaaz.gov).

**City of Peoria Workers' Compensation Trust**

The City of Peoria Workers' Compensation Trust (the Trust) was formed by petition to the City Council in 2009. The Trust's purposes is to fund workers' compensation benefit programs by the City in accordance with the provisions of Arizona law. Plan premiums are paid by the City. The City Council Sub Committee on Boards and Commissions nominate individuals to serve as Trustees overseeing the management and administration of the Trust. For financial reporting purposes, the transactions of the Trust are included as part of the Self-Insurance Fund, an internal service fund in the City's financial statements.

Stand-alone financial statements are prepared for the Trust. The accounting records of the Trust are maintained by the City and the financial statements are available on the City's website [www.peoriaaz.gov](http://www.peoriaaz.gov).

**B. Basic Financial Statements**

The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements (statement of net position and statement of activities) report on the City and its component units as a whole, excluding fiduciary activities. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. All activities, both governmental and business type, are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Generally, the effect of interfund activity has been removed from the government-wide financial statements. Net interfund activity and balances between governmental activities and business-type activities are shown in the government-wide financial statements. The "doubling up" effect of internal service fund activity has been removed from the government-wide statements with the expenses shown in the various functions and segments on the Statement of Activities. Quasi-external transactions, like the sale of utility services from the Enterprise Funds to the other funds, are not eliminated for the financial statements. Elimination of these charges would distort the direct costs and program revenue reported for the various functions.

The City does not currently employ an indirect cost allocation system. The General Fund and certain other funds charge administrative service fees to other operating funds to support general services used by the other operating funds (like purchasing, accounting and administration). These administrative fees are eliminated from the financial statements at both the government-wide and fund level like a reimbursement, by reducing revenues and expenditures/expenses in the allocating fund.

The government-wide Statement of Net Position reports all financial and capital resources of the government (excluding fiduciary funds). It is displayed in a format of assets plus deferred outflows of

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resources less liabilities less deferred inflows of resources equals net position, with the assets and liabilities shown in order of their relative liquidity. Net position is required to be displayed in three components: 1) net investment in capital assets, 2) restricted and 3) unrestricted. Net investment in capital assets is capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net position balances are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net position not otherwise classified as restricted, are shown as unrestricted. Generally, the City would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position balances are available.

Commitments or assignments of net position imposed by the reporting government, whether by administrative policy or legislative action of the reporting government, are not shown on the government-wide financial statements. Note 11 discusses the internal commitments and assignments of net position in the various funds to demonstrate the government's intended use of those net position balances.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of the various functions and segments of the City are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Interest on long-term debt and depreciation expense on assets shared by multiple functions are not allocated to the various functions. Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods, services or privileges provided by a particular 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, investment income and other revenues not identifiable with particular functions or segments are included as general revenues. State shared revenues, such as sales taxes, urban revenue sharing and auto-in-lieu taxes, that are not restricted for use in any function, are also included as general revenues. The general revenues support the net costs of the functions and segments not covered by program revenues.

Also part of the basic financial statements are fund financial statements for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of the fund financial statements is on major funds. Although GASB Statement #34 sets forth minimum criteria for the determination of major funds (a percentage of assets, liabilities, revenues, or expenditures/expenses of the fund category and of the governmental and enterprise funds combined), it also gives governments the option of displaying other funds as major funds. The City has opted to add some funds as major funds because of outstanding debt or community focus. Other non-major funds, as well as the internal service funds, are combined in a single column on the fund financial statements and are detailed in combining statements included as supplementary information after the basic financial statements.

The internal service funds, which provide services to the other funds of the government, are presented in a single combined column in the proprietary fund financial statements. Because the principal users of the internal service funds are the City's governmental activities, the assets and liabilities of the internal service funds are consolidated into the governmental activities column of the government-wide Statement of Net Position. The costs of the internal service funds services are spread to the appropriate function or segment on the government-wide Statement of Activities and the revenues and expenses within the internal service funds are eliminated from the government-wide financial statements to avoid any doubling up effect of these revenues and expenses.

The governmental fund financial statements are prepared on a current financial resources measurement focus and modified accrual basis of accounting. This is the traditional basis of accounting for governmental funds and also is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to 1) demonstrate legal and covenant compliance, 2) demonstrate the sources and uses of liquid resources, and 3) demonstrate how the City's actual revenues and expenditures conform to the annual budget. Since the governmental fund financial statements are presented on a different basis than the governmental activities column of the

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government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements. Additional reconciliations are also provided in Note 2.

Externally imposed restrictions as well as internally imposed commitments and assignments of fund balance, as defined by GASB Statement 54, are shown on the face of the governmental fund financial statements as well as discussed in Note 11. Generally, the order in which the City would apply resources when multiple categories of fund balance are available is as follows: restricted, committed, assigned and unassigned.

The proprietary fund and fiduciary fund financial statements, except for the Agency Funds which have no measurement focus, are prepared on the same basis (economic resources measurement focus and accrual basis of accounting) as the government-wide financial statements. Therefore, most lines for the total enterprise funds on the proprietary fund financial statements will directly reconcile to the business-type activities column on the government-wide financial statements. Because the enterprise funds are combined into a single business-type activities column on the government-wide financial statements, certain interfund activities between these funds may be eliminated in the consolidation for the government-wide financial statements, but are included in the fund columns in the proprietary fund financial statements. The net costs/income of the internal service funds are also partially allocated to the business-type activities column on the government-wide financial statements. A reconciliation of the total enterprise funds on the fund financial statements to the business-type activities column on the government-wide financial statements is provided on the face of the fund statements.

On the proprietary fund financial statements, operating revenues are those that flow directly from the operations of that activity, i.e. charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide those goods or services. Non-operating revenues and expenses are items like investment income and interest expense that are not a result of the direct operations of the activity.

### **C. Basis of Presentation**

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts, which includes assets, liabilities, fund equity, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following fund categories (further divided by fund type) are used by the City:

#### **Governmental Funds**

Governmental funds are used to account for the City's general government activities. The focus of Governmental Fund measurement, in the fund financial statements, is upon determination of financial position and changes in financial position rather than upon net income. The following are the Governmental Funds of the City:

General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Funds account for revenue sources that are restricted to expenditures for specific purposes (not including major capital projects). The restrictions may be imposed by outside parties or by the governing body. The special revenue funds presented as major funds in the basic financial statements are as follows: Half-Cent Sales Tax Fund accounts for the revenues generated from a sales tax increase designated for specific uses per Council policy; Highway User Revenue Fund is required by state statute to track receipts of specific state shared revenues and the expenditure of those funds;

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and the Transportation Sales Tax Fund accounts for the revenues generated from a sales tax increase designated by public vote for use in funding transportation needs throughout the City.

Debt Service Funds account for the resources accumulated and the servicing of long-term debt not being financed by proprietary funds. One debt service fund is presented as a major fund in the basic financial statements. The GO Bond Debt Service Fund accounts for the principal and interest requirements of the City's general obligation bonds, with revenues generated from the general property tax levy sufficient to meet the debt service.

Capital Projects Funds account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds. One capital projects fund is presented as a major fund in the basic financial statements. The Development Fee Fund accounts for the receipt and expenditure of development impact or expansion fees for all governmental activities as governed by state statutes.

### **Proprietary Funds**

Proprietary funds account for activities of the City similar to those found in the private sector, where cost recovery and the determination of net income is useful or necessary for sound fiscal management. The focus of Proprietary Fund measurement is upon the determination of operating income, changes in net position, financial position and cash flows. The following are the Proprietary Funds of the City:

Enterprise Funds are used to account for those operations that provide services to the general public for a fee. Enterprise funds are required for any activity whose principal revenue sources meet any of the following criteria: 1) any activity that has issued debt backed *solely* by the fees and charges of the activity, 2) if the cost of providing services for an activity, including capital costs such as depreciation or debt service, must legally be recovered through fees and charges, or 3) it is the policy of the City to establish activity fees or charges to recover the cost of providing services, including capital costs. All of the enterprise funds of the City are presented discretely in the basic financial statements.

The enterprise funds of the City are as follows:

The Water Utility, Wastewater Utility, Solid Waste Utility and Storm Drain Utility Funds all account for the revenues from charges to the customers of these services and the costs of these services.

The Stadium Fund accounts for the revenues generated by and the costs of operation of a sports complex owned by the City. This facility is used for spring training by two major league baseball teams as well as multiple other uses throughout the year.

The Public Housing Fund accounts for the revenues and expenses of the low income housing program operated by the City. While this program does receive Federal subsidies through the Department of Housing and Urban Development, it also generates substantial user fees. As of March 31, 2013, the City turned over operations of the Public Housing Fund to Maricopa County.

Internal Service Funds account for operations that provide services to other departments or agencies of the government or to other governments on a cost-reimbursement basis. The internal service funds are presented as one column on the proprietary fund financial statements. Combining financial statements are also presented for the internal service funds, but are not part of the basic financial statements. The internal service funds of the City are as follows:

Motor Pool Fund – accounts for the costs of operating the City garage. These costs are charged out to user departments based on direct charges for services used. This fund also accounts for the vehicle replacement fund for all of the City's general governmental vehicles.

Self-Insurance Fund – accounts for the Risk Management function of the City as well as maintaining the costs of the City's liability insurance and any claims paid under the City's self-insurance program. Also, beginning in fiscal year 2010, the City became self-insured for workers' compensation claims and health insurance claims. The City carries excess insurance coverage and uses third party administrators to monitor the workers compensation and health claims programs.

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The workers' compensation and health insurance programs operate under a trust. The costs of all these programs are allocated to all operational activities of the City.

Facilities Maintenance Fund – allocates the costs of operations and maintenance of the City's facilities to the user departments.

Information Technology Fund – maintains the costs of operation and maintenance of the City's computer systems. The computer replacement fund for all functions is also in this fund. Revenues are internal charges to user departments.

### **Fiduciary Funds**

Fiduciary funds account for assets held by the City in a trustee or agency capacity on behalf of others. The reporting focus is upon net position and changes in net position and employs accounting principles similar to proprietary funds. Fiduciary Funds are not included in the government-wide financial statements since they are not assets of the City available to support City programs. The City maintains the following types of fiduciary funds:

Pension Trust Funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other post employment benefit plans, or other employee benefit plans. The City has one Pension Trust Fund to account for the activities of the volunteer firemen's retirement plan.

Agency Funds account for assets the City holds as an agent for individuals, private organizations, other governments or other funds in a temporary custodial capacity. The City currently maintains four agency funds. One fund accounts for the monies collected from developers in one area of the City and held in trust by the City until reimbursed by the City to a developer that made certain infrastructure improvements in that area. Two funds account for monies held on behalf of separate not-for-profit agencies for which the City operates as an administrator. These are PLAY Peoria and Peoria Citizens Corp Council. The fourth fund accounts for monies held on behalf of Westside Fire Training IGA, a consortium of area fire departments that pool monies for training activities, for which the City acts as the administrator.

### **D. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All funds are reported in the government-wide financial statements on the flow of economic resources measurement focus and accrual basis of accounting.

Governmental fund types are presented, in the fund financial statements, using the flow of current financial resources measurement focus. With this measurement focus, operating statements present increases and decreases in net current assets, and unassigned fund balance is a measure of available spendable resources. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon thereafter to pay liabilities of the current period. The City considers revenues available under modified accrual, if they are earned by June 30 (all eligibility requirements have been met) and the revenue is expected to be collected within six months after year-end, except for property taxes. For property taxes, the City uses a 60 day collection 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.

When applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB Statement #33 – *Recipient Reporting for Certain Shared Non-exchange*, receivables and revenues are recognized when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as unearned revenues.

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Property taxes and special assessments are susceptible to accrual when an enforceable legal claim has arisen. As noted above, the City recognizes property taxes received within 60 days of fiscal year-end to be revenues under modified accrual. The remaining taxes levied are considered deferred inflows of resources on the governmental fund financial statements. State Shared Sales Taxes and Highway User revenues collected and held by the state at year-end on behalf of the City are also recognized as revenue. Transaction privilege taxes (sales taxes) are considered susceptible to accrual at the time of the underlying transaction (sale). In practice, taxes collected by local businesses in June and remitted to the City or State in July are recognized as revenue in the previous fiscal year. Other receipts become measurable and available when cash is received by the City and are recognized as revenue at that time.

Interest and dividend income is recognized on the modified accrual basis. Changes in fair value of investments are recognized in investment income at the end of the year.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. For the governmental fund statements, grant revenue earned but not expected to be received within six months of year end is a deferred inflow of resources.

Proprietary funds and pension trust funds are accounted for on the flow of economic resources measurement focus. This measurement focus emphasizes the determination of net income.

The accrual basis of accounting is used for proprietary fund types and pension trust funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Agency funds are custodial in nature and do not measure results of operations or have a measurement focus.

#### **E. Budgets and Budgetary Accounting**

The City uses the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

- According to the laws of the State of Arizona, all operating budgets must be approved by their governing board on or before the second Monday in August to allow sufficient time for legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August.
- In April, the proposed budget for the following fiscal year is presented by the City Manager to the City Council. The budget includes proposed expenditures and the means of financing them. Public meetings are held to obtain citizen comment.
- Prior to June 30, the City Council legally enacts the budget, through the passage of an ordinance. The ordinance sets the limit for expenditures for the year, within the voter mandated state expenditure limitation (see Note 1.F). Additional expenditures may be authorized if directly necessitated by a natural or man-made disaster as prescribed in the state constitution. There were no supplemental appropriations made during fiscal year 2014.
- The maximum legal expenditure permitted for the year is the total budget as adopted. The expenditure appropriations in the adopted budget are maintained in the City's financial system by department within individual funds. Departmental appropriations may be amended during the year, within administrative guidelines and adopted Council policies.

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- The initial budget for the fiscal year may be amended during the year in a legally permissible manner.
- The City Manager is generally authorized to transfer budgeted amounts within any specific department's expenditure appropriation. Any budget revisions requiring a transfer between departments must be approved by the City Council. Additionally, budget revisions involving personnel or capital asset expenditures/expenses or the use of contingency budgets must be approved by the City Council.
- All unencumbered expenditure appropriations expire at the end of the fiscal year.
- Encumbered amounts are re-budgeted in the following year as deemed appropriate and necessary after review by the Budget Office staff. Budgetary carry forwards are approved by the City Council.
- All funds of the City, except the agency funds, have legally adopted budgets. Formal integration of these budgets into the City's financial systems is employed as a management control device during the year for all funds.

The City prepares its annual budget on a modified cash basis, which differs from GAAP. GASB Statement #34 requires that budgetary comparison statements for the General Fund and major special revenue funds be presented in the annual financial statements. These statements must display original budget, amended budget and actual results (on a budgetary basis). The City has also shown this information as supplementary schedules for other governmental funds as well as enterprise funds and internal service funds.

#### **F. Expenditure Limitation**

On June 3, 1980, the voters of Arizona approved an expenditure limitation for all local governments. The limitation restricts the annual growth of expenditures to a percentage determined by population and inflation. Certain types of expenditures are excluded from the limitation. Article 9, Sections 20 and 21 of the Arizona Constitution require the Economic Estimate Commission to determine each year the expenditure limitation for the following fiscal year for all cities in Arizona. The limitation is calculated based on the amount of fiscal year 1979-1980 actual payments of local revenues, referred to as the "base limit". Each year, the base limits for local jurisdictions are adjusted for population growth and inflation to calculate the new expenditure limitations for the cities. Local governments may carry forward revenues which were not subject to the expenditure limitation, and which were not expended in the year of receipt, to later years.

The State Constitution also gives local jurisdictions several methods of seeking approval from their citizens to override the state expenditure limitation. One of these is local approval of a permanent base adjustment. In March 2003, the voters of Peoria approved a \$15 million permanent adjustment of the expenditure base. This permanent base adjustment was effective beginning in fiscal year 2005-2006. The City of Peoria's state calculated expenditure limitation for fiscal year 2013-2014, including the permanent base adjustment, was \$781,620,317.

#### **G. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed by the City. Since they do not constitute expenditures or liabilities, encumbrances are not reported in either the fund financial statements or the government-wide financial statements. Further information about commitments outstanding at June 30 may be found in Note 20.

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**H. Deposits and Investments**

The City generally reports investments at fair value in the balance sheet and recognizes the corresponding change in the fair value of investments in the year in which the change occurred. It is generally the City's policy to hold investments to maturity.

Investment Policy

The City's funds are invested through the City's Finance Department in accordance with the City's investment policy and Arizona Revised Statutes. The City's policy is to invest in certificates of deposit, money market mutual funds, repurchase agreements, corporate securities, direct U.S. Treasury debt, securities guaranteed by the U.S. Government or any of its agencies and the State of Arizona local government investment pool. In addition, the function of the Finance Department is to review and monitor the City's investment policy and to monitor compliance with the investment policy and reporting provisions of the law through an annual audit.

The investment balances are comprised of two components: 1) pooled deposits and investments and 2) dedicated investment funds. The dedicated investment funds represent restricted funds and relate to bond issuances of the Enterprise funds and the General Fund's cash reserve requirements. In addition to these, the City has other funds that are held by trustees. These funds are related to the issuance of bonds and certain loan programs of the City.

Investment Valuation

Local Government Investment Pool - Investments are carried at fair value. The fair value of pooled investments is determined annually and is based on current market prices. The fair value of participants' position in the pool approximates the value of the pool shares. The method used to determine the value of participants' equity withdrawn is based on the book value of the participants' percentage participation at the date of such withdrawal.

Other Investments - Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market price are reported at estimated fair value.

The City's investment policy permits the City to invest in fixed coupon dollar repurchase agreements, that is, a sale of securities with a simultaneous agreement to repurchase similar securities in the future at a lower price that reflects a financing rate. The fair value of securities underlying fixed coupon dollar repurchase agreements must equal at least 102% of the cash received. If the dealers default on their obligations to resell these securities to the City at the agreed upon buyback price, the City could suffer an economic loss if the securities have to be purchased in the open market at a price higher than the agreed-upon buyback price.

Other non-pooled investments are also generally carried at fair value. However, money market investments (such as short-term, highly liquid debt instruments including commercial paper, banker's acceptances, and U.S. Treasury and agency obligations) and participating interest-earning investment contracts (such as negotiable certificates of deposit, repurchase agreements and guaranteed or bank investment contracts) that have a remaining maturity at the time of purchase of one year or less, are carried at amortized cost. The fair value of non-pooled investments is determined annually and is based on current market prices. The fair value of investments in open-end mutual funds is determined based on the funds' current share price.

Investment Income

Except for certain specific investments, generally those held in trust for a specific purpose, the City maintains pooled cash and investments. Income from pooled cash and investments is allocated to the individual funds based on the fund's month end cash balance in relation to the total pooled investments. City management has determined that the investment income related to certain Special Revenue Funds should be allocated to the General Fund. Each fund's equity in the pooled cash and investments is

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tracked on an ongoing basis. In the event that a certain fund overdraws its share of pooled cash, the overdraft is reported as a due to the General Fund at year-end.

Income from non-pooled investments is recorded based on the specific investments held by the fund. The interest income is recorded in the fund that earned the interest.

**I. Inventory and Prepaid items**

Inventories are valued at cost and the City uses the first-in, first-out (FIFO) flow assumption in determining cost. Inventory in the governmental funds, which consists of expendable supplies held for consumption, is recorded as an expenditure at the time individual inventory items are consumed and is offset by a fund balance reserve (nonspendable) in the governmental fund financial statements indicating it does not constitute available expendable resources. No reservation of net position is shown in the proprietary fund statements or the government-wide financial statements for inventories.

Prepaid items are generally for payments made by the City in the current fiscal year for goods or services to be received in the subsequent fiscal year. Such items are recorded as prepaid at the time of the payment and recognized as expenditures/expenses when the related goods or services are received. Prepaid items are offset by a reservation of fund balance (nonspendable) in governmental funds to indicate it does not constitute available expendable resources. No reservation of net position is shown in the proprietary fund statements or the government-wide financial statements for prepaid items.

**J. Capital Assets**

All capital assets, whether owned by governmental activities or business-type activities, are recorded and depreciated in the government-wide financial statements. The City has chosen not to apply the modified approach to any networks or subsystems of infrastructure assets. No long-term assets or depreciation are shown in the governmental fund financial statements.

Capital assets, including public domain infrastructure (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the City) are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Major outlays for capital assets and improvements are capitalized as the projects are constructed. Interest incurred during the construction phase of projects is reflected in the capitalized value of the asset constructed. For the year ended June 30, 2014, the City did not capitalize any net interest costs in the business-type activities of the government-wide financial statements (also in the Enterprise Funds on the proprietary fund statements). Total interest incurred, not including agent fees or other costs, of the business-type activities (and the Enterprise Funds on the proprietary fund statements) before capitalization was \$3,343,913.

Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Useful life (Years)</u>
Water Rights	50
Buildings and improvements	20-40
Water and sewer systems	5-40
Storm drainage systems	40
Street system	20
Park facilities and landscape	40

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Streetlights and traffic control devices	10
Equipment	7
Furniture and fixtures	7
Vehicles	3-15
Computers/software	3

Capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation) or net realizable value, if lower, as of the date of the transfer.

**K. Water Rights**

The City entered into a lease agreement with Gila River Indian Community (GRIC) for the rights to 7,000 acre-feet of water each year through 2057. These rights, costing \$12,889,809, are being amortized over the 50 year life of the agreement on a straight-line basis starting in fiscal year 2008. Fiscal year 2014 amortization was \$257,796 and the net book value at June 30, 2014 was \$11,085,236. Also see Note 14 for debt service on this purchase.

**L. Transactions Between Funds**

Transactions that would be treated as revenue, expenditures or expenses if they involved organizations external to the governmental unit, like the sale of water from the Water Utility to various functions of the General Fund, are accounted for as revenue and expenditures or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund, which are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed. Administrative service fees that are charged to other operating funds to support general services used by the other operating funds (like purchasing, accounting and administration) are treated as reimbursement transactions and the revenue and expenditures/expenses reduced in the allocating fund. Transfers between funds are included in the results of both governmental and proprietary funds (as other sources/uses in governmental funds and as non-operating revenues/expenses in proprietary funds).

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are reported in the fund financial statements as “due to/from other funds” for the current portion and “interfund receivables and payables” for the non-current portion (if applicable).

Certain transactions occurring between funds that are combined within the same fund type or displayed in the same financial statement column for presentation in these annual financial statements have been eliminated from the financial statements. These transactions include transfers between funds and interdepartmental service charges. In the government-wide financial statements, only the net interfund activity and balances between governmental activities and business-type activities are shown (reported as “internal balances”). Also see Note 8.

**M. Receivables**

All receivables are shown net of an allowance for uncollectible accounts. For trade accounts receivable (miscellaneous receivables and utility billing receivables), amounts outstanding in excess of 90 days are included in the allowance. Also see Notes 5 and 7.

**N. Restricted Assets**

Certain proceeds of the City’s bonds, as well as certain resources set aside for their repayment, are classified as restricted on the balance sheet, or statement of net position, because they are maintained in separate bank accounts and their use is limited by applicable debt covenants.

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**O. Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts in the period in which the bonds are issued. 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.

The long-term debt of the City is serviced by various funds, according to the type of debt and the funds benefiting from that debt. The General Obligation Bonds Debt Service Fund, Municipal Development Authority Bonds Debt Service Fund, Community Facilities District Bonds Debt Service Fund, and Special Assessment Debt Service Fund are all specifically established to service those specific types of debt obligations of the City. The Highway User Revenue Fund services the highway user revenue bonds, if any, which are funded by state shared gas tax revenues. The Half-Cent Sales Tax Fund and Development Fee Fund service debt obligations from development agreements. Each enterprise fund individually accounts for and services the applicable bond obligations that benefit that fund.

**P. Compensated Absences**

Annual leave, based on a graduated scale of years of employment, is credited to each employee as it accrues. The maximum annual leave accrual for permanent employees is 320 hours. Upon employment termination, payment is made to the employee for the unused leave.

City employees are granted one sick leave day per month. The maximum an employee may accumulate varies according to union status; however, the City makes no payment on the unused portion upon employment termination except on the condition of retirement. Any sick time accrued above the maximum allowed to be carried is paid out annually in May at a rate of 25% and the employees' sick leave is reduced to the allowable maximum.

For the governmental fund financial statements, compensated absences are accrued only when due. For the government-wide financial statements, as well as the proprietary fund financial statements, all of the outstanding vacation, compensatory time and benefits, as well as an estimate of the retirement sick-time payout for eligible employees, are recorded as a liability. Compensated absences are liquidated when mature by the various operating funds accruing the liability.

**Q. Risk Financing Activities**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; workers' compensation; and health insurance. The City maintains a Self-Insurance Fund (accounted for in the Internal Service Funds) to account for and finance its uninsured risks of loss. Premiums are paid into the internal service fund by the other operating funds and are available to pay claims, claim reserves and administrative costs of the program. These interfund premiums are used to fund claim expenses reported in the internal service fund. The City uses third party administrators to monitor the workers' compensation and health insurance claims programs. As with any risk retention program, the City is contingently liable with respect to claims beyond those actuarially projected.

**Risk management -**

The City is self-insured for property and public liability up to \$1,000,000 and for damage to City vehicles valued up to \$100,000. Vehicles with a value in excess of \$100,000 have a \$5,000 deductible. Excess coverage insurance policies purchased through commercial insurance carriers cover individual claims in excess of these amounts up to \$40,000,000.

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The operating funds of the City pay monthly premiums to the risk management fund based upon a budget model taking into consideration prior loss experience, staffing, and operating budget.

Premium payments to insurance carriers are made directly from the risk management fund. There have been no settlements paid in excess of insurance in any of the past three years nor has insurance coverage been significantly reduced in recent years.

**Workers' compensation -**

On July 1, 2009, the City established a workers' compensation trust fund for work-related injuries to employees. For workers' compensation insurance, the City is self-insured up to \$850,000 per claim on public safety employees and \$750,000 for all other employees up to an aggregate stop loss of \$3,437,607 for fiscal year 2014. Commercial insurance is purchased to cover claims above the self-insurance amounts.

Operating funds with employees covered under the workers' compensation insurance program pay monthly premiums to the workers' compensation fund based upon staffing levels.

Premium payments to insurance carriers, as well as third party administrator costs are made directly from the workers' compensation trust fund. Employee wages while off work for workers' compensation injuries (2/3rds of weekly wages) are also paid from this fund. There have been no settlements paid in excess of insurance in the last three years, nor has insurance coverage been significantly reduced in recent years.

**Health insurance -**

On January 1, 2010, the City established a health insurance trust fund for health insurance coverage for City employees and dependants. The City is self-insured for employee health claims up to \$200,000 per claimant. Commercial insurance is purchased for claims in excess of those limits as well as aggregate insurance for claims in excess of 125% of the City's total actuarially projected claims.

Premiums are collected through contributions from employee paychecks and department budgets. COBRA participants contribute 100% of the premiums for their insurance coverage. Premiums for the medical, vision, dental, and life insurance plans are determined prior to each renewal period by estimating the costs of claims and administration of the plan based on a number of factors including: the demographics of the group, previous claims history, plan design changes and any new mandated benefits.

Premium payments to insurance carriers, as well as third party administrator costs are made directly from the health insurance trust fund. There have been no settlements in excess of insurance in the past three years, nor have insurance coverage been significantly reduced in recent years.

**Estimated liability –**

The total claims liability of \$4,062,589 reported in the Self-Insurance Fund at June 30, 2014 is based on the requirements of Governmental Accounting Standards Board Statement #10 which requires that liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The claims liability consists of \$1,646,754 for liability/property claims, \$1,849,744 for workers' compensation claims and \$566,091 for health insurance claims.

The claims liability includes an estimated amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors. Non-incremental claims adjustment expenses are not included in the calculation. Changes in the Self-Insurance Fund's claims liability amount (claims only, exclusive of other insurance expenses) during the last two fiscal years are as follows:

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Fiscal Year 2013:

	Beginning of Fiscal Year Liability	Changes in Estimates	Current Year Claims	Claims Payments	Balance at Fiscal Year-end
Risk management	\$ 3,144,409	\$(1,245,836)	\$ 2,158,084	\$ (2,158,084)	\$ 1,898,573
Workers' comp	2,577,748	(1,199,316)	575,858	(575,858)	1,378,432
Health insurance	712,523	(153,754)	10,579,379	(10,579,379)	558,769
	<u>\$ 6,434,680</u>	<u>\$ (2,598,906)</u>	<u>\$ 13,313,321</u>	<u>\$(13,313,321)</u>	<u>\$ 3,835,774</u>

Fiscal Year 2014:

	Beginning of Fiscal Year Liability	Changes in Estimates	Current Year Claims	Claims Payments	Balance at Fiscal Year-end
Risk management	\$ 1,898,573	\$(251,819)	\$ 1,588,528	\$ (1,588,528)	\$ 1,646,754
Workers' comp	1,378,432	471,312	771,647	(771,647)	1,849,744
Health insurance	558,769	7,322	12,945,651	(12,945,651)	566,091
	<u>\$ 3,835,774</u>	<u>\$226,815</u>	<u>\$ 15,305,826</u>	<u>\$(15,305,826)</u>	<u>\$ 4,062,589</u>

Detailed financial statements of the three functions making up the self-insurance fund may be found on pages 130-131.

**R. Cash Equivalents**

The City considers short-term investments (including restricted assets) in the State of Arizona investment pool, mutual fund-money market, U.S. Treasury bills and notes with maturities of three months or less at acquisition date to be cash equivalents.

**S. Change in Accounting Principle**

In fiscal year 2014, the City implemented a change in accounting principle which eliminated liabilities associated with developer impact fee credits and sales tax reimbursements. These liabilities were determined to be contingent liabilities, which according to GAAP should only be recorded if the liability is probable. These liabilities, which are reasonably possible, should be mentioned in the footnotes not recognized on the financial statements.

In prior fiscal years, the City recorded a receivable due to property taxes to be received in future periods. However in fiscal year 2014, it was determined that these receivables were overstated in the General Fund, the General Obligation Debt Service Bond and the Vistancia CFD Bonds Debt Service Funds.

The change in accounting principle and prior period adjustment impacted beginning net position as follows:

	Governmental Activities	Business-type Activities	Total Primary Government
Net position-beginning	\$1,054,652,077	\$580,198,000	\$1,634,850,077
Cumulative effect of change in accounting principle	57,165,982	6,297,204	61,357,321
Prior Period Adjustment	(2,106,054)	-	-
Net position-beginning- re-stated	<u>\$1,109,712,005</u>	<u>\$586,495,204</u>	<u>\$1,696,207,209</u>

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**T. Use of Estimates**

The preparation of 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 reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statement of net position/balance sheet and the reported amounts of revenues and expenses/expenditures during the reporting period. Specifically, the city has made certain estimates and assumptions relating to the collectibility of its receivables (including accounts receivable), valuation of capital assets and depreciation expense, and the ultimate outcome of claims payable. Actual results could differ from those estimates.

**2. RECONCILIATION OF GOVERNMENTAL FUND FINANCIAL STATEMENTS TO GOVERNMENT-WIDE STATEMENTS**

The governmental fund financial statements are presented on a current financial resources measurement focus and modified accrual accounting basis while the government-wide financial statements are prepared on a long-term economic resources measurement focus and accrual accounting basis. Reconciliations briefly explaining the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements immediately follow each fund financial statement. Additional reconciliations are provided below.

Reconciliation of Governmental Funds Balance Sheet and the government-wide Statement of Net Position:

	<b>Total Governmental Funds</b>	<b>Long-term Assets/ Liabilities (1)</b>	<b>Internal Service Funds (2)</b>	<b>Eliminations (3)</b>	<b>Statement of Net Position Totals</b>
<b>Assets</b>					
Cash and cash equivalents	\$ 47,756,295	-	5,857,599	-	53,613,894
Cash with fiscal agent	3,681,859	-	-	-	3,681,859
Investments	160,040,402	-	19,697,507	-	179,737,909
Accounts receivable, net	8,887,927	-	3,107	-	8,891,034
Interest receivable	89,803	-	9,237	-	99,040
Due from other funds	1,819,656	-	(2,241,926)	(1,819,656)	(2,241,926)
Due from other governments	4,587,905	-	-	-	4,587,905
Prepaid items	160,536	-	70,286	-	230,822
Supply inventories	233,957	-	195,549	-	429,506
Other assets	-	900,000	-	-	900,000
Restricted cash/cash equivalents	17,518,868	-	4,583,524	-	22,102,392
Restricted investments	12,251,236	-	2,997,750	-	15,248,986
Special assessment receivables	2,603,127	-	-	-	2,603,127
Capital assets	-	1,111,254,637	18,500,311	-	1,129,754,948
Total assets	<u>\$ 259,631,571</u>	<u>1,112,154,637</u>	<u>49,672,944</u>	<u>(1,819,656)</u>	<u>1,419,639,496</u>
<b>Deferred outflows of resources</b>					
Deferred loss on bond refunding	\$ -	349,692	-	-	349,692
Total Assets & Deferred Outflows	<u>\$ 259,631,571</u>	<u>1,112,504,329</u>	<u>49,672,944</u>	<u>(1,819,656)</u>	<u>1,419,989,188</u>

	<b>Total Governmental Funds</b>	<b>Long-term Assets/ Liabilities (1)</b>	<b>Internal Service Funds (2)</b>	<b>Eliminations (3)</b>	<b>Statement of Net Position Totals</b>
<b>Liabilities</b>					
Accounts payable	\$ 9,106,552	-	2,052,999	-	11,159,551
Accrued payroll	1,174,310	-	97,744	-	1,272,054
Interest payable	-	6,078,842	-	-	6,078,842
Due to other funds	1,819,656	-	-	(1,819,656)	-
Due to other governments	1,208,783	-	-	-	1,208,783
Claims/deposits payable	3,567	-	2,477,231	-	2,480,798
Other liabilities	3,302,122	-	-	-	3,302,122
Unearned revenue-other	3,159,970	-	-	-	3,159,970
Unamortized bond premium	-	3,567,869	-	-	3,567,869
Compensated absences-current	-	4,667,690	509,860	-	5,177,550
Current bonds payable	-	17,305,000	-	-	17,305,000
Long-term liabilities	-	272,360,600	1,793,348	-	274,153,948
Total liabilities	<u>\$ 19,744,960</u>	<u>303,980,001</u>	<u>6,931,182</u>	<u>(1,819,656)</u>	<u>328,866,487</u>
<b>Deferred inflows of resources</b>					
Unavailable revenue-property taxes	63,562	(63,562)	-	-	-
Unavailable revenue-special assessments	2,603,127	(2,603,127)	-	-	-

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Total Deferred Inflows	\$ 2,666,689	(2,666,689)	-	-	-
<b>Fund Balance/Net Position</b>					
Total fund balance/net position	\$ 237,189,922	811,191,017	42,741,762	-	1,091,122,701
Total liabilities, deferred inflows & fund balance/net position	\$ 259,631,571	1,112,504,329	49,672,944	(1,819,656)	1,419,989,188

(1) When capital assets (land, buildings, equipment, etc.) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds, and thus a reduction in fund balance. However, the statement of net position includes those capital assets among the assets of the City as a whole.

Costs of capital assets	\$ 1,406,372,622
Accumulated depreciation	(295,117,985)
	<u>\$ 1,111,254,637</u>

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expense when paid.

Interest payable	\$ (6,078,842)
------------------	----------------

Bond premiums are recognized at the time of issuance in the governmental funds, but are amortized over the life of the bonds on the statement of net position.

	\$ (3,567,869)
--	----------------

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period, and accordingly are not reported as fund liabilities in the governmental fund statement. All liabilities, both current and long-term are reported in the statement of net position.

Bonds payable	\$ (288,145,000)
Compensated absences	(6,188,290)
Subtotal	<u>(294,333,290)</u>
Less: current compensated absences	(4,667,690)
current portion of bonds payable	<u>(17,305,000)</u>
	<u>\$ (272,360,600)</u>

Loss on refunding bonds is expensed at the time of issuance in the governmental funds, but is amortized over the life of the bonds on the statement of net position.

	\$ 349,692
--	------------

Certain long-term debt obligations that are booked for the government-wide statements are offset by goodwill.

	\$ 900,000
--	------------

Advanced revenue for the long-term special assessment receivables shown on the governmental fund statements is not included on the statement of net position. Also, certain property tax revenues deferred under modified accrual for the governmental fund statements, is recognized as revenue in the year received under accrual accounting for the government-wide statements.

Advanced special assessment revenue	\$ 2,603,127
Deferred property tax revenue	63,562
	<u>\$ 2,666,689</u>

(2) Internal service funds are used by management to charge the costs of certain activities, such as insurance, motor pool, information technology, and facilities maintenance, to the individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position, but are not included on the governmental fund balance sheet.

ISF Net Position	\$ 42,741,762
------------------	---------------

(3) Certain interfund transactions between governmental activities are eliminated in the consolidation of those activities for the statement of net position.

Interfund receivables - current	\$ 1,819,656
Interfund payables - current	(1,819,656)
	<u>\$ -</u>

Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities:

	<u>Total</u>	<u>Long-term</u>	<u>Capital-</u>	<u>Internal</u>	<u>Long-term</u>	<u>Eliminations</u>	<u>Statement</u>
	<u>Governmental</u>	<u>Revenues/</u>	<u>related</u>	<u>Service</u>	<u>Debt</u>	<u>and</u>	<u>of</u>
<u>Revenues and Other Sources</u>	<u>Funds</u>	<u>Expenses(1)</u>	<u>Items(2)</u>	<u>Funds(3)</u>	<u>Transactions(4)</u>	<u>Adjustments(5)</u>	<u>Activities</u>
Taxes:							
Sales and use taxes	\$ 71,237,141	-	-	-	-	(1,023,188)	70,213,953
Property taxes	18,300,468	(75,797)	-	-	-	-	18,224,671
Franchise taxes	4,194,371	-	-	-	-	-	4,194,371
Intergovernmental:							
State shared sales taxes	13,431,637	-	-	-	-	-	13,431,637
Urban revenue sharing	17,172,500	-	-	-	-	-	17,172,500
Auto-in-lieu taxes	5,495,225	-	-	-	-	-	5,495,225
Highway user revenue	8,691,989	-	-	-	-	-	8,691,989
From federal government	2,717,331	-	-	-	-	-	2,717,331

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Other governmental	2,624,240	-	-	-	-	-	2,624,240
Charges for services	17,684,357	-	-	-	-	657,602	18,341,959
Licenses and permits	2,800,894	-	-	-	-	-	2,800,894
Fines and forfeitures	2,128,289	-	-	-	-	-	2,128,289
Rents	731,901	-	-	-	-	-	731,901
Investment earnings	757,747	-	-	120,417	-	-	878,164
Special assessments	1,137,018	(916,873)	-	-	-	-	220,145
Miscellaneous	5,060,343	-	30,034	-	-	(1,170,268)	3,920,109
Other sources:							
Gain on sale of capital assets	-	-	111,342	-	-	-	111,342
Capital contributions	-	-	5,250,155	-	-	-	5,250,155
Proceeds from HUD Loan	112,000	-	-	-	-	-	112,000
Transfers in	20,159,941	-	-	3,080,772	-	(21,967,415)	1,273,298
Total revenues and other sources	194,437,392	(992,670)	5,391,531	3,201,189	-	(23,503,269)	178,534,173
<b>Expenditures/Expenses</b>							
Current:							
General government	15,866,612	869,530	3,596,283	(294,313)	-	-	20,038,112
Culture and recreation	21,762,725	50,060	4,601,283	(341,884)	-	(512,666)	25,559,518
Police	35,839,651	14,140	1,612,147	(1,121,131)	-	-	36,344,807
Fire	23,137,222	12,590	1,496,263	(777,701)	-	-	23,868,374
Development services	9,311,964	(8,760)	4,303	(113,764)	-	-	9,193,743
Highways and streets	17,098,590	23,020	14,570,136	(279,994)	-	-	31,411,752
Public works	5,110,924	(36,360)	2,015,575	(74,823)	-	-	7,015,316
Human services	1,604,288	(4,100)	39,596	(10,666)	-	-	1,629,118
Debt service:							
Principal payments	17,728,188	-	-	-	(16,705,000)	(1,023,188)	-
Interest and other charges	12,543,974	(534,731)	-	-	-	-	12,009,243
Capital outlay	21,937,761	-	(21,937,761)	-	-	-	-
Unallocated depreciation	-	-	574,550	-	-	-	574,550
Total expenditures/expenses	181,941,899	385,389	6,572,375	(3,014,276)	(16,705,000)	(1,535,854)	167,644,533
<b>Other financing uses/changes in net position</b>							
Transfers out	48,650,688	-	2,749,603	46,068	-	(21,967,415)	29,478,944
Total expenditures/expenses & other financing uses	233,706,846	385,389	9,321,978	(2,986,208)	(16,705,000)	(26,617,528)	197,123,477
Net change for the year	<u>\$ (36,155,195)</u>	<u>(1,378,059)</u>	<u>(3,930,447)</u>	<u>6,169,397</u>	<u>16,705,000</u>	<u>-</u>	<u>(18,589,304)</u>

- (1) 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.
- |   |                    |
|---|--------------------|
| Accrual of long-term compensated absences | <u>\$ (20,120)</u> |
|---|--------------------|
- Interest expense on long-term debt is accrued for the statement of activities but is not accrued for the governmental fund statements. Amortization of bond premiums and deferred loss on refunding is also included in the statement of activities, but not the governmental fund statements.
- |                                   |                   |
|-----------------------------------|-------------------|
| Accrued interest                  | \$ 310,728        |
| Amortization of loss on refunding | (58,282)          |
| Amortization of bond premium      | <u>282,285</u>    |
|                                   | <u>\$ 534,731</u> |
- Property taxes revenues not received within 60 days of year-end are deferred for governmental fund reporting, but are not deferred for government-wide reporting. When these revenues are subsequently received, they are recognized in the governmental operating statement and reversed in the statement of activities.
- |  |                    |
|--|--------------------|
|  | <u>\$ (75,797)</u> |
|--|--------------------|
- Special assessment principal payments received are reported as revenue on the governmental fund statements, but are reductions to the outstanding special assessment debt for government-wide reporting. Also, the sale of additional special assessment bonds is reported as a receivable and Advances in the governmental funds, but on the government-wide financial statements, it is reported as an increase in outstanding debt and the revenue is recognized.
- |  |                     |
|--|---------------------|
| Current year principal payments received | <u>\$ (916,873)</u> |
|--|---------------------|
- Certain long-term debt obligations are offset by a goodwill asset that is amortized over the life of the debt. Goodwill amortization is included in the statement of activities, but not the governmental fund statements.
- |  |                     |
|--|---------------------|
|  | <u>\$ (900,000)</u> |
|--|---------------------|
- (2) When capital assets that are to be used in the governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of the financial

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resources expended, whereas net position decrease by the amount of depreciation expense charged for the year.

Capital outlay	\$ 21,937,761
Depreciation expense	<u>(28,510,136)</u>
	<u>\$ 6,572,375</u>

The proceeds from the sale of capital assets are reported as revenue in the governmental funds. However, the cost of the capital assets is removed from the capital assets account in the statement of net position and offset against the sales proceeds resulting in a "gain on sale of capital assets" in the statement of activities. Thus, more revenue is reported in the governmental funds than gain in the statement of activities.

Cost of capital assets disposed of:	<u>\$ 30,034</u>
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Donations of capital assets are not shown on the governmental funds, but are included in the assets of the City. On the statement of activities, these donations are shown as capital contributions.

Capital contributions	<u>\$ 5,250,155</u>
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Gains and losses on sales of fixed assets are not shown on the governmental fund statements, but are included in the statement of activities.

Gains	\$ 111,342
Losses	<u>-</u>
	<u>\$ 111,342</u>

The donation of capital assets between Governmental and Proprietary Funds is not shown in the governmental fund statements but is a transfer in/out on the statement of activities.

Transfers out	\$ (2,749,603)
Transfers in	<u>-</u>
	<u>\$ (2,749,603)</u>

- (3) Internal service funds are used by management to charge the costs of certain activities, such as insurance, motor pool, information technology, and facilities maintenance, to the individual funds. The adjustments for internal service funds "close" those funds by charging the additional amounts to participating governmental activities to completely cover the internal service funds' costs for the year.

Revenue and other sources	\$ 3,201,189
Expenditures and other uses	<u>2,968,208</u>
Change in net position	<u>\$ 6,169,397</u>

- (4) Repayment of bond principal is reported as an expenditure in governmental funds and thus has the effect of reducing fund balance because current financial resources have been used. For the City as a whole however, the principal payments reduce the long-term liabilities in the statement of net position and do not result in an expense in the statement of activities.

Principal payments made	<u>\$ 16,705,000</u>
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- (5) Certain other transactions are treated differently under modified accrual accounting used in the governmental funds and full accrual accounting used for the statement of activities. Also interfund transactions between governmental funds or between business-type activities are eliminated in the statement of activities and only net transactions between governmental and business-type activities remain.

Interfund charges for service between governmental activities are eliminated in the consolidation of these activities for the statement of activities. The elimination is reflected as a reduction of revenues and expenditures in the charging fund so that the expenses remain in the charged activity.

Interfund charges for services revenue	\$ 512,668
Interfund service charges	<u>(512,668)</u>
	<u>\$ -</u>

Interfund transfers between governmental activities, other than Internal Service Funds, are eliminated in the consolidation of these activities for the statement of activities. The elimination is reflected as a reduction of transfers in and transfers out to eliminate the doubling up effect of these transactions within the governmental activities. Elimination of transfers to/from the Internal Service Funds is netted into the results of the Internal Service Funds in (3) above.

Transfers out	\$ 21,967,415
Transfers in	<u>(21,967,415)</u>
	<u>\$ -</u>

**3. BUDGET BASIS OF ACCOUNTING**

The City prepares the annual budget on a modified cash basis, which differs from GAAP, as discussed in Note 1.E. Budgetary comparison statements for the General Fund and major Special Revenue Funds are included with the basic financial statements. Budgetary comparison schedules for all other governmental funds as well as schedules of operation – budget and actual for the proprietary funds are presented as supplementary information. In all cases, the budgetary statements or schedules include a reconciliation of the adjustments required to convert the budgetary revenues and expenditures or change in net position on a budgetary basis, to revenues and expenditures/expenses or change in net position on a GAAP basis.

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**4. DEPOSITS AND INVESTMENTS**

**A. Deposits**

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the government-wide Statement of Net Position, and on the fund financial statements, as "Cash and cash equivalents" and "Investments".

At June 30, 2014, the carrying amount of the City's deposits was \$38,031,985 and the bank balance was \$39,033,414. The entire bank balance was covered by federal depository insurance or collateralized by the City's agent in the City's name or in the Municipal Development Authority, Inc.'s trust name. The difference between the City's carrying amount and the bank balance of \$1,001,429 represents deposits in transit, outstanding checks and other reconciling items.

**B. Investments**

City charter, ordinance, and trust agreements authorize the City to invest in obligations of the U.S. Treasury or its agencies and instrumentalities. In addition, the City may invest in certificates of deposit, mutual fund money market, repurchase agreements, corporate securities and the State of Arizona local government investment pool. The State Treasurer's Investment Pool is overseen according to Arizona State Statute by the State Board of Deposit.

Governmental Accounting Standards Board Statement No. 40 – Deposit and Investment Risk Disclosures (Statement 40) requires the City to disclose its deposit and investment policies regarding certain types of investment risks. The City's adopted investment policy is in compliance with Statement 40.

*Interest rate risk:* In order to limit interest and market rate risk, State law and the City's investment policy sets a maximum maturity on any investment of five years with a minimum of 35% invested for a period of one year or less and no more than 20% of the City's portfolio be invested for a period greater than three years. At June 30, 2014, 67.1% of the City's investments have a maturity of less than one year and 5.8% have maturities greater than three years. The City's investment policy also sets a maximum weighted average maturity (WAM) not to exceed one year. The WAM at June 30, 2014 was 346 days.

*Credit risk:* State law and the City's investment policy limits the purchase of Commercial Paper to those securities rated A-1/P-1 or the equivalent by two nationally recognized statistical rating agencies. The City's investment policy also limits the purchase of Banker's Acceptances to those securities rated Aa or better by two nationally recognized rating agencies and with a maximum maturity of 180 days. At June 30, 2014, the City's investments include \$77.7 million in Commercial Paper and no Banker's Acceptance securities. State law and the City's investment policy also restricts investments in certificates of deposit (CD) to fully collateralized or insured from eligible Arizona depositories limited on a statewide basis by their capital structure on a quarterly basis. Such CDs are further collateralized to 110% with pledged securities held by an independent custodian approved by the City. City policy requires that securities underlying repurchase agreements must have a market value of at least 102 percent of the cost of the repurchase agreement. The market values of securities underlying repurchase agreements were at or above the required level during the fiscal year.

Investment Type	Moody's Rating	S&P Rating	% of Investments
Federal Farm Credit Bank - Agency Note	Aaa	AA+	3.1
Federal Home Loan Bank - Agency Note	Aaa	AA+	13.4
Federal Home Loan Bank – Discount Note	Aaa	AA+	2.4
Federal Home Loan Mortgage Corp - Agency Note	Aaa	AA+	8.6
Federal Home Loan Mortgage Corp – Discount Note	Aaa	AA+	3.1
Federal National Mortgage Assoc - Agency Note	Aaa	AA+	16.2

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The City's investment in the State of Arizona local government investment pool is limited to a pool that invests only in government securities. At June 30, 2014, all investments of that pool were U.S. Government Obligations and Agencies, and it therefore does not carry a credit rating.

*Concentration of credit risk:* The City's investment policy sets diversification limits on both security types and length of maturity. As of June 30, 2014, the City's investments include 41.3% invested in U.S. Agency Coupon securities, 5.5% in U.S. Agency Discount Notes, 8.7% in U.S. Treasury Notes, 23.8% in Commercial Paper, and 20.7% in money market funds, cash with fiscal agent, and the Arizona State Investment Pool.

*Custodial credit risk:* To control custodial credit risk, State law and the City's investment policy requires all securities and collateral to be held by an independent third party custodian in the City's name. The custodian provides the City with monthly market values along with original safekeeping receipts.

The City's investment in the State of Arizona's local government investment pool is stated at fair value, which also approximates the value of the investment upon withdrawal.

At June 30, 2014, the City's investments included the following:

	Investment Maturities in Years				Fair Value
	Less than 1	1-2	2-3	Over 3	
<b>Unrestricted Investments:</b>					
U.S. Treasury notes and strips	\$ -	28,535,700	-	-	\$ 28,535,700
Agency coupon securities	50,112,965	34,629,987	23,398,911	18,934,760	127,076,623
Agency discount notes	17,994,839	-	-	-	17,994,839
Commercial paper	69,968,865	-	-	-	69,968,865
State of Arizona local government investment pool	4,121,782	-	-	-	4,121,782
Mutual fund-money market	30,452,427	-	-	-	30,452,427
<b>Total unrestricted investments</b>	<b>172,650,878</b>	<b>63,165,687</b>	<b>23,398,911</b>	<b>18,934,760</b>	<b>278,150,236</b>
Less: amount included in cash and cash equivalents					28,839,602
Plus: amount included in restricted investments					381,963
<b>Unrestricted investments, net</b>					<b>\$ 249,692,597</b>
Total investments per statement of net position					\$ 249,278,724
Plus: Investments in fiduciary funds					413,873
<b>Net unrestricted investments</b>					<b>\$ 249,692,597</b>
	Investment Maturities in Years				Fair Value
	Less than 1	1-2	2-3	Over 3	
<b>Restricted Investments:</b>					
Agency coupon securities	\$ 5,886,842	-	2,000,100	-	\$ 7,886,942
Commercial paper	7,744,007	-	-	-	7,744,007
Mutual fund-money market	33,337,791	-	-	-	33,337,791
<b>Total Restricted Investments</b>	<b>44,968,640</b>	<b>-</b>	<b>2,000,100</b>	<b>-</b>	<b>\$ 48,968,740</b>
Less: amount included in restricted cash with fiscal agents					3,681,859
Less: amount included in restricted cash and cash equivalents					29,655,932
Less: amount included in unrestricted investments					381,963
<b>Net restricted investments</b>					<b>\$ 15,248,986</b>

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Restricted cash, cash equivalents, and cash with fiscal agents at June 30, 2014, consisted of the following:

Restricted investments included in restricted cash and cash equivalents	29,655,932
Less: amount included in unrestricted cash and cash equivalents	<u>7,553,539</u>
Total restricted cash and cash equivalents per statement of net position	<u>\$ 22,102,393</u>

Cash with Fiscal Agents at June 30, 2014, consisted of the following:

Cash with fiscal agents	\$ -
Restricted investments included in cash with fiscal agents	<u>3,681,859</u>
Total cash with fiscal agents	<u>\$ 3,681,859</u>

Unrestricted cash and cash equivalents at June 30, 2014, consisted of the following:

Investments included in cash and cash equivalents	\$ 28,839,601
Carrying amount of city deposits	38,031,985
Amounts due from restricted cash	7,553,539
Cash on hand	<u>6,672</u>
Total cash and cash equivalents	74,431,797
Less: Cash and cash equivalents of Fiduciary funds	<u>123,077</u>
Total cash and cash equivalents per statement of net position	<u>\$ 74,308,720</u>

Fair value fluctuates with interest rates, and increasing rates could cause fair value to decline below original cost. City management believes the liquidity in the portfolio is adequate to meet cash flow requirements and to preclude the City from having to sell investments below original cost.

Investment income is comprised of the following for the year ended June 30, 2014:

Net interest and dividends	\$ 929,546
Net increase in the fair value of investments	<u>308,239</u>
Total net investment income	1,237,785
Less: net investment income of Fiduciary funds	<u>463</u>
Total net investment income per statement of activities	<u>\$ 1,237,322</u>

The net increase in the fair value of investments during fiscal year 2013-2014 was approximately \$308,239. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized loss on investments held at June 30, 2014, was approximately \$73,114.

## 5. PROPERTY TAXES

Arizona law provides for a two tiered tax system: (1) a primary system for taxes levied to pay for current operation and maintenance expenses, and (2) a secondary system for taxes levied to pay principal and interest on bonded indebtedness as well as for the determination of maximum permissible bonded indebtedness.

Specific provisions are made under each system for determining full cash values of property, the basis of assessment, and the maximum annual tax levies on certain types of property and by certain taxing authorities. Under the primary system, the full cash value of locally assessed real property (consisting of residential, commercial, industrial, agricultural and unimproved property) may increase by more than 10% annually only under certain circumstances. Under the secondary system, there is no limitation on annual increases in full cash value of any property. Primary levies on residential property are limited to one percent of the primary full cash value of such property. Additionally, primary taxes on all types of property are limited to a maximum increase of two percent over the prior year's levy, adjusted for new construction and annexations. Secondary property taxes levied to pay principal and interest on bonded indebtedness are not limited. The City's primary and secondary assessed valuation for fiscal year 2014 are \$1,051,739,698 and \$1,057,413,204 respectively.

The Arizona tax year has been defined as a calendar year, notwithstanding the fact that tax procedures begin prior to January 1 of the tax year and continue through May of the succeeding calendar year. The definition of the tax year is a function of the fact that the tax lien for the year attaches to the real property as of January 1 of the year in question. The City Council adopts the annual tax levy each year on or before the

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third Monday in August. The basis of this levy is the full cash value as determined by the Maricopa County Assessor. For locally assessed property, the value is determined as of January 1 of the preceding year, known as the valuation year. For utilities and other centrally valued properties, the full cash value is determined as of January 1 of the tax year. The City has an enforceable claim on the property when the property tax is levied. Levies are due and payable in two installments, on October 1 and March 1, and become delinquent on November 1 and May 1, respectively. Delinquent amounts bear interest at the rate of 16 percent. A lien is placed on the property at the time the tax bill is sold. Maricopa County, at no charge to the taxing entities, bills and collects all property taxes. Public auctions for sale of delinquent real estate taxes are held in February following the May 1 date upon which the second half taxes become delinquent. The purchaser is given a Certificate of Purchase issued by the County Treasurer. Five years from the date of sale, the holder of a Certificate of Purchase that has not been redeemed may demand a County Treasurer's Deed from the County Treasurer.

Property taxes are recognized as revenue in the government-wide financial statements when an enforceable legal claim has arisen. Therefore, the City recognizes revenue and a receivable, less any allowance for doubtful accounts deemed appropriate, for the entire tax levy in the year it is levied. For the governmental fund financial statements, property tax revenues not collected within 60 days of year end are deferred. Unsecured taxes on personal property, which are assessed on a monthly basis using different procedures than those mentioned above, are recognized as revenue on a cash basis for both the governmental fund statements and the government-wide statements.

**6. DUE FROM OTHER GOVERNMENTS**

The following amounts are due from other governments at June 30, 2014:

**Governmental activities:**

General Fund:

Due from Maricopa County for:		
Property tax	\$	31,708
Due from State of Arizona for:		
State shared sales tax		2,239,432
Auto lieu tax		235,421
Miscellaneous other		35,062
Due from Peoria Unified School District		131,553
Subtotal		<u>2,673,176</u>

Highway User Revenue Fund:

Due from State of Arizona (Highway user revenue)		818,261
Due from Maricopa County – Property tax (SLIDS)		4,074
Subtotal		<u>822,335</u>

GO Bond Debt Service Fund:

Due from Maricopa County (Property tax)		188,206
Subtotal		<u>188,206</u>

Non-major Governmental Funds:

Due from US Department of Housing & Urban Development		316,314
Due from US Department of Transportation		30,705
Due from US Department of Interior		28,590
Due from other Federal agencies		1,610
Due from Maricopa County:		
Home Grant		205,416
Property tax		22,313
Other		73,076
Due from State of Arizona		
Various Grants		226,164
Subtotal		<u>904,188</u>

Total Governmental Activities	\$	<u><u>4,587,905</u></u>
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**7. ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS**

Accounts receivable are recorded in the various funds and displayed in the financial statements net of an allowance for uncollectible accounts as follows at June 30, 2014.

Fund	Receivables	Allowance	Net
Governmental activities:			
General Fund	\$ 4,819,291	28,228	4,791,063
Half-Cent Sales Tax Fund	1,535,489	-	1,535,489
Highway User Revenue Fund	385,557	7,137	378,420
Transportation Sales Tax Fund	920,313	-	920,313
GO Bond Debt Service Fund	225,288	131,347	93,941
Other Governmental Funds	1,196,781	28,080	1,168,701
Total governmental funds	<u>\$ 9,082,719</u>	<u>194,792</u>	<u>8,887,927</u>
Internal Service Funds	<u>\$ 3,107</u>	<u>-</u>	<u>3,107</u>
Business-type activities:			
Water Utility Fund	\$ 7,897,994	2,953,929	4,944,065
Wastewater Utility Fund	2,663,037	678,406	1,984,631
Solid Waste Utility Fund	1,631,833	451,160	1,180,673
Stadium Fund	495,094	-	495,094
Storm Drain Utility Fund	110,235	34,837	75,398
Total enterprise funds	<u>12,798,193</u>	<u>4,118,332</u>	<u>8,679,861</u>
Grand totals	<u>\$ 21,884,019</u>	<u>4,313,124</u>	<u>17,570,895</u>

**8. INTERFUND TRANSACTIONS, RECEIVABLE AND PAYABLE BALANCES**

Net interfund receivables and payables between governmental activities and business-type activities of \$2,241,926 are included in the government-wide financial statements at June 30, 2014. These internal balances are between the proprietary funds (business-type activities) and the internal service funds (governmental activities).

At June 30, 2014, there was an interfund loan that is considered to be a long-term loan: The Development Fee Fund owes the MDA Debt Service Fund \$1,819,656 to repay future debt service payments for bonds used to complete construction of Happy Valley Road.

The net transfers of \$28,205,646 from governmental activities to business-type activities on the government-wide statement of activities are primarily operational subsidies from the Half-Cent Sales Tax Fund to the Stadium Fund and the transfer of completed capital assets from the MDA to the Stadium Fund and the General Fund to the Water Utility Fund. The following interfund transfers are reflected in the fund financial statements for the year ended June 30, 2014:

Fund	Transfers out	Transfers in
Governmental funds:		
General Fund	\$ 1,137,515	11,039,168
Half-Cent Sales Tax Fund	16,057,076	-
Highway User Revenue Fund	75,429	1,000,000
Transportation Sales Tax Fund	5,417,059	-
GO Bond Debt Service Fund	-	-
Development Fee Fund	-	-
Non-Major Governmental Funds	<u>25,963,609</u>	<u>8,120,774</u>
Total governmental funds	<u>48,650,688</u>	<u>20,159,942</u>
Enterprise funds:		
Water Utility Fund	3,904,455	1,411,627
Wastewater Utility Fund	1,223,233	2,837,689
Solid Waste Utility Fund	4,077	-
Stadium Fund	2,567	26,254,160
Storm Drain Utility Fund	<u>1,057</u>	<u>87,955</u>

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Total enterprise funds	<u>5,135,389</u>	<u>30,591,431</u>
Internal Service funds	<u>46,068</u>	<u>3,080,772</u>
Grand totals	\$ <u>53,832,145</u>	<u>53,832,145</u>

The interfund transfers generally fall within one of the following categories: 1) debt service payments made from a debt service fund but funded from an operating fund; 2) subsidy transfers; 3) transfers to fund internal service equipment replacement funds; or 4) capital assets purchased or constructed in one fund, but capitalized in another. There were no significant transfers during fiscal year 2014 that were either non-routine in nature or inconsistent with the activities of the fund making the transfer.

**9. SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

Both the Water Utility Fund and the Wastewater Utility Fund have revenue streams pledged in support of outstanding revenue bonds but since both segments are discretely presented in the proprietary fund financial statements, all required segment information is disclosed on the face of those statements.

**10. DEFICITS IN FUND EQUITY/EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

At June 30, 2014, no funds, as shown in the basic financial statements, were in a deficit position.

For the year ended June 30, 2014, expenditures, including capital outlay and transfers, did not exceed budget at the fund level (i.e. the level of budgetary control) in any funds.

**11. FUND BALANCE/NET POSITION RESTRICTIONS, COMMITMENTS AND ASSIGNMENTS**

Only restrictions imposed by external sources are shown as Restricted Net Position on the government-wide financial statements. Additionally, restrictions for inventories, prepaid items, and long-term interfund loans are shown as nonspendable fund balance on the governmental fund financial statements. Restrictions imposed by external sources or State of Arizona enabling legislation are shown as restricted fund balance on the governmental fund financial statements. Commitments or assignments of fund balances imposed by the reporting government, whether by administrative policy or legislative action of the reporting government, are shown on the governmental fund financial statements, but not on the proprietary fund financial statements. The City does, however, commit or assign portions of net position in other funds to demonstrate the government's intended use of those net position balances. Commitments are created by legislative action of the City Council, the City's highest level of decision making authority, by resolution or ordinance and would require the same legislative action to reverse. Ordinances and resolutions both require public votes of the Council and, although the uses may differ, they are both considered to be of the highest level of decision making authority for the City. The authority to make assignments has been delegated by the City Council to the Chief Financial Officer. Much of the authority to commit fund balance is established in *Principals of Sound Financial Management* last adopted by Council by resolution in November 2010. As previously noted in Note 1.B, generally, the City would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. The order in which the City would apply resources when multiple categories of unrestricted fund balance are available is as follows: committed, assigned and unassigned. The committed and assigned fund balances of the governmental funds are shown on the fund financial statements. The following are the commitments or assignments of net position included in unrestricted net position on the proprietary fund financial statements at June 30, 2014:

Water Utility Fund:	
Committed for working capital policy reserve	\$ 7,400,000
Committed for rate stabilization	1,700,000
Committed for debt stabilization	3,200,000
Committed for system asset maintenance	7,194,589
Committed for capital equipment replacement	<u>992,002</u>
	<u>20,486,591</u>
Wastewater Utility Fund:	
Committed for working capital policy reserve	4,800,000
Committed for rate stabilization	900,000

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Committed for debt stabilization	3,136,000
Committed for system asset maintenance	7,578,328
Committed for capital equipment replacement	<u>647,330</u>
	<u>17,061,658</u>
Solid Waste Utility Fund:	
Committed for working capital policy reserve	2,200,000
Committed for capital equipment replacement	<u>2,656,838</u>
	<u>4,856,838</u>
Stadium Fund:	
Committed for capital equipment replacement	<u>355,815</u>
Total proprietary funds	<u>42,760,902</u>
Internal Service Funds:	
Committed for capital equipment replacement	12,357,816
Assigned for risk management purpose	<u>7,161,289</u>
Total internal service funds	<u>19,519,105</u>

The City has set aside funds for various stabilization arrangements. The authority for the stabilization arrangements is in the Council adopted *Principals of Sound Financial Management*. The governmental fund stabilization arrangements are shown as committed fund balance on the governmental fund financial statements. The commitments for stabilization arrangements in the proprietary funds are shown above. The City has the following stabilization arrangements at June 30, 2014:

Budget stabilization reserve – Maintained in the General Fund (10% of the average general fund revenues for the preceding five years) and the Half-Cent Sales Tax Fund (35% of the average fund revenues for the preceding five years). These reserves may be used to provide funding to deal with fluctuations in fiscal cycles and operating requirements that exceed \$500,000. Any use of these reserves must be formally approved by the City Council and include a repayment plan to restore the reserve within the three fiscal years following the year in which the event occurred.

Emergency reserve – Maintained in the General Fund (10% of the average general fund revenues for the preceding five years) and is for unexpected, large-scale events where damage in excess of \$250,000 is incurred and immediate remedial action must be taken to protect the health and safety of residents (e.g. floods, fires, storm damage). Usage of the emergency reserve must be approved by City Council, but the City Manager may utilize these funds when immediate action must be taken to protect the health and safety of residents. The City Manager must then provide a summary report to the City Council as soon as practical on the usage of these funds. The City shall strive to restore the Emergency Reserve to the 10% level within the next fiscal year following the fiscal year in which the event occurred.

Operating Reserve - Maintained in the General Fund (15% of the average general fund revenues for the preceding five years) and is for unexpected events whose impact exceeds \$500,000, such as failure of the State to remit shared revenues, unexpected mandates, unexpected loss of State Shared revenues, continuance of critical city services due to unanticipated events, or to offset unexpected loss of a significant funding source for the remainder of the fiscal year. Any use of these reserves must be formally approved by the City Council and include a repayment plan to restore the reserve within the two fiscal years following the year in which the event occurred.

Enterprise Operating Fund Working Capital Reserve – Maintained in the Water Utility Fund (25% of the operating expenditures of the fund for the fiscal year), the Wastewater Utility Fund (25% of the operating expenditures of the fund for the fiscal year), and the Solid Waste Utility Fund (20% of the operating expenditures of the fund for the fiscal year). These reserves are to provide the City with a comfortable margin of safety to address emergencies and unexpected declines in revenue without borrowing.

Rate Stabilization Reserve – In the Water and Wastewater Utility Funds (5% of the average operating fund revenues for the preceding three fiscal years). These funds may be used to moderate significant rate increases. In the event these funds are used, the City shall strive to

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restore the reserve to the 5% level within the next three fiscal years following the year in which the funds were used.

Debt Stabilization Reserve – In the Water and Wastewater Utility Funds (50% of the maximum annual debt service payment of the fund in the next five fiscal years). The Debt Stabilization Reserve is intended to provide additional security to insure the City’s ability to meet debt service obligations. In the event the Debt Stabilization Reserve is used, the City shall strive to restore the fund to the defined level within the three fiscal years following the year in which the funds were used.

Asset Maintenance Reserve - In the Water and Wastewater Utility Funds (2% of the gross enterprise infrastructure assets). The Asset Maintenance Reserve may be used to provide funding for the repair and maintenance of critical enterprise infrastructure. In the event the Asset Maintenance Reserve is used, the City shall strive to restore the fund to the defined level within the three fiscal years following the year in which the funds were used.

In the event the Enterprise Funds do not have sufficient fund balance to fully fund the four reserves just discussed, the funding priority will be 1) Working Capital Reserve, 2) Rate Stabilization Reserve, 3) Debt Stabilization Reserve and 4) Asset Maintenance Reserve.

Capital Equipment Replacement Reserves – The City maintains various capital equipment replacement reserves to fund future replacement of certain capital equipment, primarily vehicles and computers. The annual internal charges to the operating funds are determined as part of the annual budget process.

**12. CAPITAL ASSETS**

A summary of capital asset activity, for the government-wide financial statements, for the year ended June 30, 2014, follows:

	<u>Balances</u> <u>June 30, 2013</u>	<u>Additions/</u> <u>Transfers in</u>	<u>Disposals/</u> <u>Transfers out</u>	<u>Balances</u> <u>June 30, 2014</u>
<b>Governmental activities:</b>				
Non-depreciable assets:				
Work in Progress – Parks	\$ 26,299,594	819,182	(19,927,268)	7,191,508
Work in Progress – Buildings	812,224	-	-	812,224
Work in Progress - Equipment	117,740	16,600	-	134,340
Work in Progress – Furniture	31,036	-	-	31,036
Work in Progress – Surface water	9,818,199	-	-	9,818,199
Work in Progress – Streets	118,427,723	17,250,659	-	135,678,382
Work in Progress – Technology	2,055,427	920,847	(76,393)	2,899,881
Work in Progress – Vehicles	379,240	44,764	(379,241)	44,763
Work in Progress – CFD	3,747,822	736,381	(2,749,602)	1,734,601
Land	339,161,125	927,411	-	340,088,536
Total non-depreciable assets	<u>500,850,130</u>	<u>20,715,842</u>	<u>(23,132,504)</u>	<u>498,433,470</u>

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	Balances June 30, 2013	Additions/ Transfers in	Disposals/ Transfers out	Balances June 30, 2014
<b>Depreciable assets:</b>				
Buildings & Improvements	179,448,618	-	-	179,448,618
Furniture	2,131,775	202,887	-	2,334,662
Equipment	49,949,551	1,698,116	-	51,647,667
Vehicles	23,792,782	2,744,509	(1,792,661)	24,744,630
Surface water system	80,362,819	-	-	80,362,819
Street system	543,371,410	4,938,263	-	548,309,673
Park system	62,279,705	21,909,418	-	84,189,123
Total depreciable assets at historical cost	<u>941,336,660</u>	<u>31,493,193</u>	<u>(1,792,661)</u>	<u>971,037,191</u>
<b>Less accumulated depreciation for:</b>				
Buildings & Improvements	(41,701,049)	(4,773,726)	-	(46,474,775)
Furniture	(1,744,757)	(107,425)	-	(1,852,182)
Equipment	(36,860,250)	(3,073,677)	-	(39,933,927)
Vehicles	(16,651,131)	(2,075,290)	1,735,581	(16,990,840)
Surface water system	(21,757,558)	(1,985,747)	-	(23,743,305)
Street system	(180,584,098)	(14,331,984)	-	(194,916,082)
Park system	(13,642,315)	(2,162,287)	-	(15,804,602)
Total accum. depreciation assets, net	<u>(312,941,158)</u>	<u>(28,510,136)</u>	<u>-</u>	<u>(339,715,713)</u>
Governmental activities capital assets, net	<u>\$ 1,129,245,632</u>	<u>23,698,901</u>	<u>(23,189,584)</u>	<u>1,129,745,948</u>

**Business-type activities:**

<b>Non-depreciable assets:</b>				
Work in Progress - Water	\$ 26,550,656	3,919,096	-	30,469,752
Work in Progress - Wastewater	15,413,169	1,277,492	-	16,690,661
Work in Progress - Storm Drainage	-	87,955	-	87,955
Work in Progress - Stadium	7,538,667	-	(5,580,428)	1,958,239
Land	16,612,889	-	-	16,612,889
Total non-depreciable assets	<u>66,115,381</u>	<u>5,284,543</u>	<u>(5,580,428)</u>	<u>65,819,496</u>
<b>Depreciable assets:</b>				
Buildings & improvements	35,197,123	29,997,705	-	65,194,628
Furniture	215,062	-	-	215,062
Equipment	8,431,790	2,032,882	-	10,464,672
Vehicles	13,774,112	2,594,050	(1,541,961)	14,826,201
Surface water system	24,856	203,078	-	227,934
Water Rights	12,889,809	-	-	12,889,809
Water system	311,274,825	6,790,195	-	318,065,020
Wastewater system	348,408,169	2,489,385	-	350,897,554
Total depreciable assets at historical cost	<u>730,215,746</u>	<u>44,107,095</u>	<u>(1,541,961)</u>	<u>772,780,880</u>
<b>Less accumulated depreciation for:</b>				
Buildings & improvements	(13,703,028)	(932,978)	-	(14,636,006)
Furniture	(182,192)	(13,965)	-	(196,157)
Equipment	(3,091,110)	(1,187,856)	-	(4,278,966)
Surface water system	(2)	(649)	-	(651)
Vehicles	(9,119,745)	(1,066,574)	1,539,740	(8,646,579)
Water Rights	(1,546,777)	(257,796)	-	(1,804,573)
Water system	(73,682,025)	(7,509,507)	-	(81,191,532)
Wastewater system	(73,576,511)	(8,539,121)	-	(82,115,632)
Total accum. depreciation	<u>(174,901,390)</u>	<u>(19,508,446)</u>	<u>1,539,740</u>	<u>(192,870,096)</u>
Total depreciable assets, net	<u>555,314,356</u>	<u>(24,598,649)</u>	<u>(2,221)</u>	<u>579,910,784</u>
Business-type activities capital assets, net	<u>\$ 621,429,737</u>	<u>29,883,192</u>	<u>(5,582,649)</u>	<u>645,730,280</u>

Depreciation expense was charged to governmental functions in the government-wide financial statements as follows:

General government	\$ 3,596,283
Culture and recreation	4,601,283
Police	1,612,147
Fire	1,496,263
Development services	4,303
Highways and streets	14,570,136
Public works	2,015,575
Human services	39,596

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Unallocated	<u>574,550</u>
Total depreciation expense	<u>\$ 28,510,136</u>

**13. COMMUNITY FACILITIES DISTRICT DEBT**

Community Facilities Districts (CFD's), special purpose districts created specifically to acquire or construct public infrastructure within specified areas of the City, are authorized under state law to issue general obligation (GO) or revenue bonds to be repaid by property (ad valorem) taxes levied on property within the district (for GO debt), or by specified revenues generated within the districts (revenue bonds). CFD's are created by petition to the City Council by property owners within the area to be covered by the district, and debt may be issued only after approval of the voters within the district.

On October 15, 2002 the City Council formed the Vistancia Community Facilities District (VCFD) pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes. VCFD was subsequently authorized, by the voters of the district on November 12, 2002, to issue up to \$100,000,000 in general obligation bonds to construct public infrastructure within VCFD. VCFD issued \$21,250,000 in fiscal year 2003 and \$23,550,000 in fiscal year 2005 and \$22,760,000 in fiscal year 2007 of general obligation bonds against this authorization. These bonds will be repaid by the property owners within VCFD. The bonds are obligations of the district only. The City has no obligation for VCFD debt other than the administration of the collection of the property taxes and payment of the debt service on behalf of VCFD.

**14. LONG-TERM DEBT**

**A. General Obligation bonds**

**General:** General obligation (GO) bonds are issued, after approval of the City of Peoria voters at an authorized bond election, to finance the purchase or construction of major capital facilities. While GO bonds may be issued for both governmental and business-type activities, at June 30, 2014, there are no outstanding GO bonds in the business-type activities.

GO bonds are backed by the "full faith and credit" of the City and are repaid through the City's levying of property (ad valorem) taxes. There is no legal limit on the secondary property tax used for debt service on GO bonds.

**Statutory Debt Limitation:** Under the provisions of the Arizona Constitution, outstanding general obligation bonded debt for combined water, sewer, light, (after January 1, 1974) parks and open space, and (after December 7, 2006) public safety and transportation purposes may not exceed 20 percent of a City's net secondary assessed valuation. Also outstanding general obligation bonded debt for all other purposes may not exceed 6 percent of a City's net secondary assessed valuation. The City's computation of legal debt margins available for creation of additional debt at June 30, 2014 was \$63,094,792 and \$59,012,641 for the 6 percent and 20 percent debt limits respectively.

**B. Revenue bonds**

**Water and Sewer Revenue Bonds:** Water and Wastewater Revenue Bonds are issued, pursuant to voter authorization, for the construction, acquisition, and equipping of water and wastewater facilities and related systems and infrastructure. The bonds are backed by the revenues of the water and wastewater utilities.

**C. Municipal Development Authority bonds**

Municipal Development Authority (MDA) Bonds are issued by a non-profit corporation created by the City for the purpose of financing certain capital construction projects. The MDA issues its own bonds, which are repaid through a lease purchase agreement with the City equal to the debt service requirements. The City utilizes the City's excise tax and other unrestricted revenues to pay the lease payments.

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**D. Special assessment bonds with Governmental Commitment**

Special Assessment Bonds are used to construct projects within special assessment districts created by the City after property owners within these districts agree to be assessed for the costs of debt service on these bonds. Payments made by the assessed property owners within the districts are pledged to pay the debt service on the bonds. In the event of default by a property owner, the lien created by the assessment is sold at public auction, and the proceeds are used to offset the defaulted assessment. If there is no purchase at the public auction, the City is required to buy the property, and pay off the assessment, with funds appropriated from the General Fund.

As trustee for improvement districts, the City is responsible for collection of assessments levied against the owners of property within the improvement districts and for disbursement of these amounts for retirement of the respective bonds issued to finance the improvements. The City is contingently liable on special assessment bonds to the extent that proceeds from auction sales are insufficient to retire outstanding bonds.

At June 30, 2014, special assessments receivable, together with amounts paid in advance and interest to be received over the life of the assessment period, are adequate to meet the scheduled maturities of the bonds payable and related interest. There were no delinquent assessments at June 30, 2014.

**E. Community Facilities District bonds**

Community Facilities District (CFD) bonds are issued by separate legal entities formed for the purposes of financing public infrastructure improvement within a specific area of the City. The repayment of these bonds is the responsibility of the district, not the City. As the administrator for the district, the City collects the property taxes and makes the debt payments on behalf of the district. See further discussion of CFD bonds outstanding in Note 13.

**F. Authorized and issued debt**

The voters of the City authorized \$22,080,000 of general obligation bonds at a special bond election in March 1990, and \$75,150,000 in September 1994 of which \$592,560 and \$12,000,657, respectively, was unissued at June 30, 2014. In September 1996, the voters authorized \$75,550,000 in either general obligation bonds or utility revenue bonds. To date, the City has not issued general obligation bonds against this authorization; however, \$60,380,132 in utility revenue bonds has been issued against the 1996 authorization, leaving \$15,169,868 unissued against the authorization. In September 2000, the voters authorized \$282,000,000 in bonds as follows: \$164,000,000 in general obligation, utility revenue bonds or Water Infrastructure Finance Authority of Arizona Revolving Fund Loan for the acquisition and construction of water and wastewater facilities; \$22,300,000 in general obligation or utility revenue bonds for storm drainage projects; \$47,150,000 in general obligation or highway user revenue bonds for street, bridges and traffic control projects; and \$48,550,000 in general obligation bonds for parks, open space, public safety and public service projects. General obligation bonds in the amount of \$21,681,456 in 2003, \$59,472,631 in 2007, \$19,555,776 in 2009, \$9,384,315 in 2010 and \$495,000 in 2012; and water infrastructure debt of \$13,965,546 in 2008, \$8,575,248 in 2009, and \$13,775,827 in 2010 have been issued against the 2000 authorization, leaving \$135,094,201 unissued. In May 2005, the voters authorized \$196,000,000 in general obligation bonds as follows: \$52,000,000 for public safety and municipal operations, \$109,000,000 for streets, bridges and traffic control projects, and \$35,000,000 for parks, recreation and library projects. Also in May 2005 the voters authorized \$160,000,000 in revenue or general obligation bonds for water treatment, water system, wastewater, and storm drainage projects. General obligation bonds in the amount of \$24,087,416 in 2007, \$38,511,231 in 2009, \$9,497,031 in 2010, and \$8,775,000 in 2012 were issued against the 2005 authorization leaving \$115,129,322 unissued. Water infrastructure debt of \$24,631,066 in 2007, \$28,775,995 in 2008, \$10,372,993 in 2009 and \$4,045,230 in 2010 in general obligation bonds for drainage projects were issued against the 2005 water, wastewater and storm drainage authorization leaving \$92,174,716 unissued at June 30, 2014.

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In November 2008, the voters authorized \$378,000,000 in bonds as follows: \$276,700,000 in general obligation or utility revenue bonds for transportation and drainage projects, \$60,300,000 for public safety and municipal operations projects, and \$41,000,000 for parks, recreation and trails projects. General obligation bonds in the amount of \$6,243,424 were issued in 2010 and \$5,445,000 in 2012 against the 2008 authorization leaving \$366,311,576 unissued as of June 30, 2014.

Additionally, in 1996 the citizens of Peoria approved \$42,480,000 in Water Infrastructure Finance Authority of Arizona revolving fund loan for the acquisition and construction of water and wastewater facilities. These projects are financed by utility rates for water and wastewater. As of June 30, 2014, \$23,605,000 remains available of this authorization.

**G. Bond covenants and restrictions**

There are various limitations and restrictions contained in debt covenants on some bonds requiring that the City maintain certain reserves or other restrictions. No violations of those covenants occurred during the fiscal year ending June 30, 2014.

**H. Arbitrage**

Under U.S. Treasury Department regulations, all government tax-exempt debt issued after August 31, 1986 is subject to arbitrage rebate requirements. In general the requirements stipulate that the earnings from investments of tax-exempt bond proceeds that exceed related interest expenditures on the bonds, must be remitted to the Federal government on every fifth anniversary of each bond issue. The City has evaluated each general obligation bond and revenue bond issue subject to the arbitrage rebate requirement as of June 30, 2014. At June 30, 2014, there is no outstanding arbitrage liability.

Bonds payable at June 30, 2014 are comprised of the following:

Delivery Date	Description	Purpose	Maturity Dates	Net Interest Rate	Ave. Life (Yrs)	Original Principal Balance	Principal Balance Outstanding
<b>CLASSIFIED IN GOVERNMENTAL ACTIVITIES ON THE GOVERNMENT-WIDE FINANCIAL STATEMENTS:</b>							
<b>General Obligation Bonds</b>							
03/01/07	Series 2007A	Various improvements	7/1/07-26	4.27	20.0	94,380,000	57,760,000
03/01/07	Series 2007B	Refunding of Series 1995, 1996, 2000	7/1/07-20	4.00	14.0	18,365,000	9,150,000
02/19/09	Series 2009	Various improvements	7/1/09-28	3.86	7.4	68,440,000	36,125,000
06/24/10	Series 2010	Various improvements	07/1/10-30	4.03	10.5	29,170,000	23,155,000
06/28/12	Series 2012A	Various improvements	07/1/12-32	3.32	11.38	14,715,000	14,155,000
06/28/12	Series 2012B	Refunding of Series 2003A	7/1/12-22	1.75	5.7	13,690,000	12,475,000
	Total General Obligation Bonds					238,760,000	152,820,000
<b>Municipal Development Authority Bonds</b>							
03/09/06	Series 2006	Community Theater	7/1/06-25	4.2	10.9	6,675,000	4,520,000
03/12/08	Series 2008	Transportation	7/1/08-26	4.6	10.5	47,000,000	35,200,000
06/08/11	Series 2011	Water Rights	7/1/12-26	3.9	8.7	7,920,000	7,105,000
07/18/12	Series 2012	Sports Complex	7/1/13-32	3.3	11.6	35,510,000	34,210,000
	Total General Obligation Bonds					97,105,000	81,035,000
<b>Special Assessment Bonds</b> with governmental commitment (collateralized by the special assessments levied on the property benefiting from the improvements)							
04/01/07	Series 2006	99 <sup>th</sup> Ave & Northern ID# 0601	7/1/07-22	4.25	15.0	4,950,000	3,195,000
	Total Improvement District Bonds					4,950,000	3,195,000
<b>Community Facility District Bonds</b> (collateralized by ad valorem property taxes levied on the property benefiting from the improvements)							
12/17/02	Series 2002	Vistancia CFD Infrastructure	7/15/05-22	6.69	12.7	21,250,000	13,375,000
04/27/05	Series 2005	Vistancia CFD Infrastructure	7/15/07-24	5.47	13.2	23,550,000	18,000,000
12/28/06	Series 2006	Vistancia CFD Infrastructure	7/15/09-26	4.26	20.0	22,760,000	19,720,000
	Total Community Facilities District Bonds					67,560,000	51,095,000

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Total bonds payable recorded in governmental activities	288,145,000
Add unamortized bond premium	3,567,869
Less current portion	<u>(17,305,000)</u>
Long-term portion of bonds payable recorded in governmental activities	<u>\$274,407,869</u>

Delivery Date	Description	Purpose	Maturity Dates	Net Interest Rate	Ave. Life (Yrs)	Original Principal Balance	Principal Balance Outstanding
<b>CLASSIFIED IN BUSINESS-TYPE ACTIVITIES ON THE GOVERNMENT-WIDE FINANCIAL STATEMENTS:</b>							
<b>Revenue Bonds</b>							
07/26/02	WIFA Series 2000	Water system improvements	7/1/03-22	3.94	11.8	1,964,789	1,072,172
12/08/06	WIFA Series 2006	Butler Water Treatment Plant	7/1/08-26	3.06	20	27,183,342	21,047,280
02/15/08	WIFA Series 2006	Butler Water Treatment Plant	7/1/09-27	3.30	20	42,741,541	33,908,512
05/16/08	WIFA Series 2006	Butler Water Treatment Plant	7/1/10-28	3.48	19	8,575,248	7,201,677
07/17/09	WIFA Series 2009	Northern Ave Repairs	7/1/10-29	3.48	20	1,577,978	604,231
07/17/09	WIFA Series 2009	Various improvements	7/1/10-29	2.00	20	8,484,204	6,591,147
07/17/09	WIFA Series 2009	Beardsley upgrades & Northern Ave repairs	7/1/10-29	2.00	20	4,021,623	3,051,741
07/17/09	WIFA Series 2009	Beardsley reclamation facility	7/1/10-29	3.27	20	4,545,000	3,680,521
11/20/09	WIFA Series 2009	Pinnacle Peak Road improvements	7/1/10-29	3.23	20	1,780,000	623,251
05/27/10	WWW Series 2010	Refunding Series 1998A & Series 2000	7/1/11-20	3.21	6.2	15,780,000	12,805,000
06/28/12	WWW Series 2012	Refunding Series 1995, 1997, WIFA Series 2000 PH 1&2	7/1/12-21	1.60	4.3	23,280,000	19,915,000
Total Revenue Bonds						<u>139,933,725</u>	<u>110,500,532</u>

Total bonds payable recorded in business-type activities	110,500,532
Add unamortized bond premium	1,891,014
Less current portion	<u>(9,210,037)</u>
Long-term portion of bonds payable recorded in business-type activities	<u>103,181,509</u>
Total long-term portion of bonds payable	<u>\$377,589,378</u>
<b>Reconciliation to total bonded debt principal:</b>	
Total long-term portion of bonds payable	\$377,589,378
Add:	
Current portion of bonds payable	<u>26,515,038</u>
Total bonded debt principal as of June 30, 2014	<u>\$404,104,416</u>

The following is a summary of changes in non-current liabilities reported in the government-wide financial statements for the year ended June 30, 2014:

	Beginning Balance (as restated)	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 162,375,000	-	9,555,000	152,820,000	9,895,000
MDA Bonds	85,230,000	-	4,195,000	81,035,000	4,305,000
Special assessment bonds	3,520,000	-	325,000	3,195,000	340,000
CFD bonds	53,725,000	-	2,630,000	51,095,000	2,765,000
Total bonds payable	304,850,000	-	16,705,000	288,145,000	17,305,000
Compensated absences	6,882,099	6,466,049	6,442,008	6,906,140	5,177,550
Deferred bond premium	3,850,154	-	282,285	3,567,869	-
Governmental activities totals	<u>\$ 315,582,253</u>	<u>6,466,049</u>	<u>23,429,293</u>	<u>298,619,009</u>	<u>22,482,550</u>
<b>Business-type activities:</b>					
Bonds payable:					
Revenue bonds	119,507,652	-	9,007,120	110,500,532	9,210,037
Compensated absences	842,730	725,568	734,958	833,340	619,410
Deferred bond premium	2,167,804	-	276,790	1,891,014	-
Business-type activities totals	<u>\$ 122,518,186</u>	<u>725,568</u>	<u>10,018,868</u>	<u>113,224,886</u>	<u>9,829,447</u>

The following table discloses the bond debt service requirements as of June 30, 2014, segregating principal and interest, for the next five years and in five-year increments thereafter.

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**Governmental Activities**

<u>Fiscal year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	17,305,000	11,880,816	29,185,816
2016	18,010,000	11,191,118	29,201,118
2017	18,315,000	10,469,765	28,784,765
2018	18,505,000	9,703,441	28,208,441
2019	19,285,000	8,880,694	28,165,694
2020-2024	102,950,000	31,498,789	134,448,789
2025-2029	77,475,000	9,613,870	87,088,870
2030-2033	<u>16,300,000</u>	<u>1,088,513</u>	<u>17,388,513</u>
Totals	<u>\$ 288,145,000</u>	<u>94,327,006</u>	<u>382,472,006</u>

**Business-Type Activities**

<u>Fiscal year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	9,210,037	3,450,304	12,660,341
2016	9,456,159	3,171,755	12,627,914
2017	10,081,747	2,845,809	12,927,556
2018	10,416,947	2,494,759	12,911,706
2019	9,831,905	2,143,516	11,975,421
2020-2024	35,947,642	6,504,022	42,451,664
2025-2029	24,835,039	1,646,435	26,481,474
2030-2033	<u>721,059</u>	<u>5,601</u>	<u>726,660</u>
Totals	<u>\$ 110,500,535</u>	<u>22,262,201</u>	<u>132,762,736</u>

Long-term compensated absences of governmental activities are expected to be liquidated by the operating funds (primarily the General Fund, Highway User Revenue Fund and Transit Fund) as they come due.

**15. ADVANCE REFUNDINGS**

In prior years, the City refinanced various bond issues through advance refunding arrangements. Under the terms of the refunding bond issues, sufficient assets to pay all principal and interest on the refunded bond issues have been placed in irrevocable trust accounts at commercial banks and invested in U.S. Government Securities which, together with interest earned thereon, will provide amounts sufficient for future payment of principal and interest of the issues refunded. The City did not have any advanced refundings during the fiscal year ending June 30, 2014.

**16. PLEDGED REVENUES**

The City has pledged certain future revenues to repay specific bonded debt as follows:

The City has pledged future water utility and wastewater utility revenues, net of specific operating expenses, to repay \$15,780,000 in Revenue Refunding Bonds issued in 2010, \$23,280,000 in Revenue Refunding Bonds issued in 2012 and \$161,258,811 in Water Infrastructure Financing Authority Bonds issued in 1995-2010. The various bonds were issued for the purchase or construction of various water or wastewater infrastructure including wells, treatment plants, pumping stations and water and wastewater distribution or collection lines. At June 30, 2014, \$110,500,535 in bonds remain outstanding to be repaid by future water and wastewater revenues. For the fiscal year ended June 30, 2014, the pledged revenues, net of operating expenses available for service of this debt were \$27,883,713. The debt principal and interest paid on this debt in fiscal year 2014 was \$12,350,530 (44.3% of available net pledged revenues).

The City has pledged certain revenues for the repayment of \$50,105,000 in Municipal Development Authority (MDA) Bonds issued in 2006, 2011 and 2012. Pledged revenues for these bonds include excise taxes and state shared revenues not specifically reserved by law or other regulation to be expended for other purposes. At June 30, 2014, \$45,835,000 in bonds remained outstanding to be repaid by these future revenues. The bonds were issued to construct various City operational facilities and to purchase water

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rights. For the fiscal year ended June 30, 2014, the pledged revenues, net of operating expenses available to service this debt were \$114,035,421. The debt principal and interest paid on this debt in fiscal year 2014 was \$3,718,383 (3.3% of available net pledged revenues).

The City has pledged certain revenues for the repayment of \$47,000,000 in Municipal Development Authority Bonds issued in 2008. The bonds were issued to construct transportation infrastructure. The bonds have a senior lien on the .03% transportation sales tax and a secondary lien on the excise taxes and state shared revenues not specifically reserved by law or other regulation to be expended for other purposes (secondary after the MDA Bonds discussed above). At June 30, 2014, \$35,200,000 of the bonds remained outstanding to be repaid by future revenues. For the fiscal year ended June 30, 2014, the pledged revenues, net of operating expenses available to service this debt were \$121,178,183. The debt principal and interest paid on this debt in fiscal year 2014 was \$3,915,263 (3.2% of available net pledged revenues).

The City has pledged certain revenues for the repayment of Special Assessment Bonds. The bonds were issued to purchase or construct infrastructure within the various special assessment districts. Pledged revenues for these bonds include the fund balance of the Special Assessment Debt Service Fund, plus the collections of assessments against property owners in the districts. At June 30, 2014 \$3,195,000 in bonds are outstanding to be repaid by these revenues. For the fiscal year ended June 30, 2014, the net revenues available to service this debt were \$1,259,303. The debt principal and interest paid on this debt in fiscal year 2014 was \$474,600 (37.7% of available net pledged revenues).

## **17. RETIREMENT AND PENSION PLANS**

All full-time employees of the City are covered by one of three pension plans. Benefits are established by state statute and the plans generally provide retirement, long-term disability, and health insurance premium benefits, including death and survivor benefits. The retirement benefits are generally paid at a percentage, based on years of service, of the retiree's average compensation. Long-term disability benefits vary by circumstances, but generally pay a percentage of the employee's monthly compensation. Health insurance premium benefits are paid as a flat dollar amount per month towards the retiree's health care insurance premiums, in amounts based on whether the benefit is for the retiree or for the retiree and his or her dependents.

The Arizona State Retirement System (A.S.R.S.) is for the benefit of the employees of the state and certain other governmental jurisdictions. All full-time City employees, except sworn fire and police personnel, are included in the Arizona State Retirement System plan, which is a cost sharing, multiple-employer, defined benefit plan. Sworn police and fire personnel participate in the Public Safety Retirement System, which is an agent multiple-employer defined benefit plan. In addition, the Mayor and City Council members are covered by the State's Elected Officials Plan, which is also a multiple-employer defined benefit cost sharing plan.

### **Arizona State Retirement System:**

#### **a. Plan Description**

All of the City's full-time employees, other than those covered by one of the other retirement plans, participate in the Arizona State Retirement System (System), a cost sharing multiple-employer defined benefit pension plan; health insurance premium plan; and long-term disability plan. The System was established by the State of Arizona to provide benefits for employees of the state and employees of participating political subdivisions and school districts. The System is administered in accordance with Title 38, Chapter 5, Article 2 of the Arizona Revised Statutes. The System provides for retirement, disability, health insurance premiums, and death and survivor benefits. The System issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the Arizona State Retirement System, 3300 N. Central Ave., Suite 1300, Phoenix, Arizona, 85012 or by calling 1-800-621-3778 or 602-240-2000.

CITY OF PEORIA, ARIZONA  
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b. **Funding Policy**

Covered employees were required by state statute to contribute 11.54 percent (11.3 percent for retirement and 0.24 percent for long-term disability) of their salaries to the System and the City was required to match it (10.70 percent for retirement, 0.60 percent for health insurance premium, and 0.24 percent for long-term disability). Arizona Revised Statutes (A.R.S.) provide statutory authority for determining the employees' and employers' contribution amounts as a percentage of covered payroll. Employers are required to contribute at the same rate as employees. Although the statutes prescribe the basis of making the actuarial calculation, the Arizona legislature is able to impose a contribution rate other than the actuarially determined rate. The City was also required to contribute an alternate contribution rate of 9.20 percent of salaries for those employees that are currently receiving retirement benefits from the System. These retirement members are not required to contribute to the System. These amounts have been included in the employer retirement fund contributions in the following table.

The City's contributions for the current year and two preceding years, all of which were equal to the required contributions, were as follows:

<b><u>Fiscal Year Ended</u></b>	<b><u>Retirement Fund</u></b>	<b><u>Health Benefit Supplement Fund</u></b>	<b><u>Long-Term Disability Fund</u></b>
2012	4,263,942	272,167	103,682
2013	5,048,667	320,008	117,811
2014	4,847,966	271,849	108,739

**Elected Officials Retirement Plan:**

a. **Plan Description**

The City's Mayor and Council members participate in the Elected Officials Retirement System (EORP), a cost sharing, multiple-employer defined benefit pension plan and insurance premium plan. The Board of Trustees of the Public Safety Personnel Retirement System (PSPRS) is the administrator for the EORP which was established by Title 38, Chapter 5, Article 3 of the Arizona Revised Statutes to provide pension benefits for state and county elected officials, judges and certain elected city officials. EORP provides retirement benefits, death and disability benefits, and health insurance premium benefits.

Because the health insurance premium plan benefit of the EORP is not established as a formal trust, it is reported in accordance with GASB Statement 45 as an agent multiple-employer plan. Accordingly, the disclosures that follow reflect the EORP as if it were an agent multiple-employer plan. According to GASB Statement 43, the health insurance subsidy paid by the Plan represents other post employment benefits. The Plan does not administer a separate healthcare plan as defined under IRC 401h or an equivalent arrangement. In addition, the Plan is not statutorily authorized to maintain a separate account for the health insurance subsidy assets and benefit payments. Therefore, in accordance with GASB Statement 43, the healthcare subsidy is reported by the Plan as an agency fund. All assets of the plan are available to pay both pension and health insurance subsidy. The pension benefits and health insurance subsidy are funded through employer contributions based on an annual actuarial valuation. Contributions are separately accounted for by employer but are not segregated by contribution type.

EORP issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to the Elected Officials Retirement Plan, 3010 E. Camelback Rd., Ste 200, Phoenix, Arizona, 85016, by calling 602-255-5575, or on the internet at [www.psprs.com](http://www.psprs.com).

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b. **Funding Policy**

The EORP's funding policy (required by State Statutes) provides for periodic employer contributions at actuarially determined rates and employee contributions of 13.0 percent of their annual covered salary. The employer rate for fiscal year 2013-2014 was 39.62 percent. The health insurance premium portion of the contribution rate was actuarially set at 1.56 percent of covered payroll. The City's contributions from employer and employees for the fiscal year 2014, 2013, and 2012 were \$19,278, \$17,410, and \$15,140, respectively for the employees and \$47,048, \$55,166, and \$49,943, respectively for the employer. These contributions matched the required contributions for those years.

c. **Actuarial Methods and Assumptions**

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual contributions are subject to continual revisions as actual results are compared to past expectations and new estimates are made.

Projections of benefits are based on 1) the plan as understood by the City and the plan's members and include the types of benefits in force at the valuation date, and 2) the pattern of sharing benefit costs between the City and the plan members to that point. Actuarial calculations reflect a long-term prospective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The required contribution was determined as part of the June 30, 2012, actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 8.00 percent investment rate of return, (b) projected salary increases of 4.75 percent, and (c) payroll growth of 4.5 percent per year. Since the health insurance premium benefits are fixed, no health care cost trend rate is used in the actuarial valuation.

The actuarial value of EORP assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a seven-year period. EORP's assets in excess of actuarial accrued liabilities are amortized as level percents of payroll over an open period of 20 years, while unfunded actuarial liabilities are amortized as level percents of payroll over a closed period of 23 years.

**Public Safety Personnel Retirement System:**

a. **Plan Description**

The City contributes to the Public Safety Personnel Retirement System (PSPRS), an agent multiple-employer defined benefit pension plan and insurance premium plan, which acts as a common investment and administrative agent for the various fire and police agencies within the state. Sworn police and fire personnel are eligible to participate in the plan. The plan provides retirement and disability benefits, death benefits, and insurance premium benefits, to plan members and beneficiaries. The PSPRS is jointly administered by the Fund Manager and 209 Local Boards and was established by Title 38, Chapter 5, Article 4 of the Arizona Revised Statutes. The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to Public Safety Personnel Retirement System 3010 East Camelback Rd., Ste 200, Phoenix, Arizona, 85016, by calling 602-255-5575, or on the internet at [www.psprs.com](http://www.psprs.com).

b. **Funding Policy**

PSPRS police personnel are required to contribute 10.35 percent of their annual covered salary and fire personnel are required to contribute 10.35 percent while the City is required to contribute an actuarially determined rate. Police personnel contributed \$1,349,474 and fire personnel \$1,131,864

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during fiscal year 2013-2014. The City rate for fiscal year 2014 was 23.29 percent for police personnel and 17.71 percent for fire members. The City was also required to contribute 17.07 percent for those police and fire personnel that were currently drawing retirement benefits from a PSPRS retirement system and were not required to make employee contributions. The health insurance premium portion of the contribution rate was actuarially set at 0.98 percent of covered payroll for police and 0.96 percent for fire for fiscal year 2014. Benefit and contribution provisions are established by state law and may be amended only by the State of Arizona Legislature (A.R.S. Section 38-843).

**c. Actuarial Methods and Assumptions**

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual contributions are subject to continual revisions as actual results are compared to past expectations and new estimates are made. The required schedule of funding progress provides multi-year trend information that shows whether the actuarial value of the plans' 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 the plan's members and include the types of benefits in force at the valuation date, and 2) the pattern of sharing benefit costs between the City and the plan members to that point. Actuarial calculations reflect a long-term prospective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The most recent actuarial valuation and related information follow.

	Fire	Police
Valuation date	6/30/2013	6/30/2013
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level % of pay, closed for underfunded, open for overfunded	Level % of pay, closed for underfunded, open for overfunded
Remaining amortization period	23 years for underfunded 20 years for overfunded	23 years for underfunded 20 years for overfunded
Asset valuation method	7 years smoothed market	7 years smoothed market
Actuarial assumptions:		
Investment rate of return	7.85%	7.85%
Projected salary increases	4.5 - 8.5%	4.5 - 8.5%
Includes inflation at	4.5%	4.5%
Cost of living adjustments	None	None

Since the health insurance premium benefits are fixed, no health care cost trend rate is used in the actuarial valuation.

**Annual Pension/OPEB Cost - Agent Plans:**

The City's pension/OPEB costs for the agent plans for the year ended June 30, 2014, follows:

	PSPRS - Police		PSPRS - Fire		EORP	
	Pension	Health Insurance	Pension	Health Insurance	Pension	Health Insurance
Annual pension/OPEB cost	\$2,908,870	\$127,776	\$1,831,762	\$104,985	\$45,196	\$1,852
Contributions made	2,908,870	127,776	1,831,762	104,985	45,196	1,852

**Three Year Trend Information for Agent Plans:**

Annual pension cost information for the current and two preceding years follows for each of the agent plans.

CITY OF PEORIA, ARIZONA  
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<u>Fiscal Year Ended</u>	<u>Annual Pension/OPEB Cost</u>	<u>Annual Costs Contributed</u>	<u>Percentage of Net Pension/OPEB Obligation</u>
<b><u>PSPRP - Police - Pension</u></b>			
2012	\$2,090,120	100%	\$ 0
2013	2,622,025	100	0
2014	2,908,870	100	0
<b><u>PSPRP - Police – Health Insurance</u></b>			
2012	\$ 123,935	100%	\$ 0
2013	134,785	100	0
2014	127,776	100	0
<b><u>PSPRP - Fire - Pension</u></b>			
2012	\$1,394,608	100%	\$ 0
2013	1,632,474	100	0
2014	1,831,762	100	0
<b><u>PSPRP - Fire – Health Insurance</u></b>			
2012	\$ 109,878	100%	\$ 0
2013	107,353	100	0
2014	104,985	100	0
<b><u>EORP – Pension</u></b>			
2012	\$ 47,233	100%	\$ 0
2013	52,441	100	0
2014	45,196	100	0
<b><u>EORP – Health Insurance</u></b>			
2012	\$ 2,710	100%	\$ 0
2013	2,725	100	0
2014	1,852	100	0

**Volunteer Firemen's Pension Trust Fund**

The Volunteer Firemen's Pension Trust plan covers participants in a volunteer firemen program formerly sponsored by the City. There are currently four individuals receiving monthly benefits of \$425 each. There are no potential additional demands upon the fund since the volunteer program has been discontinued. An actuarial valuation of this pension plan has not been performed. The City believes the unfunded liability, if any, is not material.

**Schedule of Funding Progress:**

The funded status of the plans as of the most recent valuation date, June 30, 2013, and the prior two years follow. The EORP, by statute, is a cost-sharing plan. However, because of its statutory construction, in accordance with GASB Statement No. 43, paragraphs 5 and 41, the EORP is reported for such purposes as an agent multiple-employer plan. The Fund Manager obtains an actuarial valuation for the EORP on its statutory basis as a cost-sharing plan and therefore, actuarial information for the City, as a participating government, is not available.

CITY OF PEORIA, ARIZONA  
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**Schedule of Funding Progress** (Latest Available Actuarial Information)

<u>Valuation Date</u> <u>June 30,</u>	<u>Actuarial Value of Plan Assets</u>	<u>Projected Unit Credit Actuarial Liability (AAL)</u>	<u>Percent Funded</u>	<u>Unfunded AAL</u>	<u>Annual Covered Payroll</u>	<u>Unfunded AAL as a % of Covered Payroll</u>
<b><u>Police – Retirement</u></b>						
2011	42,776,856	62,806,469	68.1	20,029,613	12,989,140	154.2%
2012	47,252,572	72,134,658	65.5	24,882,086	12,995,169	191.5
2013	50,542,535	78,259,854	64.6	27,717,319	13,250,689	209.2
<b><u>Police – Health Insurance Subsidy</u></b>						
2011	0	1,547,097	0.0	1,547,097	12,989,140	12.12%
2012	0	1,637,968	0.0	1,637,968	12,995,169	12.60
2013	0	1,698,633	0.0	1,698,633	13,250,689	12.82
<b><u>Fire – Retirement</u></b>						
2011	36,477,794	44,039,032	82.8	7,591,238	10,271,122	73.9%
2012	41,223,476	49,863,454	82.7	8,639,978	10,470,454	82.5
2013	44,476,474	53,020,164	83.9	8,543,690	10,431,141	81.9
<b><u>Fire – Health Insurance Subsidy</u></b>						
2011	0	1,390,847	0.0	1,390,847	10,271,122	13.54%
2012	0	1,377,734	0.0	1,377,734	10,470,454	13.16
2013	0	1,282,533	0.0	1,282,533	10,431,141	12.30

**18. LEASES**

The City leases vehicles, equipment and land under certain non-cancelable operating leases. Operating leases do not give rise to property rights or lease obligations (long-term debt), and therefore the results of the lease agreements are not reflected in the City's Statement of Net Position. Lease costs for the fiscal year ended June 30, 2014 were \$208,164.

The following is a schedule of the future minimum lease payments on the operating leases.

<u>Year Ending June 30,</u>	<u>Amount</u>
2015	\$ 191,787
2016	195,743
2017	195,949
2018	200,273
2019	204,718
Total	\$ 988,470

The City is the lessor on several operating leases of land. The cost of the real property associated with these leases is \$2,218,519. Operating lease revenues for fiscal year 2014 were \$385,700.

CITY OF PEORIA, ARIZONA  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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The following is a schedule of five years minimum future rental revenues on these leases:

Year Ending June 30,	Amount
2015	\$ 321,856
2016	326,534
2017	354,436
2018	360,141
2019	295,604

**19. DEFERRED COMPENSATION PLAN**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Additionally, the City offers its management employees an additional deferred compensation plan created in accordance with Internal Revenue Code Section 401a. The deferred compensation is not available to employees, under either plan, until termination, retirement, death or unforeseeable emergency. The City's fiduciary responsibility is that of exercising "due care" in selecting a third-party administrator. Federal legislation requires that Section 457 and 401a plan assets be held in trust for employees. This means that employee assets held in Section 457 and 401a plans are not the property of the City and are not subject to claims of the City's general creditors. Also, the City exercises no administrative control nor makes investment decisions. Therefore, the deferred compensation assets are not included in the City's Basic Financial Statements.

**20. COMMITMENTS AND CONTINGENCIES**

The City is involved in litigation arising in the ordinary course of its operations. The City believes that its ultimate liability, if any, in connection with these matters will not have a material adverse effect on the City's financial position, changes in financial position, or liquidity. The City is self-insured for the first \$1,000,000 of any occurrence and then has additional coverage up to \$40.0 million.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The following table presents the City's commitments and encumbrances as of June 30, 2014:

<u>Fund/Description</u>	<u>Remaining Commitment</u>
General Fund:	
P83 Entertainment District Improvements	\$ 205,102
Systems Upgrades	1,348
Parks and Recreation Facilities	<u>53,170</u>
	259,620
Highway User Revenue Fund:	
Streets/Traffic Infrastructure	47,572
Sidewalk Improvements	<u>24,068</u>
	71,640
Development Fee Fund:	
Parks and Recreation Facilities	1,410,850
Municipal Facilities	22,270
Streets/Traffic Infrastructure	<u>2,226,008</u>
	3,659,128
Transportation Sales Tax Fund:	
Streets/Traffic Infrastructure	2,843,693

CITY OF PEORIA, ARIZONA  
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 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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Non-Major Governmental Funds:	
GO Bond Cap Proj – Streets/Traffic Infrastructure	1,529,871
GO Bond Cap Proj – Parks and Recreation Facilities	817,803
GO Bond Cap Proj – Municipal Facilities	116,963
Non-Bond Cap Proj –Parks and Recreation Facilities	985,680
Non-Bond Cap Proj –Streets/Traffic Infrastructure	562,096
MDA Bonds Capital Proj – Parks and Recreation Facilities	<u>1,585,495</u>
	5,597,908
Water Utility Fund:	
Water Lines	535,888
Wells and Reservoirs	1,579,063
Water Facilities	131,590
Operational Purposes	<u>57,562</u>
	2,304,103
Wastewater Utility Fund:	
Wastewater Lines	239,893
Systems Upgrades	92,621
Wastewater Facilities	26,536
Operational Purposes	<u>34,388</u>
	393,438
Stadium Fund:	
Parks and Recreational Facilities	<u>67,337</u>
Total commitments	<u>\$ 15,196,867</u>

**Contracts Payable**

The City has development agreements where, in return for developers constructing public infrastructure, the City agrees to reimburse the developer for the cost of such infrastructure at some future time contingent on the collection of impact fees and sales tax revenues. Obligations under these development agreements at June 30, 2014 total \$55,406,650 for governmental funds and \$6,297,204 for enterprise funds.

**21. OTHER MATTERS**

**Park West Development**

The City signed a development agreement with DJN Eagle Mountain, LLC on July 5, 2005, and amended on April 15, 2008, with provisions that reimbursement will be made by the City to the developer for certain public infrastructure improvements related to the retail component of a mixed use project called Park West in the southwest area of the City. The developer is required by the agreement to complete construction of 150,000 square feet of retail business space by July 31, 2008, and an additional 360,000 square feet of retail business space by March 31, 2010, and to have a capital investment of at least forty-five million dollars in the project within 36 months of the construction commencement date. Reimbursements will begin once certain construction obligations are met by the developer. The agreement caps the reimbursement amount at no more than \$9,000,000. Payments will be made quarterly, consisting of fifty percent of one percent of sales tax revenues generated by the project. No liability will be recorded by the City until such time as the developer has met all obligations of the agreement. The developer is in default of the terms of the Agreement related to the improvement district, but the Agreement has not been terminated. Because of the default, the \$9,000,000 has not been recorded as a liability as of June 30, 2014.

**Vistancia**

The City approved a development agreement with Shea Sunbelt Pleasant Point LLC on October 22, 2001, for development of a master-planned community north of Happy Valley Road and west of the Agua Fria River. Included in the agreement are certain infrastructure improvements, right-of-way and land dedications, water rights acquisition, fire station building and equipment, and park and trail development. In return the City agreed to certain impact fee reimbursements. Individual liabilities will not be recorded until

CITY OF PEORIA, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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the developer has met City requirements associated with each agreed-upon item. As of June 30, 2014, there are currently estimated potential impact fee reimbursements of the following that are not yet recorded as liabilities: One neighborhood park site currently estimated at \$450,000; two community park sites currently estimated at \$4,500,000; one library site currently estimated at \$750,000; and street and intersection improvements and associated ROW land dedications currently estimated at \$11,500,000.

**Saddleback Heights**

The City approved a development agreement with Diamond Ventures Inc. on December 24, 2002 for a master-planned community located on the southwest corner of 163rd Avenue and State Highway 74. Included in the agreement are certain infrastructure improvements, right-of-way and land dedications, and provision of certain equipment. Associated with some of these requirements, the City may have credits owed to the developer from impact fees. As of June 30, 2014, no building activities have commenced and potential credits could not be reliably estimated. The agreement is in force for 25 years from the signing of the agreement. The developer is currently seeking an amendment to the development plan and agreement.

**Lake Pleasant Heights**

On December 19, 2005, the City approved a development agreement with Group Three Properties, Noranda Properties Inc., and Pleasant Views LLC, which terminated an existing development agreement and enabled the developer to rely on existing City ordinances related to infrastructure improvements, right-of-way and land dedications. Subsequently, these entities no longer have ownership interests in the land, and new developers are looking to amend or restate a development agreement. The development is a master-planned community east of Vistancia North and south of State Route 74. As the developer(s) moves forward with the project, there may be infrastructure and land dedications resulting in impact fee credits due them from the City. As of June 30, 2014, the potential credits could not be reliably estimated.

**22. SUBSEQUENT EVENTS**

On August 27, 2014, Council approved the formation of Vistancia West Community Facilities District (CFD) and authorized the execution and delivery of a District Development, Financing Participation and Intergovernmental Agreement. The Agreement is structured with a maximum of \$9 million in general obligation bonds with a targeted tax rate of \$2.10 per \$100 of assessed value. Projects anticipated to be constructed under the CFD include the Westland Water Campus, Offsite Sewer and Lone Mountain Waterline projects. As with other CFDs, the Vistancia West CFD is a separate legal entity and debt issued under the CFD are not obligations of the City. Debt service payments are secured by the property tax revenues generated from the District and a Standby Contribution Agreement and Letter of Credit executed by the development joint venture.





**Combining Statements  
& Budgetary Schedules**

# Combining Fund Financial Statements and Budgetary Schedules

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This section contains the combining financial statements for non-major governmental funds, internal service funds and fiduciary funds as well as the budget schedules other than those for the general fund and major special revenue funds (which may be found immediately following the governmental fund financial statements).

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# **MAJOR GOVERNMENTAL FUNDS OTHER THAN GENERAL FUND & SPECIAL REVENUE FUNDS Budgetary Comparison Schedules**

## **Debt Service Funds**

Debt service funds are used to account for and report financial resources, that are restricted, committed, or assigned to expenditure for principal and interest payments on debt. This includes financial resources that are being accumulated for principal and interest maturing in future years. Principal payments are due annually. Interest is due semiannually.

### **General Obligation (GO) Bonds Debt Service Fund**

This fund accounts for the principal and interest requirements of the City's general obligation bonds. Provisions are made in the City's general property tax levy for funds sufficient to meet the general obligation debt service.

## **Capital Projects Funds**

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets other than those financed by proprietary funds.

### **General Obligation (GO) Bond Capital Projects Fund**

This fund accounts for the receipt of proceeds from General Obligation bonds and the expenditure of those funds to purchase or construct capital assets for the City.

### **Development Fee Fund**

This fund accounts for the collection of governmental development/impact fees, including streets, parks and open space, library, public safety, and general government, and the expenditure of those funds for capital construction or new equipment needed because of new development.

**CITY OF PEORIA, ARIZONA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL OBLIGATION BONDS DEBT SERVICE FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>(budgetary basis)</u>	<u>Final Budget</u> <u>Over</u> <u>(Under)</u>
Budgetary fund balance, July 1, 2013	\$ 30,315,391	\$ 30,315,391	\$ 30,315,391	\$ -
<b>RESOURCES (INFLOWS):</b>				
Property taxes	13,249,479	13,249,479	15,076,552	1,827,073
Investment earnings	68,280	61,480	99,991	38,511
Total inflows	<u>13,317,759</u>	<u>13,310,959</u>	<u>15,176,543</u>	<u>1,865,584</u>
Amounts available for appropriation	<u>43,633,150</u>	<u>43,626,350</u>	<u>45,491,934</u>	<u>1,865,584</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Debt service:				
Principal payments	9,555,000	9,555,000	9,555,000	-
Interest and other charges	6,079,408	6,079,408	6,078,379	(1,029)
Total charges to appropriations	<u>15,634,408</u>	<u>15,634,408</u>	<u>15,633,379</u>	<u>(1,029)</u>
Budgetary fund balance, June 30, 2014	<u>\$ 27,998,742</u>	<u>\$ 27,991,942</u>	<u>\$ 29,858,555</u>	<u>\$ 1,866,613</u>

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	\$ 45,491,934
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(30,315,391)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	(1,656,957)
Total revenues as reported on the combining statement of revenue, expenditures, and changes in fund balances - non-major governmental funds	<u>\$ 13,519,586</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 15,633,379
Differences - budget to GAAP:	
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	(720)
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - non-major governmental funds	<u>\$ 15,632,659</u>

**CITY OF PEORIA, ARIZONA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL OBLIGATION (GO) BOND CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (budgetary basis)</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, July 1, 2013	\$ 23,365,222	\$ 23,365,222	\$ 23,365,222	\$ -
<b>RESOURCES (INFLOWS):</b>				
Capital-related debt issued	7,318,614	7,318,614	-	(7,318,614)
Investment earnings	74,200	74,200	26,227	(47,973)
Miscellaneous	-	-	257,058	257,058
Total inflows	<u>7,392,814</u>	<u>7,392,814</u>	<u>283,285</u>	<u>(7,109,529)</u>
Amounts available for appropriation	<u>30,758,036</u>	<u>30,758,036</u>	<u>23,648,507</u>	<u>(7,109,529)</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Highways and streets	715,881	749,733	7,816,390	7,066,657
Interest and fiscal charges	-	-	30,034	30,034
Capital outlay	28,941,314	29,332,997	11,100,852	(18,232,145)
Contingencies	-	850,000	-	(850,000)
Transfers out	-	-	1	1
Total charges to appropriations	<u>29,657,195</u>	<u>30,932,730</u>	<u>18,947,277</u>	<u>(11,985,453)</u>
Budgetary fund balance, June 30, 2014	<u>\$ 1,100,841</u>	<u>\$ (174,694)</u>	<u>\$ 4,701,230</u>	<u>\$ 4,875,924</u>

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	\$ 23,648,507
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(23,365,222)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	(15,293)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 267,992</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 18,947,277
Differences - budget to GAAP:	
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	233,608
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	(638,457)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(1)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 18,542,427</u>

**CITY OF PEORIA, ARIZONA  
BUDGETARY COMPARISON SCHEDULE  
DEVELOPMENT FEE FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (budgetary basis)</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, July 1, 2013	\$ 34,871,908	\$ 34,871,908	\$ 34,871,908	\$ -
<b>RESOURCES (INFLOWS):</b>				
Impact/expansion fees	6,883,040	6,883,040	4,477,101	(2,405,939)
Investment earnings	72,232	71,798	158,061	86,263
Total inflows	<u>6,955,272</u>	<u>6,954,838</u>	<u>4,635,162</u>	<u>(2,319,676)</u>
Amounts available for appropriation	<u>41,827,180</u>	<u>41,826,746</u>	<u>39,507,070</u>	<u>(2,319,676)</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Current:				
Culture and recreation	18,214	151,519	167,813	16,294
Police	56,270	59,580	3,379	(56,201)
Fire	2,327	5,637	5,442	(195)
Highways and streets	73,777	93,637	24,168	(69,469)
Debt service:				
Principal payments	3,809,501	3,809,501	-	(3,809,501)
Capital outlay	19,286,554	15,340,632	41,471	(15,299,161)
Contingencies	3,350,000	3,420,155	-	(3,420,155)
Total charges to appropriations	<u>26,596,643</u>	<u>22,880,661</u>	<u>242,273</u>	<u>(22,638,388)</u>
Budgetary fund balance, June 30, 2014	<u>\$ 15,230,537</u>	<u>\$ 18,946,085</u>	<u>\$ 39,264,797</u>	<u>\$ 20,318,712</u>

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	\$ 39,507,070
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(34,871,908)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	(16,723)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 4,618,439</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 242,273
Differences - budget to GAAP:	
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	1,221,932
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 1,464,205</u>

# **NON-MAJOR GOVERNMENTAL FUNDS**

## **OTHER GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

Special revenue funds are used to account for and report the proceeds of specific revenues sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

#### **Public Transit Fund**

This fund receives and expends the City's allocation of Federal Transit Authority grant money as well as the City's allocation of the Local Transportation Assistance Fund money. The amount of Federal Transportation Authority funds available to each city is based on the total funding available and the total requests for funds. The amount of Local Transportation Assistance funds available to each city is allocated on a population basis, which is determined by the latest federal census. Expenditures are for the administration and operating costs of the public transit system.

#### **Other Grants Fund**

This fund receives and expends much of the City's grant fund money. The amount of grants received is generally based upon application to granting agencies by the City and availability of funding by grantors. Grant money may be used only for the purpose of the approved budget and is subject to grantor expenditure guidelines.

### **Debt Service Funds**

Debt service funds are used to account for and report financial resources, that are restricted, committed, or assigned to expenditure for principal and interest payments on debt. This includes financial resources that are being accumulated for principal and interest maturing in future years. Principal payments are due annually. Interest is due semiannually.

#### **Municipal Development Authority Bonds Debt Service Fund**

This fund accounts for the principal and interest requirements of the Municipal Development Authority's bonds. Provisions are made in the City's transaction privilege tax for funds sufficient to meet the Municipal Development Authority's debt service.

#### **Community Facilities District (CFD) Bonds Debt Service Fund**

This fund accounts for the principal and interest requirements of the Vistancia Communities Facilities District (a blended component unit) general obligation bonds. Provisions are made in the District's general property tax levy for funds sufficient to meet the general obligation debt service.

#### **Special Assessment Bonds Debt Service Fund**

This fund accounts for the collection of special assessment district revenues and the payment of the special assessment bonds.

## **Capital Projects Funds**

A capital project fund is established to account for the acquisition and construction of major capital facilities other than those financed by Special Revenue Fund and Enterprise Fund resources. A capital project fund enhances reporting to ensure that requirements regarding the use of the revenue were fully satisfied.

### **Community Facilities District (CFD) Bonds Capital Projects Fund**

This fund accounts for the expenditure of Vistancia Community Facilities District bond proceeds for the construction of capital assets for the District. Once the capital assets are completed, they are turned over to the City for operation and maintenance.

### **Municipal Development Authority (MDA) Bonds Capital Projects Fund**

This fund accounts for the construction or purchase of capital assets to be funded through the use of Municipal Development Authority Bonds.

### **Non-Bond Capital Projects Fund**

This fund accounts for the purchase or construction of capital assets with funds other than bond proceeds. This includes monies received from outside sources, i.e. developers or other governments, and also City pay-as-you-go monies.

**CITY OF PEORIA  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2014**

	Special Revenue Funds		Debt Service Funds		
	Public Transit Fund	Other Grants Fund	Municipal Development Authority Bonds	CFD Bonds	Special Assessment Bonds
<b>ASSETS &amp; DEFERRED OUTFLOWS</b>					
Cash and cash equivalents	\$ 285,886	\$ 1,074,062	\$ 1,918,728	\$ -	\$ 179,834
Cash with fiscal agents	-	-	3,681,859	-	-
Investments	961,356	4,241,976	6,452,159	-	604,734
Accounts receivable, net	51,340	15,063	-	13,344	-
Interest receivable	409	2,383	-	8,550	136
Due from other funds	-	-	1,819,656	-	-
Due from other governments	30,705	851,170	-	22,313	-
Prepaid items	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	4,310,820	-
Restricted investments	-	-	-	4,371,443	-
Special assessments receivable	-	-	-	-	2,603,127
Total assets	<u>1,329,696</u>	<u>6,184,654</u>	<u>13,872,402</u>	<u>8,726,470</u>	<u>3,387,831</u>
Total assets & deferred outflows	<u>\$ 1,329,696</u>	<u>\$ 6,184,654</u>	<u>\$ 13,872,402</u>	<u>\$ 8,726,470</u>	<u>\$ 3,387,831</u>
<b>LIABILITIES, DEFERRED INFLOWS &amp; FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 635	\$ 239,635	\$ -	\$ 16,591	\$ -
Accrued payroll	5,971	8,710	-	-	-
Other liabilities	500	-	-	-	-
Unearned revenue-other	-	297,554	-	-	-
Total liabilities	<u>\$ 7,106</u>	<u>\$ 545,899</u>	<u>\$ -</u>	<u>\$ 16,591</u>	<u>\$ -</u>
Deferred inflows of resources:					
Unavailable revenue-property taxes	-	\$ -	\$ -	\$ 12,922	\$ -
Unavailable revenue-special assessments	-	-	-	-	2,603,127
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,922</u>	<u>2,603,127</u>
Fund balances:					
Restricted for:					
Debt service	-	-	13,872,402	8,696,957	784,704
Capital projects	-	-	-	-	-
Grant Purposes	1,322,590	1,468,101	-	-	-
Committed for:					
Arts Capital	-	4,058,556	-	-	-
Assigned to:					
Capital projects	-	-	-	-	-
Other purposes	-	112,098	-	-	-
Total fund balance	<u>1,322,590</u>	<u>5,638,755</u>	<u>13,872,402</u>	<u>8,696,957</u>	<u>784,704</u>
Total liabilities, deferred inflows & fund balance	<u>\$ 1,329,696</u>	<u>\$ 6,184,654</u>	<u>\$ 13,872,402</u>	<u>\$ 8,726,470</u>	<u>\$ 3,387,831</u>

The accompanying notes are an integral part of the financial statements

Capital Project Funds			Total
CFD Bonds	MDA Bonds	Non-Bond	Non-Major Governmental Funds
\$ -	\$ -	\$ 4,525,348	\$ 7,983,858
-	-	-	3,681,859
-	-	15,217,511	27,477,736
-	-	1,088,954	1,168,701
1,164	-	9,010	21,652
-	-	-	1,819,656
-	-	-	904,188
-	-	-	-
4,308,013	7,784,563	-	16,403,396
5,382,155	-	-	9,753,598
-	-	-	2,603,127
<u>9,691,332</u>	<u>7,784,563</u>	<u>20,840,823</u>	<u>71,817,771</u>
<u>\$ 9,691,332</u>	<u>\$ 7,784,563</u>	<u>\$ 20,840,823</u>	<u>\$ 71,817,771</u>

\$ 635	\$ 1,424,436	\$ 141,445	\$ 1,823,377
-	-	-	14,681
-	-	313,533	314,033
-	-	1,389,462	1,687,016
<u>\$ 635</u>	<u>\$ 1,424,436</u>	<u>\$ 1,844,440</u>	<u>\$ 3,839,107</u>

\$ -	\$ -	\$ -	\$ 12,922
-	-	-	2,603,127
-	-	-	2,616,049

-	-	-	23,354,063
9,690,697	6,360,127	581,196	16,632,020
-	-	-	2,790,691
-	-	-	4,058,556
-	-	18,415,187	18,415,187
-	-	-	112,098
<u>9,690,697</u>	<u>6,360,127</u>	<u>18,996,383</u>	<u>65,362,615</u>
<u>\$ 9,691,332</u>	<u>\$ 7,784,563</u>	<u>\$ 20,840,823</u>	<u>\$ 71,817,771</u>

**CITY OF PEORIA, ARIZONA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Special Revenue Funds		Debt	Service Funds	Special Assessment Bonds
	Public Transit Fund	Other Grants Fund	Municipal Development Authority Bonds	CFD Bonds	
<b>REVENUES:</b>					
Taxes:					
Property taxes	\$ -	\$ -	\$ -	\$ 2,152,633	\$ -
Intergovernmental:					
From federal government	55,474	2,661,857	-	-	-
Other	637,281	679,667	-	-	-
Charges for service	45,780	625,997	-	-	-
Fines and forfeitures	-	195,147	-	-	-
Investment earnings	4,027	19,108	21,492	26,002	1,072
Special assessments	-	-	-	-	1,137,018
Miscellaneous	72,336	128,211	-	3,142,411	-
Total revenues	<u>814,898</u>	<u>4,309,987</u>	<u>21,492</u>	<u>5,321,046</u>	<u>1,138,090</u>
<b>EXPENDITURES:</b>					
Current operating:					
General government	-	414,555	-	2,915	-
Culture and recreation	-	532,221	-	-	-
Police	-	714,252	-	-	-
Fire	-	445,201	-	-	-
Development services	-	1,027,262	-	-	-
Highways and streets	-	-	-	-	-
Public works	-	41,028	-	-	-
Human services	994,123	610,165	-	-	-
Debt service:					
Principal payments	-	-	4,195,000	2,630,000	325,000
Interest and other charges	-	-	3,451,045	2,854,633	149,850
Capital outlay	-	169,455	-	-	-
Total expenditures	<u>994,123</u>	<u>3,954,139</u>	<u>7,646,045</u>	<u>5,487,548</u>	<u>474,850</u>
Excess (deficiency) of revenues over expenditures	<u>(179,225)</u>	<u>355,848</u>	<u>(7,624,553)</u>	<u>(166,502)</u>	<u>663,240</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Capital-related debt issued	-	112,000	-	-	-
Transfers in	550,000	10,000	7,560,774	-	-
Transfers out	(39,558)	(472,856)	-	-	-
Total other financing sources and uses	<u>510,442</u>	<u>(350,856)</u>	<u>7,560,774</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>331,217</u>	<u>4,992</u>	<u>(63,779)</u>	<u>(166,502)</u>	<u>663,240</u>
Fund balances - beginning	991,373	5,633,763	13,936,181	8,966,396	121,464
Restatement (note 1)	-	-	-	(102,937)	-
Fund balances - beginning - restated	<u>991,373</u>	<u>5,633,763</u>	<u>13,936,181</u>	<u>8,863,459</u>	<u>121,464</u>
Fund balances - ending	<u>\$ 1,322,590</u>	<u>\$ 5,638,755</u>	<u>\$ 13,872,402</u>	<u>\$ 8,696,957</u>	<u>\$ 784,704</u>

The accompanying notes are an integral part of the financial statements

Capital Project Funds			Total
CFD Bonds	MDA Bonds	Non-Bond	Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ 2,152,633
-	-	-	2,717,331
-	-	1,050,227	2,367,175
-	-	-	671,777
-	-	-	195,147
12,752	5,626	109,496	199,575
-	-	-	1,137,018
-	-	916,767	4,259,725
<u>12,752</u>	<u>5,626</u>	<u>2,076,490</u>	<u>13,700,381</u>
-	-	-	417,470
-	82,097	11,750	626,068
-	-	-	714,252
-	-	-	445,201
-	-	1,299,761	2,327,023
-	-	360,984	360,984
-	-	-	41,028
-	-	-	1,604,288
-	-	-	7,150,000
-	-	-	6,455,528
736,380	-	2,781,218	3,687,053
<u>736,380</u>	<u>82,097</u>	<u>4,453,713</u>	<u>23,828,895</u>
<u>(723,628)</u>	<u>(76,471)</u>	<u>(2,377,223)</u>	<u>(10,128,514)</u>
-	-	-	112,000
-	-	-	8,120,774
(7,250)	(24,291,657)	(513,830)	(25,325,151)
<u>(7,250)</u>	<u>(24,291,657)</u>	<u>(513,830)</u>	<u>(17,092,377)</u>
<u>(730,878)</u>	<u>(24,368,128)</u>	<u>(2,891,053)</u>	<u>(27,220,891)</u>
10,421,575	30,728,255	21,887,436	92,686,443
-	-	-	(102,937)
<u>10,421,575</u>	<u>30,728,255</u>	<u>21,887,436</u>	<u>92,583,506</u>
<u>\$ 9,690,697</u>	<u>\$ 6,360,127</u>	<u>\$ 18,996,383</u>	<u>\$ 65,362,615</u>



**CITY OF PEORIA, ARIZONA  
BUDGETARY COMPARISON SCHEDULE  
PUBLIC TRANSIT FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (budgetary basis)</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, July 1, 2013	\$ 504,968	\$ 504,968	\$ 504,968	\$ -
<b>RESOURCES (INFLOWS):</b>				
Intergovernmental:				
From federal government	100,220	100,220	86,860	(13,360)
Other	-	-	637,281	637,281
Charges for services	33,000	33,000	34,366	1,366
Investment earnings	3,000	3,000	4,370	1,370
Miscellaneous	20,000	20,000	72,336	52,336
Transfers from other funds	550,000	550,000	550,000	-
Total inflows	<u>706,220</u>	<u>706,220</u>	<u>1,385,213</u>	<u>678,993</u>
Amounts available for appropriation	<u>1,211,188</u>	<u>1,211,188</u>	<u>1,890,181</u>	<u>678,993</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Human services	1,034,996	1,084,996	993,352	(91,644)
Capital outlay	69,220	69,220	38,501	(30,719)
Contingencies	100,000	50,000	-	(50,000)
Transfers out	1,057	1,057	1,057	-
Total charges to appropriations	<u>1,205,273</u>	<u>1,205,273</u>	<u>1,032,910</u>	<u>(172,363)</u>
Budgetary fund balance, June 30, 2014	<u>\$ 5,915</u>	<u>\$ 5,915</u>	<u>\$ 857,271</u>	<u>\$ 851,356</u>

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	\$ 1,890,181
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(504,968)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	(20,315)
Transfers from other funds are a budgetary resource but are not revenues for financial reporting purposes	(550,000)
Total revenues as reported on the combining statement of revenue, expenditures, and changes in fund balances - non-major governmental funds	<u>\$ 814,898</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,032,910
Differences - budget to GAAP:	
The City budgets for claims and compensated absences on the cash basis, rather than on the modified accrual basis	963
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	(192)
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	(38,501)
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - non-major governmental funds	<u>\$ 994,123</u>

**CITY OF PEORIA, ARIZONA  
BUDGETARY COMPARISON SCHEDULE  
OTHER GRANTS FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>(budgetary basis)</u>	<u>Final Budget</u> <u>Over</u> <u>(Under)</u>
Budgetary fund balance, July 1, 2013	\$ 6,050,452	\$ 6,050,452	\$ 6,050,452	\$ -
<b>RESOURCES (INFLOWS):</b>				
Intergovernmental:				
From federal government	2,898,617	2,898,617	2,872,099	(26,518)
Other	3,992,242	3,992,242	557,776	(3,434,466)
Charges for services	1,226,776	1,226,776	672,784	(553,992)
Fines and forfeitures	160,000	160,000	195,147	35,147
Investment earnings	13,000	13,000	21,501	8,501
Miscellaneous	6,329	6,329	128,211	121,882
Transfers from other funds	10,000	10,000	10,000	-
Total inflows	<u>8,306,964</u>	<u>8,306,964</u>	<u>4,457,518</u>	<u>(3,849,446)</u>
Amounts available for appropriation	<u>14,357,416</u>	<u>14,357,416</u>	<u>10,507,970</u>	<u>(3,849,446)</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
General government:				
Mayor and council	-	1,500	1,274	(226)
Attorney	17,591	77,748	67,286	(10,462)
City Manager	67,705	83,205	80,007	(3,198)
Court	494,283	528,381	216,884	(311,497)
Non-departmental	12,838	12,838	11,431	(1,407)
Culture and recreation	546,447	568,602	542,284	(26,318)
Police	641,295	1,289,495	714,324	(575,171)
Fire	4,900	813,152	445,201	(367,951)
Development services	1,340,989	1,659,000	1,021,400	(637,600)
Public works	-	41,029	41,028	(1)
Human Services	1,413,957	1,250,560	610,165	(640,395)
Capital outlay	335,000	870,055	378,153	(491,902)
Contingencies	3,100,000	721,657	-	(721,657)
Transfers out	296,231	296,231	297,345	1,114
Total charges to appropriations	<u>8,271,236</u>	<u>8,213,453</u>	<u>4,426,782</u>	<u>(3,786,671)</u>
Budgetary fund balance, June 30, 2014	<u>\$ 6,086,180</u>	<u>\$ 6,143,963</u>	<u>\$ 6,081,188</u>	<u>\$ (62,775)</u>

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	\$ 10,507,970
<b>Differences - budget to GAAP:</b>	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(6,050,452)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	(25,531)
Transfers from other funds are a budgetary resource but are not revenues for financial reporting purposes	(10,000)
Total revenues as reported on the combining statement of revenue, expenditures, and changes in fund balances - non-major governmental funds	<u>\$ 4,421,987</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 4,426,782
<b>Differences - budget to GAAP:</b>	
The City budgets for claims and compensated absences on the cash basis, rather than on the modified accrual basis	2,642
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	(3,602)
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	(174,338)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(297,345)
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - non-major governmental funds	<u>\$ 3,954,139</u>

**CITY OF PEORIA, ARIZONA  
BUDGETARY COMPARISON SCHEDULE  
MUNICIPAL DEVELOPMENT AUTHORITY (MDA) BONDS DEBT SERVICE FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (budgetary basis)</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, July 1, 2013	\$ 15,062,732	\$ 15,062,732	\$ 15,062,732	\$ -
<b>RESOURCES (INFLOWS):</b>				
Investment earnings	7,500	5,800	22,144	16,344
Transfers from other funds	7,569,676	7,569,676	7,560,774	(8,902)
Total inflows	<u>7,577,176</u>	<u>7,575,476</u>	<u>7,582,918</u>	<u>7,442</u>
Amounts available for appropriation	<u>22,639,908</u>	<u>22,638,208</u>	<u>22,645,650</u>	<u>7,442</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Debt service:				
Principal payments	4,190,000	4,195,000	4,195,000	-
Interest and other charges	3,448,644	3,452,046	3,451,045	(1,001)
Transfers to other funds	-	-	-	-
Total charges to appropriations	<u>7,638,644</u>	<u>7,647,046</u>	<u>7,646,045</u>	<u>(1,001)</u>
Budgetary fund balance, June 30, 2014	<u>\$ 15,001,264</u>	<u>\$ 14,991,162</u>	<u>\$ 14,999,605</u>	<u>\$ 8,443</u>

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	\$ 22,645,650
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(15,062,732)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	(652)
Transfers from other funds are a budgetary resource but are not revenues for financial reporting purposes	(7,560,774)
Total revenues as reported on the combining statement of revenue, expenditures, and changes in fund balances - non-major governmental funds	<u>\$ 21,492</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 7,646,045
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - non-major governmental funds	<u>\$ 7,646,045</u>

**CITY OF PEORIA, ARIZONA  
BUDGETARY COMPARISON SCHEDULE  
COMMUNITY FACILITIES DISTRICT (CFD) BONDS DEBT SERVICE FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (budgetary basis)</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, July 1, 2013	\$ 8,828,779	\$ 8,828,779	\$ 8,828,779	\$ -
<b>RESOURCES (INFLOWS):</b>				
Property Taxes	2,160,009	2,160,009	2,131,994	(28,015)
Investment earnings	23,900	22,800	26,957	4,157
Miscellaneous	<u>3,307,325</u>	<u>3,307,325</u>	<u>3,142,411</u>	<u>(164,914)</u>
Total inflows	<u>5,491,234</u>	<u>5,490,134</u>	<u>5,301,362</u>	<u>(188,772)</u>
Amounts available for appropriation	<u>14,320,013</u>	<u>14,318,913</u>	<u>14,130,141</u>	<u>(188,772)</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Contractual services	4,600	4,600	2,915	(1,685)
Debt service:				
Principal payments	2,630,000	2,630,000	2,630,000	-
Interest and other charges	<u>2,854,634</u>	<u>2,854,634</u>	<u>2,854,633</u>	<u>(1)</u>
Total charges to appropriations	<u>5,489,234</u>	<u>5,489,234</u>	<u>5,487,548</u>	<u>(1,686)</u>
Budgetary fund balance, June 30, 2014	<u>\$ 8,830,779</u>	<u>\$ 8,829,679</u>	<u>\$ 8,642,593</u>	<u>\$ (187,086)</u>

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	\$ 14,130,141
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(8,828,779)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	19,684
Total revenues as reported on the combining statement of revenue, expenditures, and changes in fund balances - non-major governmental funds	<u>\$ 5,321,046</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 5,487,548
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - non-major governmental funds	<u>\$ 5,487,548</u>

**CITY OF PEORIA, ARIZONA  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL ASSESSMENT DEBT SERVICE FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (budgetary basis)</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, July 1, 2013	\$ 495,223	\$ 495,223	\$ 495,223	\$ -
<b>RESOURCES (INFLOWS):</b>				
Special assessments	475,600	475,600	1,137,018	661,418
Charges for services	-	-	-	-
Investment earnings	250	250	993	743
Bond Premium	-	-	-	-
Transfers from other funds	-	-	-	-
Total inflows	<u>475,850</u>	<u>475,850</u>	<u>1,138,011</u>	<u>662,161</u>
Amounts available for appropriation	<u>971,073</u>	<u>971,073</u>	<u>1,633,234</u>	<u>662,161</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Debt service:				
Principal payments	325,000	325,000	325,000	-
Interest and other charges	150,600	150,600	150,210	(390)
Transfers out	-	-	-	-
Total charges to appropriations	<u>475,600</u>	<u>475,600</u>	<u>475,210</u>	<u>(390)</u>
Budgetary fund balance, June 30, 2014	<u>\$ 495,473</u>	<u>\$ 495,473</u>	<u>\$ 1,158,024</u>	<u>\$ 662,551</u>

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	\$ 1,633,234
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(495,223)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	79
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 1,138,090</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 475,210
Differences - budget to GAAP:	
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	(360)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 474,850</u>

**CITY OF PEORIA, ARIZONA  
BUDGETARY COMPARISON SCHEDULE  
COMMUNITY FACILITIES DISTRICT (CFD) BONDS CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>(budgetary basis)</u>	<u>Over</u>
				<u>(Under)</u>
Budgetary fund balance, July 1, 2013	\$ 10,557,606	\$ 10,557,606	\$ 10,557,606	\$ -
<b>RESOURCES (INFLOWS):</b>				
Investment earnings	38,500	38,500	34,112	(4,388)
Total inflows	<u>38,500</u>	<u>38,500</u>	<u>34,112</u>	<u>(4,388)</u>
Amounts available for appropriation	<u>10,596,106</u>	<u>10,596,106</u>	<u>10,591,718</u>	<u>(4,388)</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Capital outlay	10,595,826	10,436,093	903,538	(9,532,555)
Contingencies	-	-	-	-
Interest and other charges	-	-	-	-
Transfers to other funds	-	-	-	-
Total charges to appropriations	<u>10,595,826</u>	<u>10,436,093</u>	<u>903,538</u>	<u>(9,532,555)</u>
Budgetary fund balance, June 30, 2014	<u>\$ 280</u>	<u>\$ 160,013</u>	<u>\$ 9,688,180</u>	<u>\$ 9,528,167</u>

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	\$ 10,591,718
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(10,557,606)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	(21,360)
Total revenues as reported on the combining statement of revenue, expenditures, and changes in fund balances - non-major governmental funds	<u>\$ 12,752</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 903,538
Differences - budget to GAAP:	
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	(159,908)
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - non-major governmental funds	<u>\$ 736,380</u>

**CITY OF PEORIA, ARIZONA  
BUDGETARY COMPARISON SCHEDULE  
MUNICIPAL DEVELOPMENT AUTHORITY (MDA) BONDS CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>(budgetary basis)</u>	<u>Final Budget</u> <u>Over</u> <u>(Under)</u>
Budgetary fund balance, July 1, 2013	\$ 33,996,511	\$ 33,996,511	\$ 33,996,511	\$ -
<b>RESOURCES (INFLOWS):</b>				
Investment earnings	<u>2,000</u>	<u>2,000</u>	<u>5,626</u>	<u>3,626</u>
Total inflows	<u>2,000</u>	<u>2,000</u>	<u>5,626</u>	<u>3,626</u>
Amounts available for appropriation	<u>33,998,511</u>	<u>33,998,511</u>	<u>34,002,137</u>	<u>3,626</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Culture and recreation	-	146,202	82,097	(64,105)
Capital outlay	<u>33,996,103</u>	<u>31,171,373</u>	<u>25,105,284</u>	<u>(6,066,089)</u>
Total charges to appropriations	<u>33,996,103</u>	<u>31,317,575</u>	<u>25,187,381</u>	<u>(6,130,194)</u>
Budgetary fund balance, June 30, 2014	<u>\$ 2,408</u>	<u>\$ 2,680,936</u>	<u>\$ 8,814,756</u>	<u>\$ 6,133,820</u>

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	\$ 34,002,137
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(33,996,511)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	-
Capital-related debt issued is a budgetary resource, but is not a revenue for financial reporting purposes	-
Premiums on bonds are a budgetary resource, but are not a revenue for financial reporting purposes	-
Transfers from other funds are a budgetary resource but are not revenues for financial reporting purposes	-
Total revenues as reported on the combining statement of revenue, expenditures, and changes in fund balances - non-major governmental funds	<u>\$ 5,626</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 25,187,381
Differences - budget to GAAP:	
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	(813,627)
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	(24,291,657)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	-
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - non-major governmental funds	<u>\$ 82,097</u>

**CITY OF PEORIA, ARIZONA  
BUDGETARY COMPARISON SCHEDULE  
NON-BOND CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>(budgetary basis)</u>	<u>Final Budget</u> <u>Over</u> <u>(Under)</u>
Budgetary fund balance, July 1, 2013	\$ 24,584,176	\$ 24,584,176	\$ 24,584,176	\$ -
<b>RESOURCES (INFLOWS):</b>				
Intergovernmental revenue:				
Other governmental revenue	-	-	1,050,227	1,050,227
Investment earnings	37,935	37,935	109,496	71,561
Miscellaneous	1,527,425	1,527,425	916,767	(610,658)
Total inflows	<u>1,565,360</u>	<u>1,565,360</u>	<u>2,076,490</u>	<u>511,130</u>
Amounts available for appropriation	<u>26,149,536</u>	<u>26,149,536</u>	<u>26,660,666</u>	<u>511,130</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Contractual services:				
Culture & Recreation	-	-	-	-
Development services	-	-	1,299,761	1,299,761
Highways and streets	3,157,909	3,106,108	133,507	(2,972,601)
Capital outlay	8,276,692	9,819,575	3,534,275	(6,285,300)
Contingencies	1,000,000	2,460,630	-	(2,460,630)
Transfers out	-	-	-	-
Total charges to appropriations	<u>12,434,601</u>	<u>15,386,313</u>	<u>4,967,543</u>	<u>(10,418,770)</u>
Budgetary fund balance, June 30, 2014	<u>\$ 13,714,935</u>	<u>\$ 10,763,223</u>	<u>\$ 21,693,123</u>	<u>\$ 10,929,900</u>

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	\$ 26,660,666
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(24,584,176)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	-
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 2,076,490</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 4,967,543
Differences - budget to GAAP:	
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	-
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	(513,830)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 4,453,713</u>



# **ENTERPRISE FUNDS**

## **Schedule of Operations – Budget and Actual**

### **Enterprise Funds**

Enterprise Funds are used to account for those operations that provide services to the general public for a fee. Enterprise funds are required for any activity whose principal revenue sources meet any of the following criteria: 1) any activity that has issued debt backed *solely* by the fees and charges of the activity, 2) if the cost of providing services for an activity, including capital costs such as depreciation or debt service, must legally be recovered through fees and charges, or 3) it is the policy of the City to establish activity fees or charges to recover the cost of providing services, including capital costs. All of the enterprise funds of the City are presented discretely in the basic financial statements.

#### **Water Utility Fund**

The Water Utility Fund accounts for the revenues from charges to the customers of the City's water services, as well as the expenditure of those funds to operate, maintain, and expand the water treatment and distribution systems.

#### **Wastewater Utility Fund**

The Wastewater Utility Fund accounts for the revenue from charges to the customers of the City's wastewater services, as well as the expenditure of those funds to operate, maintain, and expand the wastewater collection and treatment systems.

#### **Solid Waste Utility Fund**

The Solid Waste Utility Fund accounts for the revenue from charges to the customers of the City's solid waste services, as well as the expenditure of those funds to operate, maintain, and expand the solid waste collection and disposal systems.

#### **Stadium Fund**

The Stadium Fund accounts for the revenues generated by and the costs of operation of a sports complex owned by the City. This facility is used for spring training by two major league baseball teams as well as multiple other uses throughout the year.

#### **Storm Drain Utility**

This fund collects and expends storm water user fees included on utility bill sent out by the City. The fee is to provide funding for the Storm Water Management Plan to comply with the National Pollution Discharge Elimination System (NPDES).

**CITY OF PEORIA, ARIZONA**  
**SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL**  
**WATER UTILITY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (budgetary basis)</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 34,938,143	\$ 34,938,143	\$ 35,670,971	\$ 732,828
Miscellaneous	-	-	345,998	345,998
Total operating revenues	<u>34,938,143</u>	<u>34,938,143</u>	<u>36,016,969</u>	<u>1,078,826</u>
<b>OPERATING EXPENSES:</b>				
Salaries, wages and benefits	5,076,137	5,076,137	4,859,357	(216,780)
Contractual services, materials and supplies	16,155,502	16,292,869	15,758,170	(534,699)
Capital outlay	18,235,872	19,468,087	7,193,173	(12,274,914)
Contingencies	3,400,000	1,548,269	-	(1,548,269)
Total operating expenses	<u>42,867,511</u>	<u>42,385,362</u>	<u>27,810,700</u>	<u>(14,574,662)</u>
Operating income (loss)	<u>(7,929,368)</u>	<u>(7,447,219)</u>	<u>8,206,269</u>	<u>15,653,488</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment income	161,000	161,000	224,189	63,189
Interest expense	(1,188,183)	(1,194,333)	(1,193,203)	1,130
Debt principal payments	(4,331,021)	(4,438,454)	(4,412,795)	25,659
Total nonoperating revenues (expenses)	<u>(5,358,204)</u>	<u>(5,471,787)</u>	<u>(5,381,809)</u>	<u>89,978</u>
Income (loss) before contributions and transfers	<u>(13,287,572)</u>	<u>(12,919,006)</u>	<u>2,824,460</u>	<u>15,743,466</u>
Capital contributions	1,780,000	1,780,000	3,042,141	1,262,141
Transfers (out)	(3,581,403)	(3,581,403)	(3,609,357)	(27,954)
Excess (deficit) revenues over expenses - budgetary basis	<u>\$ (15,088,975)</u>	<u>\$ (14,720,409)</u>	<u>\$ 2,257,244</u>	<u>\$ 16,977,653</u>

**Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures**

The City budgets certain revenues on the cash basis, rather than on the accrual basis.	(141,511)
Interdepartmental service charges are revenue on a budgetary basis, but are eliminated from the financial statements under GASB34's allocation rules.	(100,843)
The expenses associated with the interdepartmental service charges are expenses on a budgetary basis but are eliminated along with the revenues above under GASB34's allocation rules.	100,843
The City budgets compensated absences on the cash basis, rather than the accrual basis.	(17,222)
The City budgets certain other expenditures on the cash basis, rather than the accrual basis.	(254,274)
Capital outlay is an expense for budgetary purposes, but assets are capitalized and are not an expense for GAAP purposes.	6,831,425
Donations of capital assets are an other financing source for GAAP purposes, but are not a revenue for budget purposes.	5,319,059
Debt principal payments are an expense for budgetary purposes, but are a reduction of long-term obligations and therefore not an expense for GAAP purposes.	4,412,795
Depreciation and amortization are not budgeted expenses, but are expenses for GAAP purposes.	(8,761,560)
Loss on refunding and bond premiums are expensed in the year of issuance for budgetary purposes but are amortized to interest expense over the life of the bonds for GAAP purposes.	168,226
The gain on sale of capital assets is not a budgeted revenue/expense, but is a revenue/expense for GAAP purposes.	6,224
Certain transfers in/(out)/out are not budgeted items, but are other financing sources(uses) for GAAP purposes.	1,116,529
Change in net position per the statement of revenues, expenses and changes in fund net position	<u>\$ 10,936,935</u>

This schedule is prepared on a budgetary basis for the operating accounts of the proprietary fund and as such does not present the results of operations on the basis of generally accepted accounting principles, but is presented for supplemental information.

**CITY OF PEORIA, ARIZONA  
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL  
WASTEWATER UTILITY FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>	<u>(budgetary basis)</u>	
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 19,817,259	\$ 19,817,259	\$ 19,604,987	\$ (212,272)
Miscellaneous	20,000	20,000	35,466	15,466
Total operating revenues	<u>19,837,259</u>	<u>19,837,259</u>	<u>19,640,453</u>	<u>(196,806)</u>
<b>OPERATING EXPENSES:</b>				
Salaries, wages and benefits	2,589,722	2,589,722	2,495,370	(94,352)
Contractual services, materials and supplies	8,429,168	8,545,168	8,058,976	(486,192)
Capital outlay	6,621,634	6,654,319	3,134,573	(3,519,746)
Contingencies	1,800,000	1,591,147	-	(1,591,147)
Total operating expenses	<u>19,440,524</u>	<u>19,380,356</u>	<u>13,688,919</u>	<u>(5,691,437)</u>
Operating income (loss)	<u>396,735</u>	<u>456,903</u>	<u>5,951,534</u>	<u>5,494,631</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment income	45,000	45,000	66,941	21,941
Interest expense	(2,433,441)	(2,496,241)	(2,494,785)	1,456
Debt principal payments	(5,349,576)	(5,349,576)	(4,911,131)	438,445
Total nonoperating revenues (expenses)	<u>(7,738,017)</u>	<u>(7,800,817)</u>	<u>(7,338,975)</u>	<u>461,842</u>
Income (loss) before contributions and transfers	<u>(7,341,282)</u>	<u>(7,343,914)</u>	<u>(1,387,441)</u>	<u>5,956,473</u>
Capital contributions	800,000	800,000	1,269,012	469,012
Transfers in	2,557,472	2,557,472	2,583,805	26,333
Transfers out	(151,608)	(151,608)	(151,608)	-
Excess (deficit) revenues over expenses - budgetary basis	<u>\$ (4,135,418)</u>	<u>\$ (4,138,050)</u>	<u>\$ 2,313,768</u>	<u>\$ 6,451,818</u>

**Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures**

The City budgets certain revenues on the cash basis, rather than on the accrual basis.	(203,643)
Interdepartmental service charges are revenue on a budgetary basis, but are eliminated from the financial statements under GASB34's allocation rules.	(987,259)
The expenses associated with the interdepartmental service charges are expenses on a budgetary basis but are eliminated along with the revenues above under GASB34's allocation rules.	987,259
The City budgets compensated absences on the cash basis, rather than the accrual basis.	3,582
The City budgets certain other expenditures on the cash basis, rather than the accrual basis.	404,327
Capital outlay is an expense for budgetary purposes, but assets are capitalized and are not an expense for GAAP purposes.	2,615,629
Donations of capital assets are an other financing source for GAAP purposes, but are not a revenue for budget purposes.	2,241,949
Debt principal payments are an expense for budgetary purposes, but are a reduction of long-term obligations, and therefore not an expense, for GAAP purposes.	4,911,131
Depreciation and amortization are not budgeted expenses, but are expenses for GAAP purposes.	(9,017,314)
Loss on refunding and bond premiums are expensed in the year of issuance for budgetary purposes but are amortized to interest expense over the life of the bonds for GAAP purposes.	61,163
Certain transfers in/(out)/out are not budgeted items, but are other financing sources(uses) for GAAP purposes.	(817,741)
Change in net position per the statement of revenues, expenses and changes in fund net position	<u>\$ 2,512,851</u>

This schedule is prepared on a budgetary basis for the operating accounts of the proprietary fund and as such does not present the results of operations on the basis of generally accepted accounting principles, but is presented for supplemental information.

**CITY OF PEORIA, ARIZONA  
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL  
SOLID WASTE UTILITY FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>(budgetary basis)</u>	<u>Final Budget</u> <u>Over</u> <u>(Under)</u>
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 12,064,943	\$ 12,064,943	\$ 12,238,402	\$ 173,459
Miscellaneous	-	-	1,000	1,000
Total operating revenues	<u>12,064,943</u>	<u>12,064,943</u>	<u>12,239,402</u>	<u>174,459</u>
<b>OPERATING EXPENSES:</b>				
Salaries, wages and benefits	3,491,012	3,491,012	3,404,408	(86,604)
Contractual services, materials and supplies	7,456,077	7,557,077	7,838,248	281,171
Capital outlay	2,573,655	2,681,370	2,576,635	(104,735)
Contingencies	2,500,000	2,326,000	-	(2,326,000)
Total operating expenses	<u>16,020,744</u>	<u>16,055,459</u>	<u>13,819,291</u>	<u>(2,236,168)</u>
Operating income (loss)	<u>(3,955,801)</u>	<u>(3,990,516)</u>	<u>(1,579,889)</u>	<u>2,410,627</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment income	71,000	71,000	96,701	25,701
Total nonoperating revenues (expenses)	<u>71,000</u>	<u>71,000</u>	<u>96,701</u>	<u>25,701</u>
Income (loss) before contributions and transfers	<u>(3,884,801)</u>	<u>(3,919,516)</u>	<u>(1,483,188)</u>	<u>2,436,328</u>
Transfers (out)	<u>(4,077)</u>	<u>(4,077)</u>	<u>(4,077)</u>	<u>-</u>
Excess (deficit) revenues over expenses - budgetary basis	<u>\$ (3,888,878)</u>	<u>\$ (3,923,593)</u>	<u>\$ (1,487,265)</u>	<u>\$ 2,436,328</u>

**Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures**

The City budgets certain revenues on the cash basis, rather than on the accrual basis.	(76,834)
Interdepartmental service charges are revenue on a budgetary basis, but are eliminated from the financial statements under GASB34's allocation rules.	(958,544)
The expenses associated with the interdepartmental service charges are expenses on a budgetary basis but are eliminated along with the revenues above under GASB34's allocation rules.	958,544
The City budgets compensated absences on the cash basis, rather than the accrual basis.	(913)
The City budgets certain other expenditures on the cash basis, rather than the accrual basis.	274,173
Capital outlay is an expense for budgetary purposes, but assets are capitalized and are not an expense for GAAP purposes.	2,576,635
Depreciation and amortization are not budgeted expenses, but are expenses for GAAP purposes.	(937,951)
The gain on sale of capital assets is not a budgeted revenue/expense, but is a revenue/expense for GAAP purposes.	95,046
Change in net position per the statement of revenues, expenses and changes in fund net position	<u>\$ 442,891</u>

This schedule is prepared on a budgetary basis for the operating accounts of the proprietary fund and as such does not present the results of operations on the basis of generally accepted accounting principles, but is presented for supplemental information.

**CITY OF PEORIA, ARIZONA**  
**SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL**  
**STADIUM FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>(budgetary basis)</u>	<u>Over</u>
				<u>(Under)</u>
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 1,311,842	\$ 1,311,842	\$ 1,399,754	\$ 87,912
Rents	1,598,500	1,598,500	1,757,010	158,510
Miscellaneous	-	-	22,911	22,911
Total operating revenues	<u>2,910,342</u>	<u>2,910,342</u>	<u>3,179,675</u>	<u>269,333</u>
<b>OPERATING EXPENSES:</b>				
Salaries, wages and benefits	1,668,897	1,668,897	1,561,185	(107,712)
Contractual services, materials and supplies	2,930,008	3,077,926	3,363,811	285,885
Capital outlay	-	2,167,035	300,890	(1,866,145)
Total operating expenses	<u>4,598,905</u>	<u>6,913,858</u>	<u>5,225,886</u>	<u>(1,687,972)</u>
Operating loss	<u>(1,688,563)</u>	<u>(4,003,516)</u>	<u>(2,046,211)</u>	<u>1,957,305</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment income	6,300	6,300	6,192	(108)
Total nonoperating revenues (expenses)	<u>6,300</u>	<u>6,300</u>	<u>6,192</u>	<u>(108)</u>
Income (loss) before transfers	<u>(1,682,263)</u>	<u>(3,997,216)</u>	<u>(2,040,019)</u>	<u>1,957,197</u>
Transfers in	2,010,000	2,010,000	172,916	(1,837,084)
Transfers (out)	(152,567)	(152,567)	(152,567)	-
Excess (deficit) revenues over expenses - budgetary basis	<u>\$ 175,170</u>	<u>\$ (2,139,783)</u>	<u>\$ (2,019,670)</u>	<u>\$ (120,113)</u>

**Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures**

The City budgets certain revenues on the cash basis, rather than on the accrual basis.	(1,682)
Interdepartmental service charges are revenue on a budgetary basis, but are eliminated from the financial statements under GASB34's allocation rules.	(76,342)
The expenses associated with the interdepartmental service charges are expenses on a budgetary basis but are eliminated along with the revenues above under GASB34's allocation rules.	76,342
The City budgets compensated absences on the cash basis, rather than the accrual basis.	6,483
The City budgets certain other expenditures on the cash basis, rather than the accrual basis.	424,987
Capital outlay is an expense for budgetary purposes, but assets are capitalized and are not an expense for GAAP purposes.	300,890
Depreciation and amortization are not budgeted expenses, but are expenses for GAAP purposes.	(790,984)
Certain transfers in/(out)/out are not budgeted items, but are other financing sources(uses) for GAAP purposes.	26,231,244
Change in net position per the statement of revenues, expenses and changes in fund net position	<u>\$ 24,151,268</u>

This schedule is prepared on a budgetary basis for the operating accounts of the proprietary fund and as such does not present the results of operations on the basis of generally accepted accounting principles, but is presented for supplemental information.

**CITY OF PEORIA, ARIZONA  
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL  
STORM DRAIN UTILITY FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (budgetary basis)</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 821,600	\$ 821,600	\$ 845,688	\$ 24,088
Total operating revenues	<u>821,600</u>	<u>821,600</u>	<u>845,688</u>	<u>24,088</u>
<b>OPERATING EXPENSES:</b>				
Salaries, wages and benefits	326,045	326,045	315,963	(10,082)
Contractual services, materials and supplies	530,447	530,447	515,048	(15,399)
Contingencies	200,000	200,000	-	(200,000)
Total operating expenses	<u>1,056,492</u>	<u>1,056,492</u>	<u>831,011</u>	<u>(225,481)</u>
Operating income (loss)	<u>(234,892)</u>	<u>(234,892)</u>	<u>14,677</u>	<u>249,569</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment income	2,600	2,600	2,881	281
Total nonoperating revenues (expenses)	<u>2,600</u>	<u>2,600</u>	<u>2,881</u>	<u>281</u>
Income (loss) before contributions and transfers	<u>(232,292)</u>	<u>(232,292)</u>	<u>17,558</u>	<u>249,850</u>
Transfers (out)	(1,057)	(1,057)	(1,057)	-
Excess (deficit) revenues over expenses - budgetary basis	<u>\$ (233,349)</u>	<u>\$ (233,349)</u>	<u>\$ 16,501</u>	<u>\$ 249,850</u>

**Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures**

The City budgets certain revenues on the cash basis, rather than on the accrual basis.	(14,582)
The City budgets compensated absences on the cash basis, rather than the accrual basis.	(2,648)
The City budgets certain other expenditures on the cash basis, rather than the accrual basis.	6,211
Depreciation and amortization are not budgeted expenses, but are expenses for GAAP purposes.	(635)
Certain transfers in/(out)out are not budgeted items, but are other financing sources(uses) for GAAP purposes.	87,955
Donations of capital assets are an other financing source for GAAP purposes, but are not a revenue for budget purposes.	203,078
Change in net position per the statement of revenues, expenses and changes in fund net position	<u>\$ 295,880</u>

This schedule is prepared on a budgetary basis for the operating accounts of the proprietary fund and as such does not present the results of operations on the basis of generally accepted accounting principles, but is presented for supplemental information.

## **INTERNAL SERVICE FUNDS**

### **Motor Pool Fund**

The Motor Pool Fund is responsible for the maintenance and operation of the City's fleet of vehicles and various other equipment.

### **Self-Insurance Fund**

The Self-Insurance Fund is responsible for the administration of the self-insurance programs, including liability and property damage, workers' compensation insurance, and employee health insurance. This fund provides the excess insurance coverage for claims over the self-insurance limits; claims under the limits are charged directly to the Self-Insurance Fund. Detailed Combining Schedules of the three self-insurance programs are provided in the Supplemental Information tab of this document.

### **Facilities Maintenance Fund**

The Facilities Maintenance Fund is responsible for the maintenance and operations of the City's buildings and grounds.

### **Information Technology Fund**

The Information Technology Fund is responsible for the maintenance and operations of the City's computer hardware and software systems.

**CITY OF PEORIA, ARIZONA  
COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2014**

	<b>Motor Pool Fund</b>	<b>Self- Insurance Fund</b>	<b>Facilities Maintenance Fund</b>	<b>Information Technology Fund</b>	<b>Total</b>
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 2,320,671	\$ 2,549,470	\$ 90,685	\$ 896,773	\$ 5,857,599
Investments	7,803,783	8,573,174	304,947	3,015,603	19,697,507
Accounts receivable, net	-	805	-	2,302	3,107
Interest receivable	4,261	3,612	115	1,249	9,237
Prepaid items	-	-	-	70,286	70,286
Supplies inventory	195,549	-	-	-	195,549
Total current assets	<u>10,324,264</u>	<u>11,127,061</u>	<u>395,747</u>	<u>3,986,213</u>	<u>25,833,285</u>
Non-current assets:					
Restricted assets:					
Cash equivalents	-	4,583,524	-	-	4,583,524
Investments	-	2,997,750	-	-	2,997,750
Total restricted assets	<u>-</u>	<u>7,581,274</u>	<u>-</u>	<u>-</u>	<u>7,581,274</u>
Capital assets:					
Buildings and improvements	-	-	-	148,102	148,102
Equipment	1,475,608	-	17,741	33,207,344	34,700,693
Vehicles	24,738,456	-	-	-	24,738,456
Furniture	-	-	-	30,745	30,745
Less accumulated depreciation	(18,064,041)	-	(6,023)	(26,527,664)	(44,597,728)
Construction in progress	44,763	-	-	3,435,280	3,480,043
Total capital assets, net	<u>8,194,786</u>	<u>-</u>	<u>11,718</u>	<u>10,293,807</u>	<u>18,500,311</u>
Total assets	<u>18,519,050</u>	<u>18,708,335</u>	<u>407,465</u>	<u>14,280,020</u>	<u>51,914,870</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	188,395	1,283,411	64,352	516,841	2,052,999
Accrued payroll	11,314	1,952	32,796	51,682	97,744
Current portion of claims payable	-	2,477,231	-	-	2,477,231
Current portion of compensated absences	47,590	8,710	168,410	285,150	509,860
Total current liabilities	<u>247,299</u>	<u>3,771,304</u>	<u>265,558</u>	<u>853,673</u>	<u>5,137,834</u>
Non-current liabilities:					
Long-term portion of claims payable	-	1,585,358	-	-	1,585,358
Compensated absences	31,240	1,840	100,090	74,820	207,990
Total long-term liabilities	<u>31,240</u>	<u>1,587,198</u>	<u>100,090</u>	<u>74,820</u>	<u>1,793,348</u>
Total liabilities	<u>278,539</u>	<u>5,358,502</u>	<u>365,648</u>	<u>928,493</u>	<u>6,931,182</u>
<b>NET POSITION</b>					
Net investment in capital assets	8,194,788	-	11,718	10,293,805	18,500,311
Restricted - trust purpose	-	6,188,544	-	-	6,188,544
Unrestricted	10,045,723	7,161,289	30,099	3,057,722	20,294,833
Total net position	<u>\$ 18,240,511</u>	<u>\$ 13,349,833</u>	<u>\$ 41,817</u>	<u>\$ 13,351,527</u>	<u>\$ 44,983,688</u>

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Motor Pool Fund</u>	<u>Self- Insurance Fund</u>	<u>Facilities Maintenance Fund</u>	<u>Information Technology Fund</u>	<u>Total</u>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 6,679,315	\$ 18,704,085	\$ 5,892,452	\$ 8,250,027	\$ 39,525,879
Miscellaneous	57	312,166	-	52,805	365,028
Total operating revenues	<u>6,679,372</u>	<u>19,016,251</u>	<u>5,892,452</u>	<u>8,302,832</u>	<u>39,890,907</u>
<b>OPERATING EXPENSES</b>					
Salaries, wages and employee benefits	902,660	198,829	2,765,635	4,061,838	7,928,962
Contractual services, materials and supplies	3,976,419	1,057,637	2,932,000	4,494,316	12,460,372
Insurance claims and expenses	-	16,133,160	-	-	16,133,160
Depreciation and amortization	2,179,976	-	2,534	1,858,211	4,040,721
Total operating expenses	<u>7,059,055</u>	<u>17,389,626</u>	<u>5,700,169</u>	<u>10,414,365</u>	<u>40,563,215</u>
Operating income (loss)	(379,683)	1,626,625	192,283	(2,111,533)	(672,308)
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest and investment income	43,892	62,285	940	13,300	120,417
Gain (Loss) on sale of capital assets	111,342	-	-	-	111,342
Total non-operating revenues	<u>155,234</u>	<u>62,285</u>	<u>940</u>	<u>13,300</u>	<u>231,759</u>
Income (loss) before transfers	(224,449)	1,688,910	193,223	(2,098,233)	(440,549)
Capital contributions	15,000	-	-	-	15,000
Transfers in	763,490	-	-	2,317,282	3,080,772
Transfers out	(2,416)	(36,404)	(7,248)	-	(46,068)
Change in net position	<u>551,625</u>	<u>1,652,506</u>	<u>185,975</u>	<u>219,049</u>	<u>2,609,155</u>
Total net position - beginning	<u>17,688,886</u>	<u>11,697,327</u>	<u>(144,158)</u>	<u>13,132,478</u>	<u>42,374,533</u>
Total net position - ending	<u>\$ 18,240,511</u>	<u>\$ 13,349,833</u>	<u>\$ 41,817</u>	<u>\$ 13,351,527</u>	<u>\$ 44,983,688</u>

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Motor Pool Fund</u>	<u>Self- Insurance Fund</u>	<u>Facilities Maintenance Fund</u>	<u>Information Technology Fund</u>	<u>Total</u>
<b>Increase (decrease) in cash and cash equivalents</b>					
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 6,679,372	\$ 19,050,646	\$ 5,892,452	\$ 8,300,530	\$ 39,923,000
Payments to suppliers	(3,966,190)	(870,546)	(2,928,395)	(4,231,802)	(11,996,933)
Payments to employees	(913,145)	(194,786)	(2,771,549)	(4,035,679)	(7,915,159)
Self-insurance costs	-	(15,906,345)	-	-	(15,906,345)
Net cash provided (used) by operating activities	<u>1,800,037</u>	<u>2,078,969</u>	<u>192,508</u>	<u>33,049</u>	<u>4,104,563</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Transfers in	763,490	-	-	2,317,282	3,080,772
Transfers out	(2,416)	(36,404)	(7,248)	-	(46,068)
Net cash provided (used) by non-capital financing activities	<u>761,074</u>	<u>(36,404)</u>	<u>(7,248)</u>	<u>2,317,282</u>	<u>3,034,704</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(2,697,054)	-	-	(1,941,162)	(4,638,216)
Disposal of capital assets	168,422	-	-	-	168,422
Net cash flows used by capital and related financing activities	<u>(2,528,632)</u>	<u>-</u>	<u>-</u>	<u>(1,941,162)</u>	<u>(4,469,794)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of investments	(1,208,400)	(1,326,200)	(45,600)	(467,400)	(3,047,600)
Proceeds from sale of investments	1,428,821	3,009,839	(91,983)	238,732	4,585,409
Interest received on investments	48,834	71,863	899	15,063	136,659
Net cash provided (used) by investing activities	<u>269,255</u>	<u>1,755,502</u>	<u>(136,684)</u>	<u>(213,605)</u>	<u>1,674,468</u>
Net increase (decrease) in cash and cash equivalents	301,734	3,798,067	48,576	195,564	4,343,941
Cash and cash equivalents at beginning of year	2,018,937	3,334,927	42,109	701,209	6,097,182
Cash and cash equivalents at end of year	<u>\$ 2,320,671</u>	<u>\$ 7,132,994</u>	<u>\$ 90,685</u>	<u>\$ 896,773</u>	<u>\$ 10,441,123</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>					
Operating income (loss)	\$ (379,683)	\$ 1,626,625	\$ 192,283	\$ (2,111,533)	\$ (672,308)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	2,179,976	-	2,534	1,858,211	4,040,721
(Increase) decrease in assets:					
Accounts receivable	-	34,395	-	(2,302)	32,093
Prepaid items	4,000	-	-	(51,541)	(47,541)
Supplies inventory	(2,441)	-	-	-	(2,441)
Increase (decrease) in liabilities:					
Accounts payable	8,670	187,091	3,605	314,055	513,421
Accrued payroll	(3,165)	233	3,776	9,039	9,883
Claims payable	-	226,815	-	-	226,815
Compensated absences	(7,320)	3,810	(9,690)	17,120	3,920
Total adjustments	<u>2,179,720</u>	<u>452,344</u>	<u>225</u>	<u>2,144,582</u>	<u>4,776,871</u>
Net cash provided (used) by operating activities	<u>\$ 1,800,037</u>	<u>\$ 2,078,969</u>	<u>\$ 192,508</u>	<u>\$ 33,049</u>	<u>\$ 4,104,563</u>
Non-cash investing, capital and financing activities:					
Capital assets acquired through contributions from developers	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000
Decrease in fair market value of investments	10,245	16,187	34	3,441	29,907
Total non-cash investing, capital and financing activities	<u>\$ 25,245</u>	<u>\$ 16,187</u>	<u>\$ 34</u>	<u>\$ 3,441</u>	<u>\$ 44,907</u>

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA**  
**SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL**  
**MOTOR POOL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>(budgetary basis)</u>	<u>Over</u>
				<u>(Under)</u>
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 6,957,028	\$ 6,957,028	\$ 6,708,863	\$ (248,165)
Miscellaneous	-	-	57	57
Total operating revenues	<u>6,957,028</u>	<u>6,957,028</u>	<u>6,708,920</u>	<u>(248,108)</u>
<b>OPERATING EXPENSES:</b>				
Salaries, wages and benefits	967,500	967,500	913,145	(54,355)
Contractual services, materials and supplies	4,272,141	4,272,141	3,983,259	(288,882)
Capital outlay	2,117,096	2,404,469	2,100,062	(304,407)
Contingencies	1,000,000	1,000,000	-	(1,000,000)
Total operating expenses	<u>8,356,737</u>	<u>8,644,110</u>	<u>6,996,466</u>	<u>(1,647,644)</u>
Operating income (loss)	<u>(1,399,709)</u>	<u>(1,687,082)</u>	<u>(287,546)</u>	<u>1,399,536</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Interest and investment income	37,000	37,000	48,834	11,834
Total nonoperating revenues (expenses)	<u>37,000</u>	<u>37,000</u>	<u>48,834</u>	<u>11,834</u>
Income (loss) before transfers	<u>(1,362,709)</u>	<u>(1,650,082)</u>	<u>(238,712)</u>	<u>1,411,370</u>
Transfers in	153,461	153,461	153,461	-
Transfers (out)	(2,416)	(2,416)	(2,416)	-
Excess (deficit) revenues over expenses - budgetary basis	<u>\$ (1,211,664)</u>	<u>\$ (1,499,037)</u>	<u>\$ (87,667)</u>	<u>\$ 1,411,370</u>

**Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures**

The City budgets certain revenues on the cash basis, rather than on the accrual basis.	(4,942)
Interdepartmental service charges are revenue on a budgetary basis, but are eliminated from the financial statements under GASB34's allocation rules.	(29,548)
The expenses associated with the interdepartmental service charges are expenses on a budgetary basis but are eliminated along with the revenues above under GASB34's allocation rules.	29,548
The City budgets compensated absences on the cash basis, rather than the accrual basis.	10,485
The City budgets certain other expenditures on the cash basis, rather than the accrual basis.	(10,229)
Capital outlay is an expense for budgetary purposes, but assets are capitalized and are not an expense for GAAP purposes.	2,087,583
Donations of capital assets are an other financing source for GAAP purposes, but are not a revenue for budget purposes.	15,000
Depreciation and amortization are not budgeted expenses, but are expenses for GAAP purposes.	(2,179,976)
The gain on sale of capital assets is not a budgeted revenue/expense, but is a revenue/expense for GAAP purposes.	111,342
Certain transfers in/(out)out are not budgeted items, but are other financing sources(uses) for GAAP purposes.	610,029
Change in net position per the statement of revenues, expenses and changes in fund net position	<u>\$ 551,625</u>

This schedule is prepared on a budgetary basis for the operating accounts of the proprietary fund and as such does not present the results of operations on the basis of generally accepted accounting principles, but is presented for supplemental information.

**CITY OF PEORIA, ARIZONA**  
**SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL**  
**SELF-INSURANCE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>(budgetary basis)</u>	<u>Over</u>
				<u>(Under)</u>
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 18,680,868	\$ 18,680,868	\$ 18,738,480	\$ 57,612
Miscellaneous	-	-	312,166	312,166
Total operating revenues	<u>18,680,868</u>	<u>18,680,868</u>	<u>19,050,646</u>	<u>369,778</u>
<b>OPERATING EXPENSES:</b>				
Salaries, wages and benefits	153,260	153,260	194,786	41,526
Contractual services, materials and supplies	1,546,721	1,546,721	1,198,871	(347,850)
Insurance claims and expenses	16,924,696	17,357,916	15,578,020	(1,779,896)
Contingencies	3,500,000	3,200,000	-	(3,200,000)
Total operating expenses	<u>22,124,677</u>	<u>22,257,897</u>	<u>16,971,677</u>	<u>(5,286,220)</u>
Operating loss	<u>(3,443,809)</u>	<u>(3,577,029)</u>	<u>2,078,969</u>	<u>5,655,998</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Interest and investment income	61,500	61,500	71,863	10,363
Total nonoperating revenues	<u>61,500</u>	<u>61,500</u>	<u>71,863</u>	<u>10,363</u>
Income (loss) before transfers	<u>(3,382,309)</u>	<u>(3,515,529)</u>	<u>2,150,832</u>	<u>5,666,361</u>
Transfers (out)	(36,404)	(36,404)	(36,404)	-
Excess (deficit) revenues over expenses - budgetary basis	<u>\$ (3,418,713)</u>	<u>\$ (3,551,933)</u>	<u>\$ 2,114,428</u>	<u>\$ 5,666,361</u>

**Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures**

The City budgets certain revenues on the cash basis, rather than on the accrual basis.	(43,973)
The City budgets compensated absences on the cash basis, rather than the accrual basis.	(4,043)
The City budgets insurance claims on the cash basis, rather than the accrual basis.	(226,815)
The City budgets certain other expenditures on the cash basis, rather than the accrual basis.	(187,091)
Change in net position per the statement of revenues, expenses and changes in fund net position	<u>\$ 1,652,506</u>

This schedule is prepared on a budgetary basis for the operating accounts of the proprietary fund and as such does not present the results of operations on the basis of generally accepted accounting principles, but is presented for supplemental information.

**CITY OF PEORIA, ARIZONA  
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL  
FACILITIES MAINTENANCE FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Budgeted Amounts</b>		<b>Actual Amounts (budgetary basis)</b>	<b>Variance with Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 5,892,130	\$ 5,892,130	\$ 5,892,452	\$ 322
Total operating revenues	<u>5,892,130</u>	<u>5,892,130</u>	<u>5,892,452</u>	<u>322</u>
<b>OPERATING EXPENSES:</b>				
Salaries, wages and benefits	2,963,706	2,963,706	2,771,549	(192,157)
Contractual services, materials and supplies	2,906,181	2,979,181	2,928,396	(50,785)
Total operating expenses	<u>5,869,887</u>	<u>5,942,887</u>	<u>5,699,945</u>	<u>(242,942)</u>
Operating income (loss)	<u>22,243</u>	<u>(50,757)</u>	<u>192,507</u>	<u>243,264</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Interest and investment income	100	100	899	799
Total nonoperating revenues	<u>100</u>	<u>100</u>	<u>899</u>	<u>799</u>
Income (loss) before transfers	<u>22,343</u>	<u>(50,657)</u>	<u>193,406</u>	<u>244,063</u>
Transfers (out)	(7,248)	(7,248)	(7,248)	-
Excess (deficit) revenues over expenses - budgetary basis	<u>\$ 15,095</u>	<u>\$ (57,905)</u>	<u>\$ 186,158</u>	<u>\$ 244,063</u>

**Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures**

The City budgets certain revenues on the cash basis, rather than on the accrual basis.	41
The City budgets compensated absences on the cash basis, rather than the accrual basis.	5,914
The City budgets certain other expenditures on the cash basis, rather than the accrual basis.	(3,604)
Depreciation and amortization are not budgeted expenses, but are expenses for GAAP purposes	(2,534)
Change in net position per the statement of revenues, expenses and changes in fund net position	<u>\$ 185,975</u>

This schedule is prepared on a budgetary basis for the operating accounts of the proprietary fund and as such does not present the results of operations on the basis of generally accepted accounting principles, but is presented for supplemental information.

**CITY OF PEORIA, ARIZONA  
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL  
INFORMATION TECHNOLOGY FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>(budgetary basis)</u>	<u>Over</u>
				<u>(Under)</u>
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 8,252,110	\$ 8,252,110	\$ 8,247,725	\$ (4,385)
Miscellaneous	-	-	52,805	52,805
Total operating revenues	<u>8,252,110</u>	<u>8,252,110</u>	<u>8,300,530</u>	<u>48,420</u>
<b>OPERATING EXPENSES:</b>				
Salaries, wages and benefits	4,421,750	4,421,750	4,035,679	(386,071)
Contractual services, materials and supplies	4,706,378	4,855,404	4,169,872	(685,532)
Capital outlay	1,465,419	1,579,474	1,210,819	(368,655)
Total operating expenses	<u>10,593,547</u>	<u>10,856,628</u>	<u>9,416,370</u>	<u>(1,440,258)</u>
Operating loss	<u>(2,341,437)</u>	<u>(2,604,518)</u>	<u>(1,115,840)</u>	<u>1,488,678</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Interest and investment income	3,000	3,000	15,063	12,063
Total nonoperating revenues	<u>3,000</u>	<u>3,000</u>	<u>15,063</u>	<u>12,063</u>
Income before transfers	<u>(2,338,437)</u>	<u>(2,601,518)</u>	<u>(1,100,777)</u>	<u>1,500,741</u>
Transfers in	1,684,245	1,684,245	1,684,245	-
Transfers (out)	(202,240)	(202,240)	(202,240)	-
Excess (deficit) revenues over expenses - budgetary basis	<u>\$ (856,432)</u>	<u>\$ (1,119,513)</u>	<u>\$ 381,228</u>	<u>\$ 1,500,741</u>

**Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures**

The City budgets certain revenues on the cash basis, rather than on the accrual basis.	539
The City budgets compensated absences on the cash basis, rather than the accrual basis.	(26,159)
The City budgets certain other expenditures on the cash basis, rather than the accrual basis.	(262,514)
Capital outlay is an expense for budgetary purposes, but assets are capitalized and are not an expense for GAAP purposes.	1,148,889
Depreciation and amortization are not budgeted expenses, but are expenses for GAAP purposes.	(1,858,211)
Certain transfers in/(out)/out are not budgeted items, but are other financing sources(uses) for GAAP purposes.	835,277
Change in net position per the statement of revenues, expenses and changes in fund net position	<u>\$ 219,049</u>

This schedule is prepared on a budgetary basis for the operating accounts of the proprietary fund and as such does not present the results of operations on the basis of generally accepted accounting principles, but is presented for supplemental information.

## **FIDUCIARY FUNDS**

Fiduciary funds account for assets held by the City in a trustee or agency capacity on behalf of others and therefore are not available to support City programs. The reporting focus is upon net assets and changes in net assets and employs accounting principles similar to proprietary funds. Fiduciary funds are not included in the government-wide financial statements since they are not assets of the City available to support City programs.

### **Agency Funds**

Account for assets the City holds as an agent for individuals, private organizations, other governments or other funds in a temporary custodial capacity.

#### **Terramar Infrastructure Fund**

Accounts for the monies collected from developers in one area of the City and held in trust by the City until reimbursed by the City to a developer that made certain infrastructure improvements in that area.

#### **PLAY Peoria NFP Fund**

Accounts for monies held on behalf of PLAY Peoria, a separate not-for profit agency for which the City operates as the administrator. PLAY Peoria was formed for the purpose of accepting charitable donations and seeking grants that require a not-for-profit status, for the benefit of recreation programs and participants.

#### **Peoria Citizens Corp Council NFP Fund**

Accounts for monies held on behalf of Peoria Citizens Corp Council (PCCC), a separate not-for profit agency for which the City operates as the administrator. PCCC is organized for charitable and educational purposes supporting community activities that engage and train individuals in emergency preparedness and response, crime prevention, and promotion of good public health and safety practices through education, training, guidance, and volunteer service.

#### **Westside Fire Training IGA Fund**

Accounts for monies on behalf of the Westside Fire Training, a consortium of west valley fire departments for which the City operates as the administrator. This consortium was formed through an intergovernmental agreement to fund joint training opportunities for the member fire departments.

**CITY OF PEORIA, ARIZONA**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**AGENCY FUNDS**  
**JUNE 30, 2014**

	<b>Terramar Infrastructure Fund</b>	<b>PLAY Peoria NFP Fund</b>	<b>Peoria Citizens Corp Council NFP Fund</b>	<b>Westside Fire Training IGA Fund</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 88,241	\$ 5,450	\$ 472	\$ 8,322	\$ 102,485
Investments (pooled), at fair value	296,729	18,327	1,588	27,984	344,628
Total assets	<u>384,970</u>	<u>23,777</u>	<u>2,060</u>	<u>36,306</u>	<u>447,113</u>
<b>LIABILITIES</b>					
Accounts payable	-	-	-	-	-
Other liabilities	384,970	23,777	2,060	36,306	447,113
Total liabilities	<u>384,970</u>	<u>23,777</u>	<u>2,060</u>	<u>36,306</u>	<u>447,113</u>

The accompanying notes are an integral part of the financial statements

**CITY OF PEORIA, ARIZONA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
<b>Terramar Infrastructure Fund</b>				
Assets:				
Cash and cash equivalents	\$ 77,390	\$ 307,581	\$ 296,730	\$ 88,241
Investments	307,580	296,730	307,581	296,729
Total Assets	<u>384,970</u>	<u>604,311</u>	<u>604,311</u>	<u>384,970</u>
Liabilities:				
Other liabilities	<u>384,970</u>	-	-	<u>384,970</u>
<b>PLAY Peoria NFP Fund</b>				
Assets:				
Cash and cash equivalents	4,624	78,032	77,206	5,450
Investments	18,380	18,327	18,380	18,327
Total Assets	<u>23,004</u>	<u>96,359</u>	<u>95,586</u>	<u>23,777</u>
Liabilities:				
Accounts payable	1,200	3,298	4,498	-
Other liabilities	21,804	1,973	-	23,777
Total Liabilities	<u>23,004</u>	<u>5,271</u>	<u>4,498</u>	<u>23,777</u>
<b>Peoria Citizens Corp Council NFP Fund</b>				
Assets:				
Cash and cash equivalents	414	1,646	1,588	472
Investments	1,645	1,588	1,645	1,588
Total Assets	<u>2,059</u>	<u>3,234</u>	<u>3,233</u>	<u>2,060</u>
Liabilities:				
Accounts payable	-	-	-	-
Other liabilities	2,059	1	-	2,060
Total Liabilities	<u>2,059</u>	<u>1</u>	<u>-</u>	<u>2,060</u>
<b>Westside Fire Training IGA Fund</b>				
Assets:				
Cash and cash equivalents	6,505	36,175	34,358	8,322
Investments	25,855	27,984	25,855	27,984
Total Assets	<u>32,360</u>	<u>64,159</u>	<u>60,213</u>	<u>36,306</u>
Liabilities:				
Accounts payable	-	6,374	6,374	-
Other liabilities	32,360	3,946	-	36,306
Total Liabilities	<u>32,360</u>	<u>10,320</u>	<u>6,374</u>	<u>36,306</u>
<b>Totals - All Agency Funds</b>				
Assets:				
Cash and cash equivalents	88,933	423,434	409,882	102,485
Investments	353,460	344,629	353,461	344,628
Total Assets	<u>442,393</u>	<u>768,063</u>	<u>763,343</u>	<u>447,113</u>
Liabilities:				
Accounts payable	1,200	9,672	10,872	-
Other liabilities	441,193	5,920	-	447,113
Total Liabilities	<u>442,393</u>	<u>15,592</u>	<u>10,872</u>	<u>447,113</u>

The accompanying notes are an integral part of the financial statements



**Supplemental  
Information**

## OTHER SUPPLEMENTARY INFORMATION

This section contains schedules which the City deems necessary to provide detailed schedules of the self-insurance programs to enable the user of the financial statements to fully understand the financial position and results of operation of the City.

### Description of Schedules

	<u>Page</u>
Combining Detailed Schedules – Self-Insurance Fund	
Combining Detailed Schedule of Net Position	130
Combining Detailed Schedule of Revenues, Expenses, and Changes in Fund Net Position	131

**CITY OF PEORIA, ARIZONA**  
**COMBINING DETAILED SCHEDULE OF NET POSITION**  
**SELF-INSURANCE FUND**  
**JUNE 30, 2014**

	Risk Management Fund	Employee Trust		Total
		Workers' Compensation Fund	Health Insurance Fund	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 2,030,009	\$ 84,371	\$ 435,090	\$ 2,549,470
Investments	6,826,368	283,718	1,463,088	8,573,174
Accounts receivable, net	-	805	-	805
Interest receivable	3,612	-	-	3,612
Total current assets	<u>8,859,989</u>	<u>368,894</u>	<u>1,898,178</u>	<u>11,127,061</u>
Non-current assets:				
Restricted assets:				
Cash equivalents	-	1,653,346	2,930,178	4,583,524
Investments	-	999,250	1,998,500	2,997,750
Total non-current assets	<u>-</u>	<u>2,652,596</u>	<u>4,928,678</u>	<u>7,581,274</u>
Total assets	<u>8,859,989</u>	<u>3,021,490</u>	<u>6,826,856</u>	<u>18,708,335</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	39,444	42,983	1,200,984	1,283,411
Accrued payroll	1,952	-	-	1,952
Current portion of claims payable	885,182	1,025,958	566,091	2,477,231
Current portion of compensated absences	8,710	-	-	8,710
Total current liabilities	<u>935,288</u>	<u>1,068,941</u>	<u>1,767,075</u>	<u>3,771,304</u>
Non-current liabilities:				
Compensated absences	1,840	-	-	1,840
Long-term portion of claims payable	761,572	823,786	-	1,585,358
Total long-term liabilities	<u>763,412</u>	<u>823,786</u>	<u>-</u>	<u>1,587,198</u>
Total liabilities	<u>1,698,700</u>	<u>1,892,727</u>	<u>1,767,075</u>	<u>5,358,502</u>
<b>NET POSITION</b>				
Restricted - trust purpose	-	1,128,763	5,059,781	6,188,544
Unrestricted	7,161,289	-	-	7,161,289
Total net position	<u>\$ 7,161,289</u>	<u>\$ 1,128,763</u>	<u>\$ 5,059,781</u>	<u>\$ 13,349,833</u>

**CITY OF PEORIA, ARIZONA**  
**COMBINING DETAILED SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**SELF-INSURANCE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Risk Management Fund	Employee Trust		Total
		Workers' Compensation Fund	Health Insurance Fund	
<b>OPERATING REVENUES</b>				
Charges for services	\$ 2,583,129	\$ 1,297,719	\$ 14,823,237	\$ 18,704,085
Miscellaneous	187,937	6,022	118,207	312,166
Total operating revenues	2,771,066	1,303,741	14,941,444	19,016,251
<b>OPERATING EXPENSES</b>				
Salaries, wages and employee benefits	154,007	44,822	-	198,829
Contractual services, materials and supplies	54,439	217,601	785,597	1,057,637
Insurance claims and expenses	2,307,905	1,165,134	12,660,121	16,133,160
Total operating expenses	2,516,351	1,427,557	13,445,718	17,389,626
Operating income	254,715	(123,816)	1,495,726	1,626,625
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest and investment income	36,795	7,256	18,234	62,285
Total non-operating revenues	36,795	7,256	18,234	62,285
Income before transfers	291,510	(116,560)	1,513,960	1,688,910
Transfers out	(36,404)	-	-	(36,404)
Change in net position	255,106	(116,560)	1,513,960	1,652,506
Total net position - beginning	6,906,183	1,245,323	3,545,821	11,697,327
Total net position - ending	\$ 7,161,289	\$ 1,128,763	\$ 5,059,781	\$ 13,349,833



The background of the page features a large, faint watermark of the United States Seal. The seal is circular and contains the text "DEPARTMENT OF COMMERCE" at the top and "STATISTICAL SECTION" at the bottom. In the center of the seal is a shield with a scale of justice, a sword, and a wreath. A large, stylized letter "C" is visible on the left side of the seal, and a five-pointed star is on the right side. The entire seal is rendered in a light green color that blends with the dark green background.

**Statistical Section**

# Statistical Section

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The Statistical Section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the government's overall financial health.

Statistical information is different from financial statements in that the statistics usually cover more than one fiscal year and may present non-accounting information. The following tables present financial trends, information about the fiscal capacity of the government, and social and economic information, as necessary for complete disclosure and understanding of the City's financial activity. The information presented in these tables is not required for fair presentation in conformity with accounting principles generally accepted in the United States of America and is therefore not covered by the auditor's opinion.

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b>	135
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	145
These schedules contain information to help the reader assess the City's most significant local revenue sources - sales and use taxes, property taxes and utility user fees.	
<b>Debt Capacity</b>	157
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<b>Economic and Demographic Information</b>	169
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
<b>Operating Information</b>	171
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

# Statistical Section

Financial presentations included in the Statistical Section provide data on the financial, physical and economic characteristics of the City. These tables cover multiple fiscal years and provide users with a broader and more complete understanding of the City and its financial affairs.

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**CITY OF PEORIA, ARIZONA**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

Table I

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Net investment in capital assets	\$ 412,711,011	\$ 523,429,904	\$ 591,763,494	\$ 602,715,532	\$ 690,708,494	\$ 782,205,232	\$ 803,835,704	\$ 816,149,271	\$ 829,001,871	\$ 855,286,264
Restricted	35,660,531	41,483,246	40,822,727	65,528,725	54,945,644	37,649,086	118,382,244	118,105,425	131,550,563	151,624,692
Unrestricted	118,007,870	131,307,050	173,833,813	220,374,709	207,958,657	192,278,995	109,550,684	111,579,103	149,159,571	84,211,745
Total governmental activities net assets	<u>\$ 566,379,412</u>	<u>\$ 696,220,200</u>	<u>\$ 806,420,034</u>	<u>\$ 888,618,966</u>	<u>\$ 953,612,795</u>	<u>\$ 1,012,133,313</u>	<u>\$ 1,031,768,632</u>	<u>\$ 1,045,833,799</u>	<u>\$ 1,109,712,005</u>	<u>\$ 1,091,122,701</u>
Business-type Activities										
Net investment in capital assets	\$ 273,024,663	\$ 311,724,201	\$ 369,615,117	\$ 427,331,359	\$ 429,764,018	\$ 469,854,140	\$ 478,230,446	\$ 478,738,661	\$ 493,788,885	\$ 533,623,141
Restricted	83,015,115	79,329,431	32,749,544	32,967,702	33,558,490	19,474,349	22,733,731	24,912,356	21,575,445	23,153,024
Unrestricted	55,874,702	53,032,272	68,959,683	41,967,371	36,507,370	53,422,064	54,791,580	61,033,753	71,130,874	68,382,971
Total business-type activities net assets	<u>\$ 411,914,480</u>	<u>\$ 444,085,904</u>	<u>\$ 471,324,344</u>	<u>\$ 502,266,432</u>	<u>\$ 499,829,878</u>	<u>\$ 542,750,553</u>	<u>\$ 555,755,757</u>	<u>\$ 564,684,770</u>	<u>\$ 586,495,204</u>	<u>\$ 625,159,136</u>
Primary Government										
Net investment in capital assets	\$ 685,735,674	\$ 835,154,105	\$ 961,378,611	\$ 1,030,046,891	\$ 1,120,472,512	\$ 1,252,059,372	\$ 1,282,066,150	\$ 1,294,887,932	\$ 1,322,790,756	\$ 1,388,909,405
Restricted	118,675,646	120,812,677	73,572,271	98,496,427	88,504,134	57,123,435	141,115,975	143,017,781	153,126,008	174,777,716
Unrestricted	173,882,572	184,339,322	242,793,496	262,342,080	244,466,027	245,701,059	164,342,264	172,612,856	220,290,445	152,594,716
Total primary government net assets	<u>\$ 978,293,892</u>	<u>\$ 1,140,306,104</u>	<u>\$ 1,277,744,378</u>	<u>\$ 1,390,885,398</u>	<u>\$ 1,453,442,673</u>	<u>\$ 1,554,883,866</u>	<u>\$ 1,587,524,389</u>	<u>\$ 1,610,518,569</u>	<u>\$ 1,696,207,209</u>	<u>\$ 1,716,281,837</u>

Source: Statement of Net Position  
City financial records and reports

**CITY OF PEORIA, ARIZONA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
(accrual basis of accounting)

Table II

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
<b>Governmental Activities</b>										
General Government	\$ 18,810,419	\$ 21,608,973	\$ 24,469,279	\$ 17,077,115	\$ 23,226,263	\$ 24,518,718	\$ 27,523,428	\$ 20,935,141	\$ 19,175,790	\$ 20,038,112
Culture & Recreation	15,135,836	16,304,875	17,947,721	21,834,144	23,185,665	21,167,750	21,066,722	23,499,906	22,434,968	25,559,518
Police	21,844,025	25,725,922	28,548,401	34,513,465	37,084,671	35,140,959	35,536,887	35,905,144	35,396,834	36,344,807
Fire	12,731,478	14,184,353	17,401,924	19,914,716	21,618,004	20,977,164	21,243,965	22,313,810	21,360,706	23,868,374
Development Services	4,557,154	4,882,448	5,605,618	6,542,413	6,354,769	6,539,886	6,135,184	5,437,784	8,374,619	9,193,743
Highways & Streets	21,839,566	18,713,722	23,031,544	22,909,823	24,046,432	22,414,044	25,598,067	31,778,203	29,967,207	31,411,752
Public Works	5,187,303	5,791,128	6,288,446	7,782,967	7,688,062	9,642,355	8,441,912	7,416,026	6,989,988	7,015,316
Human Services	1,869,601	2,054,042	2,316,358	2,887,625	2,382,604	2,188,730	1,992,977	1,655,935	2,196,801	1,629,118
Interest on long-term debt	6,017,664	7,223,963	8,065,449	11,168,041	12,610,988	12,571,503	12,616,562	12,595,752	12,739,029	12,009,243
Unallocated Depreciation	576,719	575,334	575,334	574,942	574,550	574,550	574,550	574,550	574,557	574,550
<b>Total governmental activities expenses</b>	<b>\$ 108,569,765</b>	<b>\$ 117,064,760</b>	<b>\$ 134,250,074</b>	<b>\$ 145,205,251</b>	<b>\$ 158,772,008</b>	<b>\$ 155,735,659</b>	<b>\$ 160,730,254</b>	<b>\$ 162,112,251</b>	<b>\$ 159,210,499</b>	<b>\$ 167,644,533</b>
<b>Business-type Activities</b>										
Water Utility	\$ 23,815,912	\$ 25,859,997	\$ 27,058,901	\$ 28,677,086	\$ 32,164,325	\$ 29,715,038	\$ 29,582,708	\$ 30,777,765	\$ 29,094,123	\$ 30,836,235
Wastewater Utility	12,469,667	12,782,965	14,523,268	17,324,471	31,039,534	30,212,381	19,891,729	21,923,061	20,342,376	21,083,666
Solid Waste Utility	8,462,126	8,688,437	9,458,194	13,250,526	10,624,589	9,985,889	9,773,553	10,859,872	10,503,928	10,806,101
Stadium	4,623,886	5,442,993	5,448,667	6,921,044	5,235,258	5,186,732	5,019,605	5,284,940	5,140,500	5,176,689
Storm Drain Utility	-	-	-	-	-	-	-	802,246	806,658	823,780
Housing	344,030	369,052	371,540	382,067	331,785	368,007	367,644	400,405	273,528	-
<b>Total business-type activities expenses</b>	<b>\$ 49,715,621</b>	<b>\$ 53,143,444</b>	<b>\$ 56,860,570</b>	<b>\$ 66,555,194</b>	<b>\$ 79,395,491</b>	<b>\$ 75,468,047</b>	<b>\$ 64,635,239</b>	<b>\$ 70,048,289</b>	<b>\$ 66,161,113</b>	<b>\$ 68,726,471</b>
<b>Total primary government expenses</b>	<b>\$ 158,285,386</b>	<b>\$ 170,208,204</b>	<b>\$ 191,110,644</b>	<b>\$ 211,760,445</b>	<b>\$ 238,167,499</b>	<b>\$ 231,203,706</b>	<b>\$ 225,365,493</b>	<b>\$ 232,160,540</b>	<b>\$ 225,371,612</b>	<b>\$ 236,371,004</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Charges for services	\$ 21,078,973	\$ 22,666,481	\$ 23,226,773	\$ 25,523,896	\$ 20,130,962	\$ 17,489,464	\$ 17,722,889	\$ 17,331,656	\$ 18,745,123	\$ 19,221,921
Operating grants and contributions	10,836,600	12,117,734	13,954,308	14,382,484	12,574,749	13,096,036	13,709,669	11,071,988	12,440,760	12,693,535
Capital grants and contributions	37,599,732	103,368,209	59,793,946	41,598,499	51,366,296	55,978,635	34,932,888	30,063,998	21,485,029	11,703,447
<b>Total governmental activities program revenues</b>	<b>\$ 69,515,305</b>	<b>\$ 138,152,424</b>	<b>\$ 96,975,027</b>	<b>\$ 81,504,879</b>	<b>\$ 84,072,007</b>	<b>\$ 86,564,135</b>	<b>\$ 66,365,446</b>	<b>\$ 58,467,642</b>	<b>\$ 52,670,912</b>	<b>\$ 43,618,903</b>
<b>Business-type Activities</b>										
Charges for services	\$ 47,962,423	\$ 53,196,965	\$ 61,918,282	\$ 61,936,451	\$ 59,577,008	\$ 62,457,821	\$ 60,595,686	\$ 66,048,140	\$ 67,197,303	\$ 69,499,963
Operating grants and contributions	136,736	137,532	135,174	145,841	158,627	177,710	209,878	140,461	67,915	-
Capital grants and contributions	48,121,049	14,097,716	18,219,423	22,321,213	12,186,331	50,899,343	5,408,859	8,418,314	7,323,482	9,325,636
<b>Total business-type activities program revenues</b>	<b>\$ 96,220,208</b>	<b>\$ 67,432,213</b>	<b>\$ 80,272,879</b>	<b>\$ 84,403,505</b>	<b>\$ 71,921,966</b>	<b>\$ 113,534,874</b>	<b>\$ 66,214,423</b>	<b>\$ 74,606,915</b>	<b>\$ 74,588,700</b>	<b>\$ 78,825,599</b>
<b>Total primary government program revenues</b>	<b>\$ 165,735,513</b>	<b>\$ 205,584,637</b>	<b>\$ 177,247,906</b>	<b>\$ 165,908,384</b>	<b>\$ 155,993,973</b>	<b>\$ 200,099,009</b>	<b>\$ 132,579,869</b>	<b>\$ 133,074,557</b>	<b>\$ 127,259,612</b>	<b>\$ 122,444,502</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (39,054,460)	\$ 21,087,664	\$ (37,275,047)	\$ (63,700,372)	\$ (74,700,001)	\$ (69,171,524)	\$ (94,364,808)	\$ (103,644,609)	\$ (106,539,587)	\$ (124,025,630)
Business-type Activities	46,504,587	14,288,769	23,412,309	17,848,311	(7,473,525)	38,066,827	1,579,184	4,558,626	8,427,587	10,099,128
<b>Total primary government net expense</b>	<b>\$ 7,450,127</b>	<b>\$ 35,376,433</b>	<b>\$ (13,862,738)</b>	<b>\$ (45,852,061)</b>	<b>\$ (82,173,526)</b>	<b>\$ (31,104,697)</b>	<b>\$ (92,785,624)</b>	<b>\$ (99,085,983)</b>	<b>\$ (98,112,000)</b>	<b>\$ (113,926,502)</b>

**CITY OF PEORIA, ARIZONA  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)**

Table II

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property taxes, levied for general purpose	\$ 2,926,017	\$ 3,274,982	\$ 3,722,092	\$ 3,728,615	\$ 3,629,629	\$ 3,833,445	\$ 3,628,286	\$ 3,187,679	\$ 2,848,691	\$ 2,744,900
Property taxes, levied for debt service	11,240,627	12,930,561	14,392,472	22,569,309	28,162,003	26,225,535	22,406,879	19,030,940	16,628,634	15,479,771
Sales and use taxes	45,535,559	61,156,870	68,873,970	68,466,910	59,004,816	56,276,937	58,082,217	60,719,648	65,950,235	70,213,953
Franchise taxes	2,498,995	3,004,895	3,983,701	3,848,746	4,019,182	3,955,416	4,037,897	4,084,163	4,136,004	4,194,371
State shared sales taxes - unrestricted	10,038,874	11,681,284	13,130,116	12,695,890	10,991,095	10,137,682	11,649,489	12,087,651	12,665,191	13,431,637
Urban revenue sharing - unrestricted	10,076,455	11,707,782	15,996,992	19,539,768	20,395,663	17,469,936	13,408,996	13,231,006	14,425,958	17,172,500
Auto in-lieu taxes - unrestricted	4,639,457	5,251,577	5,725,299	5,546,558	5,018,384	4,634,263	4,548,154	4,944,181	5,155,206	5,495,225
Investment Earnings	2,930,923	6,723,061	12,100,831	13,328,215	7,896,100	2,199,984	1,354,607	959,479	599,263	878,164
Gain on sale of capital assets	148,518	81,122	60,785	40,953	115,412	102,409	76,640	50,192	66,465	111,342
Elimination of development agreement debt	-	17,279	23,941	2,358,431	-	-	801,394	-	630,104	-
Miscellaneous	2,480,978	5,584,218	7,439,193	3,555,171	3,528,043	5,885,847	5,124,916	3,965,187	4,397,616	3,920,109
Special Item: Close out of Section 8 Housing	-	-	-	-	-	-	-	(464,390)	-	-
Transfers in (out)	(14,546,789)	(12,660,507)	2,025,489	(9,779,262)	(3,066,497)	(3,029,412)	(11,119,348)	(3,335,912)	(9,394,454)	(28,205,646)
Total governmental activities	\$ 77,969,614	\$ 108,753,124	\$ 147,474,881	\$ 145,899,304	\$ 139,693,830	\$ 127,692,042	\$ 114,000,127	\$ 118,459,824	\$ 118,108,913	\$ 105,436,326
Business-type Activities										
Investment Earnings	\$ 2,846,925	\$ 5,222,148	\$ 5,851,620	\$ 3,314,515	\$ 1,970,474	\$ 444,698	\$ 306,672	\$ 284,427	\$ 176,176	\$ 359,158
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Forgiveness of debt	-	-	-	-	-	1,379,738	-	-	-	-
Special Item: Close out of Public Housing	-	-	-	-	-	-	-	-	(2,101,809)	-
Transfers in (out)	14,546,789	12,660,507	(2,025,489)	9,779,262	3,066,497	3,029,412	11,119,348	3,335,912	9,394,454	28,205,646
Total business-type activities	\$ 17,393,714	\$ 17,882,655	\$ 3,826,131	\$ 13,093,777	\$ 5,036,971	\$ 4,853,848	\$ 11,426,020	\$ 3,620,339	\$ 7,468,821	\$ 28,564,804
Total primary government	\$ 95,363,328	\$ 126,635,779	\$ 151,301,012	\$ 158,993,081	\$ 144,730,801	\$ 132,545,890	\$ 125,426,147	\$ 122,080,163	\$ 125,577,734	\$ 134,001,130
Change in Net Position										
Governmental Activities	\$ 99,057,278	\$ 71,478,077	\$ 83,774,509	\$ 71,199,303	\$ 70,522,306	\$ 33,327,234	\$ 10,355,518	\$ 11,920,237	\$ 11,569,326	\$ (18,589,304)
Business-type Activities	31,682,483	41,294,964	21,674,442	5,620,252	43,103,798	6,433,032	15,984,646	12,047,926	15,896,408	38,663,932
Total primary government	\$ 130,739,761	\$ 112,773,041	\$ 105,448,951	\$ 76,819,555	\$ 113,626,104	\$ 39,760,266	\$ 26,340,164	\$ 23,968,163	\$ 27,465,734	\$ 20,074,628

Source: Statement of Activities  
City financial records and reports

**CITY OF PEORIA, ARIZONA  
PROGRAM REVENUES  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)**

Table III

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Program Revenues</b>										
Governmental Activities										
Charges for services										
General Government	\$ 3,122,641	\$ 3,346,730	\$ 2,747,370	\$ 2,293,928	\$ 3,635,662	\$ 2,955,225	\$ 3,111,713	\$ 2,839,814	\$ 2,712,644	\$ 2,303,848
Culture & Recreation	5,117,914	5,793,176	6,927,760	8,111,802	8,035,499	7,133,645	6,642,642	6,810,891	7,055,179	7,299,943
Police	1,123,337	828,053	1,283,559	790,269	1,326,404	813,032	1,050,490	1,112,621	1,135,692	995,068
Fire	1,557,835	1,844,083	1,737,666	1,717,319	1,748,715	1,457,280	1,580,191	1,693,101	1,664,610	1,772,238
Development Services	5,840,631	5,660,591	4,614,166	3,526,784	1,568,529	1,231,534	1,323,358	1,720,697	2,398,630	2,677,468
Highways & Streets	205,291	104,654	433,400	345,417	348,351	445,074	516,778	424,505	456,791	621,056
Public Works	3,987,875	4,950,541	5,318,686	8,607,833	3,336,840	3,310,544	3,350,178	2,687,325	3,278,257	3,506,520
Human Services	123,449	138,653	164,166	130,544	130,962	143,130	147,539	42,702	43,320	45,780
Operating grants and contributions	10,836,600	12,117,734	13,954,308	14,382,484	12,574,749	13,096,036	13,709,669	11,071,988	12,440,760	12,693,535
Capital grants and contributions	37,599,732	103,368,209	59,793,946	41,598,499	51,366,296	55,978,635	34,932,888	30,063,998	21,485,029	11,703,447
Total governmental activities program revenues	<u>\$ 69,515,305</u>	<u>\$ 138,152,424</u>	<u>\$ 96,975,027</u>	<u>\$ 81,504,879</u>	<u>\$ 84,072,007</u>	<u>\$ 86,564,135</u>	<u>\$ 66,365,446</u>	<u>\$ 58,467,642</u>	<u>\$ 52,670,912</u>	<u>\$ 43,618,903</u>
Business-type Activities										
Charges for services										
Water Utility	\$ 24,932,796	\$ 28,240,253	\$ 33,511,407	\$ 31,866,685	\$ 30,104,254	\$ 30,789,786	\$ 30,004,279	\$ 33,896,048	\$ 34,100,166	\$ 35,800,393
Wastewater Utility	11,608,902	12,227,879	14,907,360	15,423,188	15,331,781	16,994,511	15,933,154	16,624,110	18,459,924	18,455,600
Solid Waste Utility	8,330,792	9,715,409	10,395,273	11,216,061	11,166,354	11,764,271	11,904,142	11,873,744	11,003,792	11,309,198
Stadium	2,961,792	2,859,794	2,953,365	3,279,780	2,866,609	2,800,976	2,629,765	2,711,665	2,716,778	3,103,333
Storm Drain Utility	-	-	-	-	-	-	-	804,487	816,478	831,439
Housing	128,141	153,630	150,877	150,737	108,010	108,277	124,346	138,086	100,165	-
Operating grants and contributions	136,736	137,532	135,174	145,841	158,627	177,710	209,878	140,461	67,915	-
Capital grants and contributions	48,121,049	14,097,716	18,219,423	22,321,213	12,186,331	50,899,343	5,408,859	8,418,314	7,323,482	9,325,636
Total business-type activities program revenues	<u>\$ 96,220,208</u>	<u>\$ 67,432,213</u>	<u>\$ 80,272,879</u>	<u>\$ 84,403,505</u>	<u>\$ 71,921,966</u>	<u>\$ 113,534,874</u>	<u>\$ 66,214,423</u>	<u>\$ 74,606,915</u>	<u>\$ 74,588,700</u>	<u>\$ 78,825,599</u>
Total primary government program revenues	<u>\$ 165,735,513</u>	<u>\$ 205,584,637</u>	<u>\$ 177,247,906</u>	<u>\$ 165,908,384</u>	<u>\$ 155,993,973</u>	<u>\$ 200,099,009</u>	<u>\$ 132,579,869</u>	<u>\$ 133,074,557</u>	<u>\$ 127,259,612</u>	<u>\$ 122,444,502</u>

Source: Statement of Activities  
City financial records and reports

**CITY OF PEORIA, ARIZONA  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)**

Table IV

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011 *	2012	2013	2014
General Fund										
Reserved	\$ 150,764	\$ 948,135	\$ 216,652	\$ 264,489	\$ 275,184	\$ 241,678	\$ -	\$ -	\$ -	\$ -
Unreserved	52,553,522	65,224,766	74,842,586	77,741,727	67,102,145	60,238,418	-	-	-	-
Nonspendable	-	-	-	-	-	-	537,000	1,163,721	259,643	262,852
Restricted	-	-	-	-	-	-	30,671	70,016	108,517	54,193
Committed	-	-	-	-	-	-	34,288,769	33,590,254	33,229,466	37,028,922
Assigned	-	-	-	-	-	-	3,891,174	3,705,809	3,330,705	3,340,512
Unassigned	-	-	-	-	-	-	13,429,595	12,878,675	13,996,657	17,308,306
Total General Fund	<u>\$ 52,704,286</u>	<u>\$ 66,172,901</u>	<u>\$ 75,059,238</u>	<u>\$ 78,006,216</u>	<u>\$ 67,377,329</u>	<u>\$ 60,480,096</u>	<u>\$ 52,177,209</u>	<u>\$ 51,408,475</u>	<u>\$ 50,924,988</u>	<u>\$ 57,994,785</u>
General Fund as % of current year revenues (1)										
Reserved	0.2%	1.0%	0.2%	0.2%	0.3%	0.3%	0.0%	-	-	-
Unreserved	64.2%	67.6%	70.9%	71.1%	70.3%	69.5%	0.0%	-	-	-
Unspendable	-	-	-	-	-	-	-	1.3%	0.3%	0.3%
Restricted	-	-	-	-	-	-	-	0.1%	0.1%	0.1%
Committed	-	-	-	-	-	-	-	38.3%	35.4%	36.9%
Assigned	-	-	-	-	-	-	-	4.2%	3.6%	3.3%
Unassigned	-	-	-	-	-	-	-	14.7%	14.9%	17.2%
Total General Fund	<u>64.4%</u>	<u>68.6%</u>	<u>71.1%</u>	<u>71.3%</u>	<u>70.6%</u>	<u>69.8%</u>	<u>60.4%</u>	<u>58.6%</u>	<u>54.3%</u>	<u>57.8%</u>
Revenues	81,842,282	96,472,378	105,613,476	109,388,443	95,474,360	86,668,451	86,457,113	87,756,255	93,753,322	100,373,462
General Fund as % of current year expenditures (2)										
Reserved	0.2%	1.1%	0.2%	0.2%	0.3%	0.2%	0.0%	-	-	-
Unreserved	68.2%	76.4%	72.0%	70.2%	61.1%	57.0%	0.0%	-	-	-
Unspendable	-	-	-	-	-	-	-	1.2%	0.3%	0.3%
Restricted	-	-	-	-	-	-	-	0.1%	0.1%	0.1%
Committed	-	-	-	-	-	-	-	35.2%	32.7%	36.0%
Assigned	-	-	-	-	-	-	-	3.9%	3.3%	3.2%
Unassigned	-	-	-	-	-	-	-	13.5%	13.8%	16.8%
Total General Fund	<u>68.4%</u>	<u>77.5%</u>	<u>72.2%</u>	<u>70.4%</u>	<u>61.4%</u>	<u>57.2%</u>	<u>52.3%</u>	<u>53.9%</u>	<u>50.1%</u>	<u>56.3%</u>
Expenditures	77,086,642	85,344,491	103,999,097	110,804,124	109,735,012	105,742,332	99,741,106	95,327,780	101,677,037	102,961,677
All Other Governmental Funds										
Reserved	\$ 82,831,364	\$ 84,931,450	\$ 154,966,318	\$ 143,600,643	\$ 165,129,365	\$ 147,974,858	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	25,365,373	41,501,121	49,251,757	62,170,663	57,506,689	55,546,744	-	-	-	-
Capital projects funds	(4,566,517)	(21,988,077)	18,917,375	23,589,696	29,428,677	22,203,699	-	-	-	-
Nonspendable	-	-	-	-	-	-	108,919	95,828	98,819	131,641
Restricted	-	-	-	-	-	-	169,837,817	168,127,814	188,434,944	145,352,432
Committed	-	-	-	-	-	-	11,040,682	10,064,814	10,004,379	10,300,556
Assigned	-	-	-	-	-	-	30,055,251	40,566,996	25,988,041	23,410,508
Unassigned	-	-	-	-	-	-	-	(84,673)	-	-
Total All Other Governmental Funds	<u>\$ 103,630,220</u>	<u>\$ 104,444,494</u>	<u>\$ 223,135,450</u>	<u>\$ 229,361,002</u>	<u>\$ 252,064,731</u>	<u>\$ 225,725,301</u>	<u>\$ 211,042,669</u>	<u>\$ 218,770,779</u>	<u>\$ 224,526,183</u>	<u>\$ 179,195,137</u>

\* The City implemented GASB Statement 54 - *Fund Balance Reporting and Governmental Fund Type Definitions* in 2011. Previous years have not been restated to the new required format.

(1) Revenues are operating revenues. Does not include Other Financing Sources.

(2) Expenditures are operating expenditures. Does not include Other Financing Uses.

Source: Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds  
Balance Sheet - Governmental Funds  
City financial records and reports

**CITY OF PEORIA, ARIZONA**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

Table V

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Taxes	\$ 62,170,531	\$ 80,238,340	\$ 90,780,140	\$ 98,358,262	\$ 93,896,013	\$ 90,783,641	\$ 88,244,772	\$ 87,203,131	\$ 89,948,724	\$ 93,731,980
Intergovernmental	36,747,293	41,899,532	64,283,444	52,612,549	62,718,223	45,621,921	43,917,343	54,562,371	49,831,144	50,132,922
Charges for services	30,768,591	34,863,016	39,290,401	37,609,937	18,479,664	18,137,718	16,356,566	18,359,757	21,405,623	17,684,357
Licenses and Permits	5,041,680	4,807,840	3,878,132	3,020,436	1,802,759	1,599,957	1,672,072	2,106,545	2,564,075	2,800,894
Fines and Forfeitures	1,823,626	2,112,799	2,203,756	2,666,731	3,733,047	2,755,104	3,068,861	2,757,022	2,257,477	2,128,289
Rents	174,837	228,492	249,069	358,215	395,834	421,289	403,321	486,932	1,101,082	731,901
Investment Earnings	2,652,530	6,050,060	10,942,001	12,125,018	7,174,109	1,992,817	1,238,174	859,146	537,732	757,747
Special assessments	2,252,142	2,262,770	1,971,991	1,803,344	2,200,782	2,214,167	2,201,463	2,069,613	1,217,271	1,137,018
Miscellaneous	2,560,291	5,562,231	6,992,363	7,882,947	7,488,740	8,485,570	18,441,696	4,588,218	5,880,511	5,060,343
<b>Total Revenues</b>	<b>\$ 144,191,521</b>	<b>\$ 178,025,080</b>	<b>\$ 220,591,297</b>	<b>\$ 216,437,439</b>	<b>\$ 197,889,171</b>	<b>\$ 172,012,184</b>	<b>\$ 175,544,268</b>	<b>\$ 172,992,735</b>	<b>\$ 174,743,639</b>	<b>\$ 174,165,451</b>
<b>Expenditures</b>										
General Government	\$ 18,144,444	\$ 19,767,909	\$ 22,833,440	\$ 14,544,047	\$ 17,798,947	\$ 16,330,159	\$ 15,818,173	\$ 14,470,822	\$ 15,094,866	\$ 15,866,612
Culture & Recreation	13,935,373	15,300,068	17,013,511	21,769,313	22,303,852	19,475,634	18,784,735	18,396,187	19,668,598	21,762,725
Police	20,915,014	24,715,113	28,163,474	33,340,756	36,458,108	34,131,465	33,926,463	33,717,021	35,375,166	35,839,651
Fire	12,206,093	13,422,870	16,522,036	19,120,991	20,516,345	19,745,446	19,463,905	20,673,956	21,327,100	23,137,222
Development Services	4,575,963	4,986,442	5,526,599	6,669,979	6,489,199	6,529,594	6,051,667	5,328,403	8,568,013	9,311,964
Highways & Streets	13,930,314	10,333,402	14,679,124	14,632,287	15,469,695	13,070,648	13,891,078	14,754,432	16,355,505	17,098,590
Public Works	3,993,427	4,640,211	5,010,116	6,408,150	6,187,633	7,955,394	6,748,102	4,884,713	4,914,720	5,110,924
Human Services	1,768,107	1,991,939	2,291,469	2,817,716	2,343,847	2,145,702	1,952,861	1,586,315	2,213,374	1,604,288
Other	3,849	539	45,912	-	-	-	-	-	-	-
Capital Outlay	33,148,181	34,944,336	76,919,805	74,142,416	77,515,142	60,269,181	29,176,335	26,336,595	39,612,698	17,728,188
Debt Service										
Interest	7,046,576	6,747,072	8,099,492	10,340,704	11,917,582	13,166,242	12,658,032	13,098,263	12,534,039	12,543,974
Principal	15,304,972	16,881,632	16,178,431	31,143,531	25,988,554	44,700,092	34,309,287	25,566,028	20,120,163	21,937,761
<b>Total Expenditures</b>	<b>\$ 144,972,313</b>	<b>\$ 153,731,533</b>	<b>\$ 213,283,409</b>	<b>\$ 234,929,890</b>	<b>\$ 242,988,904</b>	<b>\$ 237,519,557</b>	<b>\$ 192,780,638</b>	<b>\$ 178,812,735</b>	<b>\$ 195,784,242</b>	<b>\$ 181,941,899</b>
<b>Excess of Revenues over (under) Expenditures</b>	<b>\$ (780,792)</b>	<b>\$ 24,293,547</b>	<b>\$ 7,307,888</b>	<b>\$ (18,492,451)</b>	<b>\$ (45,099,733)</b>	<b>\$ (65,507,373)</b>	<b>\$ (17,236,370)</b>	<b>\$ (5,820,000)</b>	<b>\$ (21,040,603)</b>	<b>\$ (7,776,448)</b>
<b>Other Financing Sources (Uses)</b>										
Proceeds from borrowing	\$ 23,809,728	\$ 6,722,550	\$ 122,090,000	\$ 47,000,000	\$ 68,440,000	\$ 29,170,000	\$ 7,920,000	\$ 14,715,000	\$ 35,510,000	\$ 112,000
Proceeds from refunding	-	-	18,365,000	-	-	-	-	13,690,000	-	-
Payments to bond refunding escrow agent	-	-	(18,365,000)	-	-	-	-	(13,690,000)	-	-
Premium on bonds issued	75,552	20,559	1,502,204	273,310	808,192	495,890	16,960	645,188	1,039,481	-
Special Item: Close out Section 8 Housing	-	-	-	-	-	-	-	(464,390)	-	-
Transfers In	11,766,397	10,116,361	17,798,434	16,426,715	18,855,279	23,567,886	28,388,910	16,740,587	16,968,105	20,159,941
Transfers Out	(15,827,303)	(26,870,128)	(21,121,233)	(36,035,044)	(30,928,896)	(20,963,066)	(42,075,019)	(18,106,961)	(27,205,066)	(48,650,688)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 19,824,374</b>	<b>\$ (10,010,658)</b>	<b>\$ 120,269,405</b>	<b>\$ 27,664,981</b>	<b>\$ 57,174,575</b>	<b>\$ 32,270,710</b>	<b>\$ (5,749,149)</b>	<b>\$ 13,529,424</b>	<b>\$ 26,312,520</b>	<b>\$ (28,378,747)</b>
<b>Net Change in Fund Balance</b>	<b>\$ 19,043,582</b>	<b>\$ 14,282,889</b>	<b>\$ 127,577,293</b>	<b>\$ 9,172,530</b>	<b>\$ 12,074,842</b>	<b>\$ (33,236,663)</b>	<b>\$ (22,985,519)</b>	<b>\$ 7,709,424</b>	<b>\$ 5,271,917</b>	<b>\$ (36,155,195)</b>
<b>Debt Service as a percentage of noncapital expenditures</b>	<b>19.99%</b>	<b>19.89%</b>	<b>17.80%</b>	<b>25.80%</b>	<b>22.91%</b>	<b>32.65%</b>	<b>28.71%</b>	<b>25.36%</b>	<b>20.91%</b>	<b>21.00%</b>

Source: Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds  
City financial records and reports

**CITY OF PEORIA, ARIZONA**  
**GOVERNMENT-WIDE REVENUES BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

Table VI

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental Activities:</b>										
General Government	\$ 5,155,229	\$ 5,471,741	\$ 5,099,910	\$ 3,872,997	\$ 4,092,800	\$ 3,512,654	\$ 3,483,196	\$ 3,138,886	\$ 2,875,640	\$ 2,442,411
Culture & Recreation	11,784,749	14,003,877	12,243,385	12,673,351	9,516,656	8,872,476	8,255,882	8,783,964	9,493,032	10,237,916
Police	2,579,817	3,128,006	5,271,968	3,468,250	2,844,901	2,228,397	1,920,702	2,249,525	2,095,076	2,149,064
Fire	3,075,988	3,729,960	4,098,537	3,202,518	2,148,000	1,999,601	2,093,976	2,347,846	2,643,492	2,817,561
Development Services	6,545,647	6,459,264	5,437,544	4,148,578	2,195,564	2,077,759	2,188,283	2,243,301	2,893,783	3,690,878
Highways & Streets	34,210,694	98,404,102	57,310,910	42,357,347	58,042,435	61,824,066	41,466,907	35,542,046	27,266,930	17,384,825
Public Works	4,161,349	4,950,541	5,418,686	8,929,561	3,341,185	4,114,022	5,443,608	2,862,435	3,407,002	3,547,548
Human Services	2,001,832	2,004,933	2,094,087	2,852,277	1,890,466	1,935,160	1,512,892	1,299,639	1,995,957	1,348,700
Unallocated General Revenues	92,516,403	121,413,631	145,449,392	155,678,566	142,760,327	130,721,454	125,119,475	121,795,736	127,503,367	133,641,972
<b>Total Governmental Activities</b>	<b>\$ 162,031,708</b>	<b>\$ 259,566,055</b>	<b>\$ 242,424,419</b>	<b>\$ 237,183,445</b>	<b>\$ 226,832,334</b>	<b>\$ 217,285,589</b>	<b>\$ 191,484,921</b>	<b>\$ 180,263,378</b>	<b>\$ 180,174,279</b>	<b>\$ 177,260,875</b>
<b>Business-type Activities:</b>										
Water Utility	\$ 49,238,279	\$ 36,888,294	\$ 44,900,179	44,368,035	37,864,324	57,524,177	33,948,181	38,998,580	38,206,945	41,411,990
Wastewater Utility	34,300,518	16,668,034	21,116,119	24,784,247	19,647,683	41,038,763	17,276,923	19,869,458	21,676,627	21,966,561
Solid Waste Utility	9,454,742	10,732,529	11,017,165	11,674,865	11,276,713	11,884,971	12,025,330	11,944,178	11,003,792	11,309,198
Stadium	2,961,792	2,859,794	2,953,365	3,279,780	2,866,609	2,800,976	2,629,765	2,711,665	2,716,778	3,103,333
Storm Drain Utility	-	-	-	-	-	-	-	804,487	816,478	1,034,517
Housing	264,877	283,562	286,051	296,578	266,637	285,987	334,224	278,547	168,080	-
Unallocated General Revenues	2,846,925	5,222,148	5,851,620	3,314,515	1,970,474	1,824,436	306,672	284,427	176,176	359,158
<b>Total Business-type Activities</b>	<b>\$ 99,067,133</b>	<b>\$ 72,654,361</b>	<b>\$ 86,124,499</b>	<b>\$ 87,718,020</b>	<b>\$ 73,892,440</b>	<b>\$ 115,359,310</b>	<b>\$ 66,521,095</b>	<b>\$ 74,891,342</b>	<b>\$ 74,764,876</b>	<b>\$ 79,184,757</b>
<b>Total Primary Government</b>	<b>\$ 261,098,841</b>	<b>\$ 332,220,416</b>	<b>\$ 328,548,918</b>	<b>\$ 324,901,465</b>	<b>\$ 300,724,774</b>	<b>\$ 332,644,899</b>	<b>\$ 258,006,016</b>	<b>\$ 255,154,720</b>	<b>\$ 254,939,155</b>	<b>\$ 256,445,632</b>

Note: Unallocated General Revenues do not include transfers between governmental activities and business-type activities.

Source: Statement of Activities.  
City financial records and reports

**CITY OF PEORIA, ARIZONA**  
**TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

Table VII

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Transaction Taxes (1)	\$ 45,535,559	\$ 61,156,870	\$ 68,873,970	\$ 68,466,910	\$ 59,004,816	\$ 56,276,937	\$ 58,082,217	\$ 60,719,648	\$ 65,950,235	\$ 71,237,141
Franchise Taxes	2,498,995	3,004,895	3,983,701	3,848,746	4,019,182	3,955,416	4,037,897	4,084,163	4,136,004	4,194,371
Property Taxes										
Primary Taxes	2,285,792	2,612,397	2,896,360	2,975,900	2,691,525	3,188,468	2,866,098	2,521,692	2,214,665	1,993,395
Secondary Taxes	10,688,571	12,393,713	13,211,927	19,176,935	24,105,340	23,564,788	20,037,286	16,735,182	14,568,676	13,222,843
Special District* Taxes	868,197	796,821	1,571,936	3,633,664	3,729,995	3,554,681	2,978,348	2,895,288	2,826,052	2,838,553
In Lieu Taxes	293,417	273,644	242,246	256,107	345,155	243,351	242,926	247,158	253,093	245,677
Total Property Taxes	<u>\$ 14,135,977</u>	<u>\$ 16,076,575</u>	<u>\$ 17,922,469</u>	<u>\$ 26,042,606</u>	<u>\$ 30,872,015</u>	<u>\$ 30,551,288</u>	<u>\$ 26,124,658</u>	<u>\$ 22,399,320</u>	<u>\$ 19,862,485</u>	<u>\$ 18,300,468</u>
Total Taxes	<u>\$ 62,170,531</u>	<u>\$ 80,238,340</u>	<u>\$ 90,780,140</u>	<u>\$ 98,358,262</u>	<u>\$ 93,896,013</u>	<u>\$ 90,783,641</u>	<u>\$ 88,244,772</u>	<u>\$ 87,203,131</u>	<u>\$ 89,948,723</u>	<u>\$ 93,731,980</u>

(1) See Detail in Table X

Notes: Includes all governmental fund types.

\* Special Districts include Street Light Improvement Districts (SLIDs), Maintenance Improvement Districts (MIDs) and Community Facilities Districts (CFDs). SLIDs and MIDs levy primary property taxes. CFDs may levy both primary and secondary property taxes.

Source: City financial records

**CITY OF PEORIA, ARIZONA**  
**INTERGOVERNMENTAL REVENUES BY SOURCE, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

**Table VIII**

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
State Shared Sales Tax	\$ 10,038,874	\$ 11,681,284	\$ 13,130,116	\$ 12,695,890	\$ 10,991,095	\$ 10,137,682	\$ 11,649,489	\$ 12,087,651	\$ 12,665,191	\$ 13,431,637
County Shared Sales Tax	-	-	-	-	12,837,089	-	-	-	-	-
Urban Revenue Sharing	10,076,455	11,707,782	15,996,992	19,539,768	20,395,663	17,469,936	13,408,996	13,231,006	14,425,958	17,172,500
Auto in-Lieu	4,639,457	5,251,577	5,725,299	5,546,558	5,018,384	4,634,263	4,548,154	4,944,181	5,155,206	5,495,225
HURF Revenues	7,878,977	8,475,784	9,870,460	9,488,625	8,287,891	7,852,103	8,018,271	7,714,173	8,435,926	8,691,989
Local Transportation Aid	650,056	657,162	658,598	666,237	640,826	375,639	-	-	-	-
Federal	2,685,415	2,822,321	3,101,796	2,904,788	2,970,534	4,043,930	5,036,285	2,226,322	2,929,700	2,717,331
Other	778,059	1,303,622	15,800,183	1,770,683	1,576,741	1,108,368	1,256,148	14,359,038	6,219,163	2,624,240
<b>Total Intergovernmental Revenue</b>	<u>\$ 36,747,293</u>	<u>\$ 41,899,532</u>	<u>\$ 64,283,444</u>	<u>\$ 52,612,549</u>	<u>\$ 62,718,223</u>	<u>\$ 45,621,921</u>	<u>\$ 43,917,343</u>	<u>\$ 54,562,371</u>	<u>\$ 49,831,144</u>	<u>\$ 50,132,922</u>

Notes: Includes all governmental fund types  
Includes all governmental revenues, including revenues from federal government

Source: City financial records

**CITY OF PEORIA, ARIZONA  
DEVELOPMENT/EXPANSION FEES BY TYPE  
LAST TEN FISCAL YEARS**

Table IX

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental Activities:										
Streets	\$ 7,029,058	\$ 8,460,281	\$ 11,093,775	\$ 8,950,451	\$ 3,425,308	\$3,941,479	\$ 2,754,212	\$ 4,521,099	\$ 5,824,877	\$ 859,868
Parks/Recreation	5,045,791	5,113,046	4,020,306	3,647,109	883,944	1,162,332	1,040,832	1,425,820	1,844,398	2,324,198
Library	1,028,504	969,582	691,434	501,209	99,061	109,019	108,307	141,526	176,537	190,830
Public Safety	2,730,568	3,275,831	5,649,715	3,515,573	654,919	789,170	480,085	869,324	1,070,881	1,101,638
General Government	2,020,208	2,105,106	2,167,340	1,413,319	326,373	391,226	239,759	184,101	(567)	567
Total Governmental Activities	<u>\$ 17,854,129</u>	<u>\$ 19,923,846</u>	<u>\$ 23,622,570</u>	<u>\$18,027,661</u>	<u>\$ 5,389,605</u>	<u>\$6,393,226</u>	<u>\$ 4,623,195</u>	<u>\$ 7,141,870</u>	<u>\$ 8,916,126</u>	<u>\$ 4,477,101</u>
Business-type Activities:										
Water Expansion	7,671,535	6,972,529	4,973,097	3,297,819	1,073,071	898,045	1,111,092	1,531,494	1,661,806	2,483,440
Water Resource	1,801,486	1,550,288	1,133,833	659,750	321,008	258,463	225,007	372,805	447,053	558,701
Wastewater Expansion	4,391,622	4,364,858	2,719,879	1,863,749	447,047	460,210	563,836	916,117	1,096,764	1,269,012
Solid Waste Expansion	1,123,950	1,009,520	621,892	458,804	110,359	120,700	121,188	70,434	-	-
Total Business-type Activities	<u>\$ 14,988,593</u>	<u>\$ 13,897,195</u>	<u>\$ 9,448,701</u>	<u>\$ 6,280,122</u>	<u>\$ 1,951,485</u>	<u>\$1,737,418</u>	<u>\$ 2,021,123</u>	<u>\$ 2,890,850</u>	<u>\$ 3,205,623</u>	<u>\$ 4,311,153</u>
Total Primary Government	<u>\$ 32,842,722</u>	<u>\$ 33,821,041</u>	<u>\$ 33,071,271</u>	<u>\$24,307,783</u>	<u>\$ 7,341,090</u>	<u>\$8,130,644</u>	<u>\$ 6,644,318</u>	<u>\$ 10,032,720</u>	<u>\$ 12,121,749</u>	<u>\$ 8,788,254</u>

Source: City financial records

**CITY OF PEORIA, ARIZONA**  
**CITY TRANSACTION PRIVILEGE TAXES BY CATEGORY**  
**LAST TEN FISCAL YEARS**

Table X

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Retail Sales	\$ 21,861,810	\$ 26,832,950	\$ 30,963,887	\$ 30,721,220	\$ 26,694,348	\$ 26,857,263	\$ 29,247,900	\$ 31,483,859	\$ 34,115,601	\$ 36,878,825
Contracting	7,871,565	14,022,558	13,910,951	11,271,722	7,014,131	4,550,512	3,611,614	3,305,409	4,716,985	6,301,005
Rentals	4,297,474	5,469,550	6,554,938	7,190,660	7,107,109	6,927,724	6,980,633	7,414,803	7,918,121	7,214,392
Utilities	2,576,655	4,949,457	6,005,833	6,584,854	6,836,000	6,906,904	6,917,391	7,232,286	7,343,965	7,388,831
Telecom/Cable TV	920,471	1,079,620	1,245,892	1,492,871	1,437,589	1,405,352	1,294,565	1,304,092	1,258,991	1,262,651
Restaurant/Bar	5,052,224	5,986,135	6,782,852	7,032,488	7,026,265	7,114,625	7,469,189	7,776,190	8,168,064	8,505,082
Amusement	549,702	655,728	814,307	838,550	727,023	814,694	856,274	896,320	992,752	960,332
Use	570,265	485,720	783,997	985,505	599,537	374,659	426,017	566,453	474,842	624,795
Other	1,835,393	1,675,151	1,811,313	2,349,040	1,562,814	1,325,204	1,278,634	740,236	960,914	2,101,228
<b>Total</b>	<b>\$ 45,535,559</b>	<b>\$ 61,156,869</b>	<b>\$ 68,873,970</b>	<b>\$ 68,466,910</b>	<b>\$ 59,004,816</b>	<b>\$ 56,276,937</b>	<b>\$ 58,082,217</b>	<b>\$ 60,719,648</b>	<b>\$ 65,950,235</b>	<b>\$ 71,237,141</b>
<b>% Growth by Year</b>										
Retail Sales	9.6%	22.7%	15.4%	-0.8%	-13.1%	0.6%	8.9%	7.6%	8.4%	8.1%
Contracting	28.0%	78.1%	-0.8%	-19.0%	-37.8%	-35.1%	-20.6%	-8.5%	42.7%	33.6%
Rentals	14.4%	27.3%	19.8%	9.7%	-1.2%	-2.5%	0.8%	6.2%	6.8%	-8.9%
Utilities	5.4%	92.1%	21.3%	9.6%	3.8%	1.0%	0.2%	4.6%	1.5%	0.6%
Telecom/Cable TV	12.9%	17.3%	15.4%	19.8%	-3.7%	-2.2%	-7.9%	0.7%	-3.5%	0.3%
Restaurant/Bar	14.0%	18.5%	13.3%	3.7%	-0.1%	1.3%	5.0%	4.1%	5.0%	4.1%
Amusement	23.9%	19.3%	24.2%	3.0%	-13.3%	12.1%	5.1%	4.7%	10.8%	-3.3%
Use	-4.8%	-14.8%	61.4%	25.7%	-39.2%	-37.5%	13.7%	33.0%	-16.2%	31.6%
Other	-7.9%	-8.7%	8.1%	29.7%	-33.5%	-15.2%	-3.5%	-42.1%	29.8%	118.7%
<b>Total</b>	<b>12.2%</b>	<b>34.3%</b>	<b>12.6%</b>	<b>-0.6%</b>	<b>-13.8%</b>	<b>-4.6%</b>	<b>3.2%</b>	<b>4.5%</b>	<b>8.6%</b>	<b>8.0%</b>

Note: Includes all governmental fund types

Source: City financial records and reports

**CITY OF PEORIA, ARIZONA  
DIRECT AND OVERLAPPING SALES TAX RATES  
LAST TEN FISCAL YEARS**

**Table XI**

	<u>Year Taxes Are Payable</u>									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>City Direct Rates (1):</b>										
Retail Sales (excluding groceries)	1.50%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
Groceries	1.50%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
Contracting	1.50%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
Rentals	1.50%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
Hotel/Transient Lodging	5.00%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%
Utilities	3.00%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%
Telecommunications	1.50%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
Restaurant/Bar	2.50%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%
Amusement	2.50%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%
All Others	1.50%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
<b>County Rates:</b>										
Retail Sales (excluding groceries)	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
Groceries	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
Rental Occupancy	3.00%	3.00%	-	-	-	-	-	-	-	-
Hotel/Transient Lodging	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%
Mining - Nonmetal	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%
All Others	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
<b>State Rates (2):</b>										
Retail Sales (excluding groceries)	5.60%	5.60%	5.60%	5.60%	5.60%	6.60%	6.60%	6.60%	5.60%	5.60%
Groceries	-	-	-	-	-	-	-	-	-	-
Hotel/Transient Lodging	5.50%	5.50%	5.50%	5.50%	5.50%	6.50%	6.50%	6.50%	5.50%	5.50%
Mining - Nonmetal	3.13%	3.13%	3.13%	3.13%	3.13%	3.13%	3.13%	3.13%	3.13%	3.13%
Mining - Severance	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
All Others	5.60%	5.60%	5.60%	5.60%	5.60%	6.60%	6.60%	6.60%	5.60%	5.60%

**Notes:**

(1) Pursuant to City Charter, increases in the City transaction privilege (sales) tax rates are subject to voter approval. The City collects its own sales taxes. The City has earmarked 0.8% of its sales tax for payment of Excise Tax and State Shared Revenue Obligations.

(2) The State transaction privilege (sales) tax is levied against the same categories of business activity as the City's sale tax with the exception of groceries and prescription drugs, which the State exempts from tax. The State collects and distributes a portion of its sales tax revenues to all cities and towns based on the city or town's population relative to the aggregate population of all cities and towns as shown by the latest census.

Source: ADOR Transaction Privilege And Other Tax Rate Tables

**CITY OF PEORIA, ARIZONA  
SALES TAX PAYERS - BY CATEGORY  
CURRENT YEAR AND NINE YEARS AGO**

**Table XII**

Category	2014				2005			
	<u># of Payers</u>	<u>Percentage of Total Payers</u>	<u>Sales Tax Paid</u>	<u>Percentage of Total City Sales Tax Revenue</u>	<u># of Payers</u>	<u>Percentage of Total Payers</u>	<u>Sales Tax Paid</u>	<u>Percentage of Total City Sales Tax Revenue</u>
Retail Sales	3,292	20.83%	\$ 36,878,825	51.8%	2,365	23.4%	\$ 21,861,810	48.0%
Contracting	3,910	24.74%	6,301,005	8.8%	3,216	31.8%	7,871,565	17.3%
Restaurant/Bar	355	2.25%	8,505,082	11.9%	235	2.3%	5,052,224	11.1%
Rental	6,550	41.45%	7,214,392	10.1%	2,867	28.3%	4,297,474	9.4%
Utilities	15	0.09%	7,388,831	10.4%	9	0.1%	2,576,655	5.7%
Telecom/Cable TV	182	1.15%	1,262,651	1.8%	126	1.2%	920,471	2.0%
Use	1,353	8.56%	624,795	0.9%	857	8.5%	570,265	1.3%
Amusement	62	0.39%	960,332	1.3%	45	0.4%	549,702	1.2%
Others	84	0.53%	2,101,228	2.9%	402	4.0%	1,835,393	4.0%
<b>Total</b>	<b>15,803</b>	<b>100.00%</b>	<b>\$ 71,237,141</b>	<b>100.00%</b>	<b>10,122</b>	<b>100.00%</b>	<b>\$ 45,535,559</b>	<b>100.00%</b>

Source: City Sales Tax system  
City financial records

**CITY OF PEORIA, ARIZONA**  
**SECONDARY ASSESSED VALUE AND FULL CASH VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

Table XIII

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Residential (Owner occupied)	\$ 497,294,057	\$ 582,512,691	\$ 626,591,494	\$ 1,041,693,334	\$ 1,219,595,280	\$ 1,048,710,389	\$ 818,535,888	\$ 687,456,278	\$ 620,970,965	\$ 546,593,560
Residential (Renter occupied)	51,436,849	64,003,067	75,761,506	116,115,688	146,413,989	155,720,660	147,284,152	122,978,913	119,387,647	161,107,937
Commercial, Industrial, Mining & Utilities	218,209,727	242,554,778	293,807,014	334,323,557	419,192,584	495,336,050	495,318,990	378,992,788	341,042,160	304,844,019
Agriculture & Vacant	58,949,534	73,674,495	117,630,028	148,077,787	207,476,727	193,685,182	147,216,152	85,330,391	54,523,204	43,659,181
Railroad	1,712,708	1,724,400	1,830,109	1,918,660	1,837,324	1,647,040	1,563,689	1,429,130	1,399,678	1,118,206
Historic & Environmental	30,780	-	-	58,450	76,020	64,530	53,641	140,493	103,122	83,177
Public Property Improvements	-	-	-	-	-	-	-	7,869	7,964	7,124
Net Assessed Value	<u>\$ 827,633,655</u>	<u>\$ 964,469,431</u>	<u>\$ 1,115,620,151</u>	<u>\$ 1,642,187,476</u>	<u>\$ 1,994,591,924</u>	<u>\$ 1,895,163,851</u>	<u>\$ 1,609,972,512</u>	<u>\$ 1,276,335,862</u>	<u>\$ 1,137,434,740</u>	<u>\$ 1,057,413,204</u>
% Growth	10.3%	16.5%	15.7%	47.2%	21.5%	-5.0%	-15.0%	-20.7%	-10.9%	-7.0%
Net Assessed Value Per Capita	\$ 6,039	\$ 6,646	\$ 7,264	\$ 10,557	\$ 12,524	\$ 12,301	\$ 10,377	\$ 8,141	\$ 7,087	\$ 6,444
Population	137,045	145,125	153,592	155,560	159,263	154,065	155,148	156,780	160,504	164,104
Total Direct Secondary Tax Rate	1.30	1.30	1.20	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Full Cash Value	7,525,637,782	8,736,985,007	9,999,273,539	15,118,988,316	18,279,838,277	17,162,776,025	14,588,623,722	11,862,384,776	10,635,350,631	10,057,364,678
% Growth	11.6%	16.1%	14.4%	51.2%	20.9%	-6.1%	-15.0%	-18.7%	-10.3%	-5.4%
Full Cash Value Per Capita	\$ 54,914	\$ 60,203	\$ 65,103	\$ 97,191	\$ 114,778	\$ 111,400	\$ 94,030	\$ 75,663	\$ 66,262	\$ 61,287
Net Assessed Value as a Percentage of Full Cash Value	11.0%	11.0%	11.2%	10.9%	10.9%	11.0%	11.0%	10.8%	10.7%	10.5%

Note: All property, both real and personal, is assigned a classification to determine its assessed valuation for tax purposes. Each classification is defined by property use and has an assessment ratio that is multiplied by the taxable value of the property to obtain the assessed valuation. The assessment ratios for the major classes of property are as follows:

**Property Tax Assessment Ratios (a)**

Fiscal Year	<u>Commercial,</u>	Residential	<u>Industrial,</u>	Agriculture and Vacant Land (c)	Railroad
	<u>Mining &amp; Utilities (b)</u>		<u>Utilities (b)</u>		
2005	25.0%	10%	16%	16%	21%
2006	25.0%	10%	16%	16%	21%
2007	24.5%	10%	16%	16%	22%
2008	24.0%	10%	16%	16%	21%
2009	23.0%	10%	16%	16%	20%
2010	22.0%	10%	16%	16%	18%
2011	21.0%	10%	16%	16%	17%
2012	20.0%	10%	16%	16%	15%
2013	20.0%	10%	16%	16%	15%
2014	19.5%	10%	16%	16%	15%

(a) Several additional classes of property exist, but seldom amount to a significant portion of an entity's total valuation.

(b) The assessment ratio for commercial, industrial, mining & utility properties will be reduced to 19% in fiscal year 2015, 18.5% in fiscal year 2016 and 18% for fiscal year 2017 and thereafter.

(c) The assessment ratio for agriculture and vacant properties will be reduced to 15% in fiscal year 2017 and thereafter.

Source: Arizona Department of Revenue - Property Tax Division abstract of the assessment roll  
City financial records

**CITY OF PEORIA, ARIZONA  
COMPARATIVE SECONDARY ASSESSED VALUE  
LAST TEN FISCAL YEARS**

**Table XIV**

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
City of Peoria	\$ 827,633,655	\$ 964,469,431	\$ 1,115,620,151	\$ 1,642,187,476	\$ 1,994,591,924	\$ 1,895,163,851	\$ 1,609,972,512	\$ 1,276,335,862	\$ 1,137,434,740	\$ 1,057,413,204
Peoria Unified School District No. 11	1,135,684,510	1,297,757,445	1,467,901,555	2,064,548,189	2,484,660,275	2,393,720,410	2,030,314,508	1,581,371,147	1,460,442,551	1,350,310,615
Maricopa County	30,066,986,670	33,168,406,054	36,294,693,601	49,534,573,831	58,303,635,287	57,984,051,727	49,662,543,618	38,760,296,498	34,400,455,712	32,229,006,810
State of Arizona	44,480,893,202	48,931,946,145	54,394,764,521	71,852,630,420	86,183,351,753	86,525,272,506	75,664,423,588	61,764,402,437	56,283,023,907	52,598,341,678

Source: Arizona Department of Revenue - Property Tax Division abstract of the assessment roll  
City financial records

**CITY OF PEORIA, ARIZONA**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**  
**(rate per \$100 assessed value)**

Table XV

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Total Direct City										
Primary	\$ 0.29	\$ 0.29	\$ 0.28	\$ 0.24	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19
Secondary	1.30	1.30	1.20	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Total	<u>1.59</u>	<u>1.59</u>	<u>1.48</u>	<u>1.49</u>	<u>1.44</u>	<u>1.44</u>	<u>1.44</u>	<u>1.44</u>	<u>1.44</u>	<u>1.44</u>
Peoria Unified School District No. 11 (1)										
Primary	4.46	4.13	4.29	3.82	3.77	2.99	3.24	3.71	4.01	4.18
Secondary	3.90	3.80	3.31	2.72	1.90	2.46	2.09	1.68	3.02	3.35
Maricopa County (2)										
Primary	2.59	2.59	2.06	1.92	1.78	2.05	2.20	2.68	2.87	3.08
Secondary	0.51	0.51	0.68	0.59	0.59	0.59	0.64	0.54	0.78	0.79
State of Arizona										
Primary	-	-	-	-	-	-	-	-	-	-
Secondary	-	-	-	-	-	-	-	-	-	-
Total										
Primary	7.34	4.42	6.63	5.98	5.74	5.23	5.63	6.58	7.07	7.45
Secondary	5.71	6.56	5.19	4.56	3.74	4.30	3.98	3.47	5.05	5.39
Total	<u>13.05</u>	<u>10.98</u>	<u>11.82</u>	<u>10.54</u>	<u>9.48</u>	<u>9.53</u>	<u>9.61</u>	<u>10.05</u>	<u>12.12</u>	<u>12.84</u>

(1) Peoria Unified School District serves the majority of the City of Peoria. Other areas of the City are served by the Deer Valley Unified School District whose most recent rates are as follows:

	Primary	Secondary
Deer Valley Unified School District	\$ 3.91	\$ 2.85

(2) The Maricopa County rates includes the rates for the County, State Education Equalization Assistance and other county districts and special districts as follows:

	Primary	Secondary
Maricopa County	\$ 1.28	\$ -
State Education Equalization Assistance	0.51	-
Maricopa County Community College District	1.29	0.24
Maricopa County Flood Control District	-	0.14
Maricopa County Fire District Assistance	-	0.01
Maricopa County Library District	-	0.04
Maricopa County Special Health Care District	-	0.19
West Maricopa Education Center	-	0.06
Central Arizona Water Conservation District	-	0.10
Fiscal Year 2014 Tax Rate	<u>\$ 3.08</u>	<u>\$ 0.79</u>

Note: All rates rounded to two decimal places from the four shown by the County

Source: Maricopa County Assessor - Tax Rates and Levies publication

**CITY OF PEORIA, ARIZONA  
DIRECT AND OVERLAPPING PROPERTY TAX LEVIES  
LAST TEN FISCAL YEARS**

Table XVI

	Tax Levies									
	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Total Direct City										
Primary	\$ 2,295,435	\$ 2,640,883	\$ 3,012,725	\$ 3,002,150	\$ 2,849,397	\$ 3,202,665	\$ 2,901,540	\$ 2,411,739	\$ 2,154,484	\$ 1,998,305
Secondary	10,759,238	12,538,103	13,387,442	20,527,343	24,932,399	23,689,548	20,124,656	15,954,198	14,217,934	13,217,665
Total	<u>13,054,673</u>	<u>15,178,986</u>	<u>16,400,167</u>	<u>23,529,493</u>	<u>27,781,796</u>	<u>26,892,213</u>	<u>23,026,196</u>	<u>18,365,937</u>	<u>16,372,418</u>	<u>15,215,970</u>
Peoria Unified School District No. 11 (1)										
Primary	48,345,544	50,475,795	58,945,121	61,400,326	71,071,459	63,259,063	63,956,114	60,801,278	58,370,644	56,069,720
Secondary	44,291,944	49,294,120	48,531,032	56,465,081	47,095,296	58,903,282	43,487,879	27,635,770	44,104,877	45,266,377
Maricopa County (2)										
Primary	726,446,055	398,725,245	696,740,167	751,042,721	811,397,481	1,016,398,826	1,030,448,332	1,031,164,830	982,926,843	986,315,014
Secondary	145,100,016	167,896,576	240,972,424	272,271,935	312,172,569	312,960,824	295,233,122	264,170,408	249,995,761	251,345,124
State of Arizona										
Primary	-	-	-	-	-	-	-	-	-	-
Secondary	-	-	-	-	-	-	-	-	-	-
Total										
Primary	777,087,034	451,841,923	758,698,013	815,445,197	885,318,337	1,082,860,554	1,097,305,986	1,094,377,847	1,043,451,971	1,044,383,039
Secondary	200,151,198	229,728,799	302,890,898	349,264,359	384,200,264	395,553,654	358,845,657	307,760,376	308,318,572	309,829,166
Total	<u>977,238,232</u>	<u>681,570,722</u>	<u>1,061,588,911</u>	<u>1,164,709,556</u>	<u>1,269,518,601</u>	<u>1,478,414,208</u>	<u>1,456,151,643</u>	<u>1,402,138,223</u>	<u>1,351,770,543</u>	<u>1,354,212,205</u>

(1) The Peoria Unified School District serves the majority of the City of Peoria. Other areas of the City are served by Deer Valley Unified School District, whose most recent tax levies are as follows:

	Primary	Secondary
Deer Valley Unified School District	\$ 81,894,797	\$ 59,824,187

(2) The tax levies for Maricopa County include those for the County, State Education Equalization, and other county and special districts whose most recent tax levies are as follows:

	Primary	Secondary
Maricopa County	\$ 409,775,397	\$ -
State Education Equalization Assistance	163,916,558	-
Maricopa County Community College District	412,623,059	78,752,950
Maricopa County Flood Control District	-	39,842,985
Maricopa County Fire District Assistance	-	3,913,249
Maricopa County Library District	-	14,116,305
Maricopa County Special Health Care District	-	62,499,144
West Maricopa Education Center	-	7,084,268
Central Arizona Water Conservation District	-	45,136,223
Fiscal Year 2014 Tax Levy	<u>\$ 986,315,014</u>	<u>\$ 251,345,124</u>

Note: All rates rounded to two decimal places from the four shown by the County

Source: Maricopa County Assessor - Tax Rates and Levies publication

**CITY OF PEORIA, ARIZONA  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO**

Table XVII

Taxpayer	Type of Business	2014			2005		
		Taxable Secondary Assessed Value	Rank	Percentage of Total City Taxable Secondary Assessed Value	Taxable Secondary Assessed Value	Rank	Percentage of Total City Taxable Secondary Assessed Value
Arizona Public Service	Gas & Electric Utility	\$ 23,928,175	1	2.26%	\$ 13,934,529	2	1.68%
Sprint Nextel Wireless LP	Telecommunications	7,828,821	2	0.74%			0.00%
Vestar Arizona XLVIII LLC	Property Development	4,986,864	3	0.47%			0.00%
Parke West LLC	Shopping Center	4,984,045	4	0.47%			0.00%
DDRA Arrowhead Crossing LLC	Shopping Center	4,493,481	5	0.42%			0.00%
Miller Family Real Estate LLC	Shopping Center	4,397,673	6	0.42%			0.00%
Southwest Gas Corporation	Gas Utility	3,992,858	7	0.38%	4,086,766	8	0.49%
Vestar LPTC LLC	Property Development	3,832,994	8	0.36%			0.00%
Excel Lake Pleasant LLC	Shopping Center	3,737,680	9	0.35%			0.00%
Target Corporation	Shopping Center	3,688,771	10	0.35%	3,764,438	9	0.45%
Plaza III Limited Partnership	Nursing Home/Apartments	3,326,800	11	0.31%	2,898,316	16	0.35%
BCC Development Inc	Property Development	3,283,364	12	0.31%			0.00%
Peoria Center Apartments South LLC	Multi-family Housing	3,248,950	13	0.31%			0.00%
Inland Western Glendale LLC	Shopping Center	3,246,667	14	0.31%			0.00%
Qwest Corporation	Telecommunications	3,129,224	15	0.30%	11,024,328	3	1.33%
PDG America Properties LLC	Shopping Center	2,773,064	16	0.26%	3,530,239	12	0.43%
ERGS III Arrowhead Owner LLC	Shopping Center	2,670,610	17	0.25%			0.00%
Wal Mart Stores Inc	Shopping Center	2,668,893	18	0.25%			0.00%
North Valley Plaza LLC	Shopping Center	-			3,087,842	14	0.37%
Harkins Phoenix Cinemas LLC	Movie Theater	-			2,952,946	15	0.36%
Safeway	Grocery Store	-			3,213,113	13	0.39%
Sprint Spectrum LP	Telecommunications	-			6,161,851	4	0.74%
Developers Diversified Realty Corp.	Shopping Center	-			6,114,746	5	0.74%
Larry Miller Real Estate - Dealerships	Auto/Light Truck Dealership	-			4,830,525	7	0.58%
Cox Communications	Cable & Telecommunications	-			5,957,645	6	0.72%
Albertsons	Grocery Store	-			3,764,329	10	0.45%
Kimco Barclay Peoria Crossings	Shopping Center	-			3,615,061	11	0.44%
Peoria Ni Industrial One LLC	Manufacturing	-			2,871,768	17	0.35%
Camden Operating Tr Arizona Inc	Multi-family Housing	-			2,550,384	18	0.31%
Salt River Project	Gas & Electric Utility	-			18,453,923	1	2.23%
<b>Total</b>		<b>\$ 90,218,934</b>		<b>7.93%</b>	<b>\$ 45,279,404</b>		<b>6.83%</b>

Note - As a quasi-governmental entity, Salt River Project pays in-Lieu taxes, rather than property taxes. For Fiscal year 2014, the assessed value of Salt River Project property within the City of Peoria is \$16,542,717.

Source - Maricopa County Treasurer's Office

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

Table XVIII

<b>Fiscal Year Ended June 30,</b>	<b>Taxes Levied for the Fiscal Year <sup>(1)</sup></b>	<b>Collected with the Fiscal Year of the Levy <sup>(2)</sup></b>		<b>Collections in Subsequent Years <sup>(2)</sup></b>	<b>Total Collections To Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2005	\$ 13,054,673	\$ 12,731,497	97.52%	\$ 259,426	\$ 12,990,923	99.51%
2006	15,178,986	14,715,154	96.94%	346,422	15,061,576	99.23%
2007	16,400,167	15,784,673	96.25%	405,985	16,190,659	98.72%
2008	23,529,493	22,741,557	96.65%	718,100	23,459,657	99.70%
2009	27,781,796	26,280,210	94.60%	944,567	27,224,776	98.00%
2010	26,892,213	25,561,505	95.05%	783,339	26,344,844	97.96%
2011	23,026,196	21,884,397	95.04%	565,191	22,449,588	97.50%
2012	18,365,937	17,628,300	95.98%	431,758	18,060,057	98.33%
2013	16,372,418	15,962,490	97.50%	279,198	16,241,689	99.20%
2014	15,215,970	14,882,168	97.81%	-	14,882,168	97.81%

Notes: <sup>(1)</sup> Levy figures obtained from Maricopa County Tax Levy Books-February Publication.  
<sup>(2)</sup> Collection amount obtained from Maricopa County Treasurer's Secured Levy Report

Source: Maricopa County Treasurer's Office  
Maricopa County Assessor's Office  
City financial records and reports

**CITY OF PEORIA, ARIZONA  
UTILITY STATISTICAL DATA  
LAST TEN FISCAL YEARS**

Table XIX

**Average Utility Bill Amounts  
Last Ten Fiscal Years**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Water										
Average bill	\$ 35.53	\$ 34.59	\$ 34.85	\$ 35.59	\$ 36.73	\$ 35.46	\$ 34.36	\$ 38.00	\$ 37.41	\$ 37.31
% Increase	-9.04%	-2.65%	0.75%	2.12%	3.20%	-3.46%	-3.10%	10.59%	-1.55%	-0.27%
Wastewater										
Average bill	19.47	18.74	21.52	21.24	21.36	21.45	20.45	21.49	24.16	23.36
% Increase	5.07%	-3.75%	14.83%	-1.30%	0.56%	0.42%	-4.66%	5.09%	12.42%	-3.31%
Residential Solid Waste										
Average bill	13.32	14.58	14.91	14.85	15.18	15.36	15.35	15.40	13.38	13.38
% Increase	6.65%	9.46%	2.26%	-0.40%	2.22%	1.19%	-0.07%	0.33%	-13.12%	0.00%

**Utility Service Connections  
Last Ten Fiscal Years**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Water										
#	42,673	44,221	45,630	46,146	46,902	47,606	47,793	48,509	49,416	50,399
% Increase	9.93%	3.63%	3.19%	1.13%	1.64%	1.50%	0.39%	1.50%	1.87%	1.99%
Wastewater										
#	43,824	45,933	47,831	48,759	49,923	50,383	50,715	51,527	52,674	53,548
% Increase	6.93%	4.81%	4.13%	1.94%	2.39%	0.92%	0.66%	1.60%	2.23%	1.66%
Residential Solid Waste										
#	42,467	44,198	46,309	47,146	48,006	48,382	48,752	49,506	50,727	51,609
% Increase	6.84%	4.08%	4.78%	1.81%	1.82%	0.78%	0.76%	1.55%	2.47%	1.74%

**Charges for Water Services  
Base Minimum Monthly Bill  
As of June 30, 2014**

**Charges for Wastewater Services  
As of June 30, 2014**

<u>Meter Size</u>	<u>All Customers</u>	<u>Monthly Base Fee (a)</u>	<u>Monthly Volume Charge (b)</u>
5/8"-3/4"	\$ 15.54	5/8"-3/4" \$ 7.42	<u>All Customers</u> 2.18
1"	18.39	1" 7.42	
1 1/2"	29.09	1 1/2" 12.23	
2"	40.85	2" 17.49	
3"	72.26	3" 31.55	
4"	107.55	4" 47.34	
6"	205.53	6" 91.18	
8"	323.16	8" 143.82	

(a) Base service charge is based on each bill rendered.

(b) For residential & multi-plex users, volume is measured as the rate per 1,000 gallons of a three-month winter average (December - February).

For commercial customers, the volume charge is based on actual monthly usage.

Source: City customer service and billing records

(continued)

CITY OF PEORIA, ARIZONA  
UTILITY STATISTICAL DATA

Volume Charges for Water Services Usage Per Month As of June 30, 2014					Charges for Residential Solid Waste As of June 30, 2014
Volume Consumption (gallons)	Residential (per 1,000 gallons)	Multiplex (per 1,000 gallons)	Commercial (per 1,000 gallons)		
0 - 4,000	\$ 1.00	\$ -	\$ -		Monthly fee
4,001 - 10,000	2.59	-	-		Single container & recycling \$ 13.10
10,001 - 20,000	3.66	-	-		Additional container 10.50
10,001 - 25,000	4.00	-	-		
0 - 10,000	-	1.00	1.00		
10,001 - 50,000	-	2.59	2.59		
50,001+	-	3.66	3.66		

Water Meter Permit Charges As of June 30, 2014		Charges for Storm Water As of June 30, 2014	
Meter Size	Charge	Monthly	All Customers
3/4"	\$ 317		
1 1/2"	493		
2"	629 - 1,033		
3"	1,751 - 2,662		
4"	2,231 - 3,172		
6"	3,781 - 5,086		
Hydrant meter	1,280		
Commercial accounts	By meter size	Base charge	\$ 1.00

- (a) Base service charge is based on each bill rendered.
- (b) For residential & multi-plex users, volume is measured as the rate per 1,000 gallons of a three-month winter average (December - February).  
For commercial customers, the volume charge is based on actual monthly usage.

Source: City customer service and billing records

**CITY OF PEORIA, ARIZONA  
UTILITY STATISTICAL DATA  
TEN LARGEST WATER USERS  
CURRENT YEAR AND TEN YEARS AGO**

Table XIX

Entity	Type of User	2014			2005		
		Avg Monthly Water Usage	Ranking	% of Average Monthly Water Usage	Avg Monthly Water Usage	Ranking	% of Average Monthly Water Usage
City of Peoria Padre's Pump Station	Sports Complex	6,758	1	0.94%	5,050	3	0.88%
Desert Harbor Lake	Homeowner's Association	6,642	2	0.92%	5,394	2	0.94%
Ventana Lakes N. of Beardsley Lake	Homeowner's Association	3,541	3	0.49%			0.00%
Trilogy at Vistancia	Commercial Landscape	3,436	4	0.48%			
Liberty High School	Public School	2,326	5	0.32%			
Westwing Mountain HOA	Homeowner's Association	1,961	6	0.27%			
Sun Garden Park II HOA	Homeowner's Association	1,922	7	0.27%	2,739	4	0.48%
Pleasant Valley HOA	Homeowner's Association	1,704	8	0.24%			0.00%
Christ's Church of the Valley	Church	1,629	9	0.23%			0.00%
Centennial High School	Public School	1,488	10	0.21%			0.00%
Desert Vista Pool/Clubhouse	Homeowner's Association				5,991	1	1.04%
Freedom Plaza LTD Partnership	Healthcare Facility				1,579	5	0.28%
Polynesian Village	Homeowner's Association				1,578	6	0.27%
Sun Garden Mobile Home Park	Homeowner's Association				1,450	7	0.25%
Equity Lifestyle Properties - Casa del Sol East	Homeowner's Association				1,390	8	0.24%
Equity Lifestyle Properties - Casa del Sol West	Homeowner's Association				1,387	9	0.24%
Parkridge Park	City Park				1,191	10	0.21%

Source: City customer service and billing records

**CITY OF PEORIA, ARIZONA  
OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Table XX

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental Activities										
General Obligation Bonds	\$ 55,380,000	\$ 51,205,000	\$ 142,835,000	\$ 126,195,000	\$ 183,060,000	\$ 184,960,000	\$ 167,580,000	\$ 170,960,000	\$ 162,375,000	\$ 152,820,000
Municipal Development Authority Bonds	20,199,999	24,628,578	21,653,530	65,795,653	60,985,393	55,943,338	58,365,965	52,480,000	85,230,000	81,035,000
Highway User Revenue Bonds	4,075,000	3,830,000	3,570,000	3,295,000	3,005,000	-	-	-	-	-
Special Assessment Bonds	11,431,553	9,822,570	13,292,064	12,027,427	10,402,812	8,042,321	6,155,000	4,660,000	3,520,000	3,195,000
Community Facilities District Bonds	44,800,000	44,075,000	66,085,000	64,610,000	63,060,000	60,890,000	58,615,000	56,230,000	53,725,000	51,095,000
Business-type Activities										
Water and Sewer Revenue Bonds	25,395,000	23,275,000	21,050,000	19,555,000	18,000,000	15,780,000	15,780,000	38,480,000	37,295,000	32,720,000
WIFA Bonds	50,042,301	47,387,253	88,021,820	127,917,495	117,346,302	130,298,508	121,975,538	89,803,906	82,212,652	77,780,535
Municipal Development Authority Bonds	2,505,001	2,226,422	1,906,470	1,579,347	1,229,607	861,662	449,034	-	-	-
Long-Term Loan Payable	-	-	-	1,235,000	1,064,632	6,883,276	-	-	-	-
Total Primary Government	<u>\$ 213,828,854</u>	<u>\$ 206,449,823</u>	<u>\$ 358,413,884</u>	<u>\$ 422,209,922</u>	<u>\$ 458,153,746</u>	<u>\$ 463,659,105</u>	<u>\$ 428,920,537</u>	<u>\$ 412,613,906</u>	<u>\$ 424,357,652</u>	<u>\$ 398,645,535</u>
Total Debt Per Capita	\$ 1,560.28	\$ 1,422.57	\$ 2,333.55	\$ 2,714.13	\$ 2,876.71	\$ 3,009.50	\$ 2,764.59	\$ 2,631.80	\$ 2,643.91	\$ 2,429.22
Total Debt as a % of Personal Income	4.8%	4.1%	6.2%	7.1%	7.6%	8.5%	7.8%	7.4%	7.1%	6.4%

Source: City financial records. See Exhibits 1 & 2 and footnote 14.

**CITY OF PEORIA, ARIZONA**  
**RATIO OF NET GENERAL BONDED DEBT**  
**TO FULL CASH VALUE AND NET BONDED DEBT PER CAPITA**  
**LAST TEN FISCAL YEARS**

Table XXI

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Bonded Debt (1)	\$ 55,380,000	\$ 51,205,000	\$ 142,835,000	\$ 126,195,000	\$ 183,060,000	\$ 184,960,000	\$ 167,580,000	\$ 170,960,000	\$ 162,375,000	\$ 152,820,000
Less:										
Debt Service Reserves (2)	<u>17,598,666</u>	<u>24,205,524</u>	<u>34,727,031</u>	<u>36,464,380</u>	<u>44,978,714</u>	<u>35,352,142</u>	<u>31,849,469</u>	<u>30,782,503</u>	<u>30,825,566</u>	<u>28,924,537</u>
Net Bonded Debt	<u>\$ 37,781,334</u>	<u>\$ 26,999,476</u>	<u>\$ 108,107,969</u>	<u>\$ 89,730,620</u>	<u>\$ 138,081,286</u>	<u>\$ 149,607,858</u>	<u>\$ 135,730,531</u>	<u>\$ 140,177,497</u>	<u>\$ 131,549,434</u>	<u>\$ 123,895,463</u>
Percentage of Net Bonded Debt to Full Cash Value	0.5%	0.3%	1.1%	0.6%	0.8%	0.9%	0.9%	1.2%	1.2%	1.2%
Percentage of Net Bonded Debt to Secondary Assessed Value	4.6%	2.8%	9.7%	5.5%	6.9%	7.9%	8.4%	11.0%	11.6%	11.7%
Net Bonded Debt Per Capita	\$276	\$186	\$704	\$577	\$867	\$971	\$875	\$894	\$820	\$755
Net Bonded Debt as a % of Personal Income	0.85%	0.53%	1.88%	1.50%	2.30%	2.74%	2.47%	2.53%	2.20%	1.99%

(1) Represents face value of general obligation debt outstanding

(2) Fund balance of GO Bond Debt Service Fund per the fund financial statements

Note: Personal income and population information may be found on Table XXXII  
Full cash value information may be found on Table XIII

Sources - City debt service schedules. See Exhibits 1 & 2, also footnote 14.





**CITY OF PEORIA, ARIZONA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
LAST TEN FISCAL YEARS**

Table XXIV

Governmental Unit	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Overlapping:										
State of Arizona	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maricopa County	-	-	-	-	-	-	-	-	-	-
Community College District	11,690,706	11,594,345	10,710,280	18,505,348	17,301,999	21,354,408	23,908,932	22,084,125	25,357,414	23,384,382
County Flood Control District	-	-	-	-	-	-	-	-	-	-
County Free Library	-	-	-	-	-	-	-	-	-	-
Fire District Assistance	-	-	-	-	-	-	-	-	-	-
Education Equalization	-	-	-	-	-	-	-	-	-	-
West MEC Vocational District	-	-	-	-	-	-	-	-	3,198,843	3,198,843
Central AZ Water Conservation	-	-	-	-	-	-	-	-	-	-
Sub-total - City-wide overlapping	<u>11,690,706</u>	<u>11,594,345</u>	<u>10,710,280</u>	<u>18,505,348</u>	<u>17,301,999</u>	<u>21,354,408</u>	<u>23,908,932</u>	<u>22,084,125</u>	<u>28,556,257</u>	<u>26,583,225</u>
Total City-wide levies (1)	<u>160,387,744</u>	<u>163,028,901</u>	<u>297,071,313</u>	<u>331,783,787</u>	<u>393,645,062</u>	<u>405,549,288</u>	<u>384,534,551</u>	<u>371,967,077</u>	<u>394,014,419</u>	<u>317,946,402</u>
Unified School Districts:										
Peoria No. 11	134,340,540	196,625,176	205,291,709	224,219,333	210,241,616	166,217,415	196,735,864	177,729,492	163,033,794	208,200,535
Deer Valley No. 97	4,063,815	20,573,318	24,204,834	15,471,750	21,558,687	26,201,313	24,618,198	25,445,126	25,160,995	27,264,686
Nadaburg No. 81	-	-	-	-	-	-	7,800	4,524	284,900	2,286
	<u>138,404,355</u>	<u>217,198,494</u>	<u>229,496,543</u>	<u>239,691,083</u>	<u>231,800,303</u>	<u>192,418,728</u>	<u>221,361,862</u>	<u>203,179,142</u>	<u>188,479,689</u>	<u>235,467,507</u>
Total overlapping	<u>150,095,061</u>	<u>228,792,839</u>	<u>240,206,823</u>	<u>258,196,431</u>	<u>249,102,302</u>	<u>213,773,136</u>	<u>245,270,794</u>	<u>225,263,267</u>	<u>217,035,946</u>	<u>262,050,732</u>
Direct (2):										
City of Peoria	<u>148,697,038</u>	<u>151,434,556</u>	<u>286,361,033</u>	<u>313,278,439</u>	<u>376,343,063</u>	<u>384,194,880</u>	<u>360,625,619</u>	<u>349,882,952</u>	<u>365,458,162</u>	<u>291,363,177</u>
Total direct and overlapping debt	<u>\$ 298,792,099</u>	<u>\$ 380,227,395</u>	<u>\$ 526,567,856</u>	<u>\$ 571,474,870</u>	<u>\$ 625,445,365</u>	<u>\$ 597,968,016</u>	<u>\$ 605,896,413</u>	<u>\$ 575,146,219</u>	<u>\$ 582,494,108</u>	<u>\$ 553,413,909</u>

(1) - Total City-wide debt levies are County debt plus City debt.

(2) - Due to a recommended change in accounting principle, the contracts payable category is no longer being used to calculate direct governmental activities debt.

Sources: City Financial Records  
- Maricopa County Treasurer for debt of other entities

**CITY OF PEORIA, ARIZONA  
LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS**

Table XXV

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Secondary Assessed Value	\$ 827,633,655	\$ 964,469,431	\$ 1,115,620,151	\$ 1,642,187,476	\$ 1,994,591,924	\$ 1,895,163,851	\$ 1,609,972,512	\$ 1,276,335,862	\$ 1,137,434,740	\$ 1,057,413,204
<b><u>6% Limitation</u></b>										
Debt limit	\$ 49,658,019	\$ 57,868,166	\$ 66,937,209	\$ 98,531,249	\$ 119,675,515	\$ 113,709,831	\$ 96,598,351 <sup>4</sup>	\$ 76,580,152	\$ 68,246,084	\$ 63,444,792
Total net debt applicable to limit	<u>16,400,000</u>	<u>13,350,000</u>	<u>28,470,000</u>	<u>13,310,000</u>	<u>6,745,000</u>	<u>5,565,000</u>	<u>4,570,000</u>	<u>2,735,000</u>	<u>1,665,000</u>	<u>350,000</u>
Legal 6% Debt Margin	<u>\$ 33,258,019</u>	<u>\$ 44,518,166</u>	<u>\$ 38,467,209</u>	<u>\$ 85,221,249</u>	<u>\$ 112,930,515</u>	<u>\$ 108,144,831</u>	<u>\$ 92,028,351</u>	<u>\$ 73,845,152</u>	<u>\$ 66,581,084</u>	<u>\$ 63,094,792</u>
Total net debt applicable to the limit as a percentage of debt limit	33.0%	23.1%	42.5%	13.5%	5.6%	4.9%	4.7%	3.6%	2.4%	0.6%
<b><u>20% Limitation</u></b>										
Debt limit	\$ 165,526,731	\$ 192,893,886	\$ 223,124,030	\$ 328,437,495	\$ 398,918,385	\$ 379,032,770	\$ 321,994,502	\$ 255,267,172	\$ 227,486,948	\$ 211,482,641
Total net debt applicable to limit	<u>38,980,000</u>	<u>37,855,000</u>	<u>114,365,000</u>	<u>112,885,000</u>	<u>176,315,000</u>	<u>179,395,000</u>	<u>163,010,000</u>	<u>168,225,000</u>	<u>160,710,000</u>	<u>152,470,000</u>
Legal 20% Debt Margin	<u>\$ 126,546,731</u>	<u>\$ 155,038,886</u>	<u>\$ 108,759,030</u>	<u>\$ 215,552,495</u>	<u>\$ 222,603,385</u>	<u>\$ 199,637,770</u>	<u>\$ 158,984,502</u>	<u>\$ 87,042,172</u>	<u>\$ 66,776,948</u>	<u>\$ 59,012,641</u>
Total net debt applicable to the limit as a percentage of debt limit	23.5%	19.6%	51.3%	34.4%	44.2%	47.3%	50.6%	65.9%	70.6%	72.1%

Note: See footnote 14 for discussion of 6% and 20% limitations.

Source: Maricopa County Assessor  
Exhibit 3 to the Financial Statements

**CITY OF PEORIA, ARIZONA  
PLEDGED REVENUE COVERAGE - MUNICIPAL DEVELOPMENT AUTHORITY BONDS  
GOVERNMENTAL PORTION  
LAST TEN FISCAL YEARS**

Table XXVI

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Senior Lien MDA Debt</b>										
<b>(excludes 2008 Transportation MDA Debt)</b>										
Pledged Revenues										
Sales and use taxes (1)	\$ 45,535,559	\$ 57,255,493	\$ 59,153,094	\$ 58,145,253	\$ 50,215,336	\$ 47,957,886	\$ 49,541,810	\$ 51,737,833	\$ 56,145,066	\$ 60,587,446
State-shared sales tax	10,038,874	11,681,284	13,130,116	12,695,890	10,991,095	10,137,682	11,649,489	12,087,651	12,665,191	13,431,637
Urban revenue sharing	10,076,455	11,707,782	15,996,992	19,539,768	20,395,663	17,469,936	13,408,996	13,231,006	14,425,958	17,172,500
Franchise taxes	2,498,995	3,004,895	3,983,701	3,848,746	4,019,182	3,955,416	4,037,897	4,084,163	4,136,004	4,194,371
License and permits	5,041,680	4,807,840	3,878,132	3,020,436	1,802,759	1,599,957	1,672,072	2,106,545	2,564,075	2,800,894
Fines and forfeitures	1,794,776	2,078,281	2,135,525	2,404,459	3,309,210	2,525,753	2,813,535	2,521,407	2,058,925	1,933,142
User fees and charges	12,450,732	14,025,003	14,208,071	16,137,447	11,420,810	10,185,728	10,502,078	10,895,825	11,889,776	12,535,479
Miscellaneous	2,370,325	3,775,821	5,494,936	6,247,418	3,781,537	1,674,775	2,692,430	1,656,235	2,534,262	1,379,952
<b>Total Pledged Revenues</b>	<b>\$ 89,807,396</b>	<b>\$ 108,336,399</b>	<b>\$ 117,980,567</b>	<b>\$ 122,039,417</b>	<b>\$ 105,935,592</b>	<b>\$ 95,507,133</b>	<b>\$ 96,318,307</b>	<b>\$ 98,320,665</b>	<b>\$ 106,419,257</b>	<b>\$ 114,035,421</b>
Senior Lien Debt Service Requirements										
Principal (2)	2,310,000	2,524,999	3,295,000	3,185,000	3,400,000	3,575,000	3,990,000	1,569,999	665,000	2,010,000
Interest (2)	1,124,432	1,017,160	1,117,252	1,005,806	842,867	670,386	482,594	505,827	1,065,571	1,708,383
<b>Total Senior Lien Debt Service Requirements</b>	<b>3,434,432</b>	<b>3,542,159</b>	<b>4,412,252</b>	<b>4,190,806</b>	<b>4,242,867</b>	<b>4,245,386</b>	<b>4,472,594</b>	<b>2,075,826</b>	<b>1,730,571</b>	<b>3,718,383</b>
Estimated Coverage (6)	26.15	30.58	26.74	29.12	24.97	22.50	21.54	47.36	61.49	30.67
<b>2008 Transportation MDA Debt (3)</b>										
Net Pledged Revenues from above (4)				117,848,611	101,692,725	91,261,747	91,845,713	96,244,839	104,688,686	110,317,038
Additional Pledged Revenues (5)				10,978,453	9,356,675	8,491,097	8,682,846	9,088,210	9,927,436	10,861,145
<b>Total</b>				<b>128,827,064</b>	<b>111,049,400</b>	<b>99,752,844</b>	<b>100,528,559</b>	<b>105,333,049</b>	<b>114,616,122</b>	<b>121,178,183</b>
Debt Service Requirements										
Principal				-	1,760,000	1,835,000	1,920,000	2,005,000	2,095,000	2,185,000
Interest				-	1,659,171	2,005,188	1,940,963	1,873,763	1,803,588	1,730,263
<b>Total Annual Requirements</b>				<b>-</b>	<b>3,419,171</b>	<b>3,840,188</b>	<b>3,860,963</b>	<b>3,878,763</b>	<b>3,898,588</b>	<b>3,915,263</b>
Estimated Coverage				-	32.48	25.98	26.04	27.16	29.40	30.95

Note (1) Excludes the 0.3% Transportation Sales Tax approved by voters in September 2005 for the 2008 Transportation MDA Debt.

(2) Debt service requirements reflect all outstanding MDA issues other than the 2008 MDA Transportation issue discussed below. Although the debt service on some MDA bonds, including the 2011 MDA Bonds, are funded by Enterprise Funds, the pledged revenue for all MDA debt is excise taxes and state shared revenues.

(3) The 2008 Transportation MDA Bonds are backed by a senior lien on the .03% transaction privilege tax approved by voters in 2005 and a subordinated lien of the Excise Taxes and State Shared revenues.

(4) Pledged revenues on the non-transportation MDA Bonds, less the debt requirements for the non-transportation MDA Bonds.

(5) Revenues of the Transportation Sales Tax Fund, primarily consisting of the 0.3% transaction privilege tax discussed above.

Source: Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
Debt service schedules, City financial records

**CITY OF PEORIA, ARIZONA**  
**PLEGDED REVENUE COVERAGE - WATER AND WASTEWATER REVENUE BONDS**  
**LAST TEN FISCAL YEARS**

Table XXVII

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Gross Revenue (1)	\$ 39,037,367	\$ 44,982,822	\$ 53,290,996	\$ 49,812,486	\$ 46,956,831	\$ 48,087,688	\$ 46,141,098	\$ 50,720,705	\$ 52,680,761	\$ 54,515,296
Operating and Maintenance Expenses (2)	26,151,794	27,318,074	30,532,640	34,287,751	33,751,517	28,067,908	28,610,625	28,823,261	28,974,990	30,942,736
Net Revenue Available for Debt Service	<u>\$ 12,885,573</u>	<u>\$ 17,664,748</u>	<u>\$ 22,758,356</u>	<u>\$ 15,524,735</u>	<u>\$ 13,205,314</u>	<u>\$ 20,019,780</u>	<u>\$ 17,530,473</u>	<u>\$ 21,897,444</u>	<u>\$ 23,705,771</u>	<u>\$ 23,572,560</u>
Development Fee Revenue	13,864,643	12,887,675	8,826,809	5,821,318	1,841,126	1,616,718	1,899,935	2,820,416	3,205,623	4,311,153
Total Net Revenue	<u>\$ 26,750,216</u>	<u>\$ 30,552,423</u>	<u>\$ 31,585,165</u>	<u>\$ 21,346,053</u>	<u>\$ 15,046,440</u>	<u>\$ 21,636,498</u>	<u>\$ 19,430,408</u>	<u>\$ 24,717,860</u>	<u>\$ 26,911,394</u>	<u>\$ 27,883,713</u>
Debt Service Requirements										
Principal (3)	4,425,405	4,672,124	4,855,563	4,220,006	4,372,224	7,362,889	7,025,129	7,941,123	8,776,254	9,007,117
Interest (4)	3,139,142	2,961,997	2,641,850	3,316,344	4,852,315	4,332,089	4,501,266	4,242,754	3,579,904	3,343,413
Total Debt Service Requirements	<u>\$ 7,564,547</u>	<u>\$ 7,634,121</u>	<u>\$ 7,497,413</u>	<u>\$ 7,536,350</u>	<u>\$ 9,224,539</u>	<u>\$ 11,694,978</u>	<u>\$ 11,526,395</u>	<u>\$ 12,183,877</u>	<u>\$ 12,356,158</u>	<u>\$ 12,350,530</u>
Ratio of Total Net Revenue/ Total Bond Expense	3.54	4.00	4.21	2.83	1.63	1.85	1.69	2.03	2.18	2.26
Ratio of Net Available/ Total Bond Expense (5)	1.70	2.31	3.04	2.06	1.43	1.71	1.52	1.80	1.92	1.91

Note 2

Note 6

(1) Includes total operating revenues and investment income of the Water Utility and Wastewater Utility Enterprise Funds.

(2) Includes total operating expenses of the Water Utility and Wastewater Utility Enterprise Funds, less depreciation amortization. For FY09 also excludes a one-time insurance claim (\$7,930,000) and a one-time charges from Central Arizona Project for back billed water capital recovery charges (\$3,670,364).

(3) Includes principal for Water and Sewer Revenue bonds and Water Infrastructure Finance Authority bonds. Although some MDA bonds are financed by the Utility Funds, the pledged revenue is excise tax therefore the debt is included in the MDA Bond debt coverage calculations on Table 24.

(4) Bond interest payments only. Does not include amortization of loss on refunding, capitalized interest, agent fees or amortization of bond issuance costs that are included in interest expense on the statement of revenues, expenses, and changes in net assets.

(5) Excludes Development Fee Revenue.

(6) In FY2012 \$24,810,509 in principal and \$405,829 in interest were defeased. These additional debt payments have been removed from the FY12 debt service requirements so as not to distort the ratios.

Source: Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds  
Repayment schedules for debt serviced by the Water and Sewer Utility Enterprise Funds

**CITY OF PEORIA, ARIZONA  
 PLEDGED REVENUE COVERAGE - SPECIAL ASSESSMENT BONDS  
 LAST TEN FISCAL YEARS**

Table XXVIII

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Pledged Revenues (1)	\$ 3,547,789	\$ 3,516,277	\$ 3,216,095	\$ 3,167,933	\$ 3,365,342	\$ 3,402,865	\$ 2,645,451	\$ 2,262,112	\$ 1,484,283	\$ 1,259,303
Debt Service Requirements										
Principal	1,507,136	1,608,983	1,480,506	1,264,637	1,624,615	2,360,492	1,887,322	1,495,000	1,140,000	325,000
Interest (2)	828,532	747,720	638,657	697,840	675,958	559,205	432,302	316,720	222,820	149,600
Total Annual Requirements	<u>\$ 2,335,668</u>	<u>\$ 2,356,703</u>	<u>\$ 2,119,163</u>	<u>\$ 1,962,477</u>	<u>\$ 2,300,573</u>	<u>\$ 2,919,697</u>	<u>\$ 2,319,624</u>	<u>\$ 1,811,720</u>	<u>\$ 1,362,820</u>	<u>\$ 474,600</u>
Estimated Coverage	1.52	1.49	1.52	1.61	1.46	1.17	1.14	1.25	1.09	2.65

(1) - Pledged revenues equals Special Assessment Debt Service Fund current year fund balance plus current year principal & interest payments.

(2) - Bond interest payments only. Does not include agent fees included in interest expense on the Statement of Revenues, Expenditures and Changes in Fund Balance.

Source: City financial records  
 Governmental Fund Financial Statements

**CITY OF PEORIA, ARIZONA  
SPECIAL ASSESSMENT COLLECTIONS  
LAST TEN FISCAL YEARS**

Table XXIX

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014 (3)</u>
Current Assessments Due	\$ 2,065,519	\$ 1,987,461	\$ 1,965,107	\$ 1,749,724	\$ 2,196,027	\$ 2,211,609	\$ 2,171,435	\$ 1,849,026	\$ 1,213,646	\$ 455,116
Assessments Collected	2,057,821	1,983,885	1,961,724	1,749,246	2,193,992	2,211,599	2,171,435	1,848,788	1,213,646	455,116
Prepaid Assessments Collected	186,624	275,392	7,818	44,061	2,041	38,301	-	205,901	-	675,958
Total Assessments Collected (1)	<u>\$ 2,244,445</u>	<u>\$ 2,259,277</u>	<u>\$ 1,969,542</u>	<u>\$ 1,793,307</u>	<u>\$ 2,196,033</u>	<u>\$ 2,249,900</u>	<u>\$ 2,171,435</u>	<u>\$ 2,054,689</u>	<u>\$ 1,213,646</u>	<u>\$ 1,131,074</u>
Ratio of Current Collections to Amount Due	99.6%	99.8%	99.8%	100.0%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%
Outstanding Assessment Principal (2)	\$ 10,845,765	\$ 9,243,866	\$ 12,782,394	\$ 11,476,365	\$ 9,871,061	\$ 8,141,515	\$ 6,328,423	\$ 4,551,324	\$ 3,520,000	\$ 2,603,127

(1) Does not include penalties or administrative fees which are included in special assessment revenues on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

(2) Principal only. Assessments Receivable on Balance Sheet-Governmental Funds also includes delinquent administrative charges, interest and penalties.

(3) These Special Assessments relate to Improvement District 0601 which includes three lots. The tax rolls of Maricopa County Assessor's Office indicate that the current full cash value of the Assessed Property is approximately \$25,957,000 for Lot No. 1, \$17,577,500 for Lot No. 2 and \$669,500 for Lot No. 3. There are no overlapping Assessment Districts and all lots are current in their assessment payments.

Source: City financial records and reports

**CITY OF PEORIA, ARIZONA**  
**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR**  
**GOVERNMENTAL DEBT TO TOTAL GOVERNMENTAL EXPENDITURES AND REVENUES**  
**LAST TEN FISCAL YEARS**

Table XXX

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Principal Payments	\$ 15,304,972	\$ 16,881,632	\$ 16,178,431	\$ 31,143,531	\$ 25,988,554	\$ 44,700,092	\$ 34,309,287	\$ 25,566,028	\$ 20,120,163	\$ 20,842,447
Interest and Other Charges	7,046,576	6,747,072	8,099,492	10,340,704	11,917,582	13,166,242	12,658,032	13,098,263	12,534,039	12,543,974
Total	<u>\$ 22,351,548</u>	<u>\$ 23,628,704</u>	<u>\$ 24,277,923</u>	<u>\$ 41,484,235</u>	<u>\$ 37,906,136</u>	<u>\$ 57,866,334</u>	<u>\$ 46,967,319</u>	<u>\$ 38,664,291</u>	<u>\$ 32,654,202</u>	<u>\$ 33,386,421</u>
Total Governmental Expenditures	\$ 144,972,313	\$ 153,731,533	\$ 213,283,409	\$ 234,929,890	\$ 242,988,904	\$ 237,519,557	\$ 192,780,638	\$ 178,812,735	\$ 195,784,242	\$ 185,056,158
Ratio of Debt Service to Governmental Expenditures	15.42%	15.37%	11.38%	17.66%	15.60%	24.36%	24.36%	21.62%	16.68%	18.04%
Ratio of Debt Service to non-capital expenditures	20.31%	30.76%	17.45%	26.35%	20.75%	27.77%	28.22%	25.36%	20.91%	20.47%
Total Governmental Revenues	\$ 144,191,521	\$ 178,025,080	\$ 220,591,297	\$ 216,437,439	\$ 197,889,171	\$ 172,012,184	\$ 175,544,268	\$ 172,992,735	\$ 174,743,639	\$ 177,566,482
Ratio of Debt Service to Governmental Revenues	15.50%	13.27%	11.01%	19.17%	19.16%	33.64%	26.76%	22.35%	18.69%	18.80%

Source: Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Funds

CITY OF PEORIA, ARIZONA  
 BOND AUTHORIZATIONS - ISSUED AND UNISSUED  
 AS OF JUNE 30, 2014

Table XXXI

Authorization/Purpose	Authorization	Prior Issues	Current Year Issues	Remaining Authorization	Authorization/Purpose	Authorization	Issued	Remaining
<b>2000 Authorization</b>								
Police, Fire & Public Service	18,550,000	16,020,393	-	2,529,607	<b>Total authorizations by type:</b>			
Storm Sewer & Flood Protection	22,300,000	21,609,683	-	690,317	Police, Fire & Public Service	\$ 130,850,000	\$ 38,191,336	\$ 92,658,664
Streets, Bridges & Traffic Control	47,150,000	41,757,232	-	5,392,768	Streets & traffic control	156,150,000	81,687,726	74,462,274
Water System	99,000,000	10,264,204	-	88,735,796	Parks, open space, library	106,000,000	46,597,807	59,402,193
Wastewater System	65,000,000	35,241,016	-	29,758,984	Water system	99,000,000	10,264,204	88,735,796
Parks & Open Space	30,000,000	22,013,271	-	7,986,729	Waterwater system	65,000,000	35,241,016	29,758,984
Subtotal	282,000,000	146,905,799	-	135,094,201	Storm Sewer, Flood Protection & Bridges	22,300,000	21,609,683	690,317
<b>2005 Authorization</b>								
Public Safety & Municipal Operations	52,000,000	19,897,587	-	32,102,413	Water, Wastewater & Drainage	160,000,000	67,825,284	92,174,716
Water Treatment, Water System, Wastewater & Drainage	160,000,000	67,825,284	-	92,174,716	Transportation & Drainage	276,700,000	5,873,129	270,826,871
Streets, Bridges & Traffic Control	109,000,000	39,930,494	-	69,069,506				
Parks, Recreation & Library	35,000,000	21,042,597	-	13,957,403				
Subtotal	356,000,000	148,695,962	-	207,304,038		<u>\$ 1,016,000,000</u>	<u>\$ 307,290,185</u>	<u>\$ 708,709,815</u>
<b>2008 Authorization</b>								
Transportation & Drainage	276,700,000	5,873,129	-	270,826,871				
Public Safety & Municipal Operations	60,300,000	2,273,356	-	58,026,644				
Parks, Recreation & Trails	41,000,000	3,541,939	-	37,458,061				
Subtotal	378,000,000	11,688,424	-	366,311,576				
<b>Grand Totals:</b>	<b>1,016,000,000</b>	<b>307,290,185</b>	<b>-</b>	<b>708,709,815</b>				

NOTE: Remaining unused bond authorizations prior to 2000 are usually not exercised.

Source: City financial records

**CITY OF PEORIA, ARIZONA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

Table XXXII

	<u>2005 *</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010 *</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
City Of Peoria										
Population	137,045	145,125	153,592	155,560	159,263	154,065	155,148	156,780	160,504	164,104
% growth	3.2%	5.9%	5.8%	1.3%	2.4%	-3.3%	0.7%	1.1%	2.4%	2.2%
Unemployment Rate	2.9%	2.6%	2.1%	3.6%	6.7%	7.0%	8.7%	7.1%	6.8%	6.0%
Personal income (\$000's) **	4,465,885	5,058,622	5,762,618	5,964,948	5,998,322	5,462,529	5,489,757	5,547,504	5,966,094	6,236,937
Maricopa County										
Population	3,681,300	3,792,675	3,879,150	3,987,492	4,105,623	4,217,427	4,328,379	4,438,459	3,922,600	3,944,859
% growth	4.1%	3.0%	2.3%	2.8%	3.0%	2.7%	2.6%	2.5%	-11.6%	0.6%
Unemployment Rate	4.1%	3.7%	3.0%	5.1%	9.4%	9.7%	9.0%	7.6%	7.1%	6.4%
Per Capita Income	33,294	35,595	38,520	39,530	38,811	36,530	36,643	38,411	39,300	N/A
State of Arizona										
Population	6,077,740	6,305,210	6,432,007	6,629,455	6,812,137	6,999,810	7,186,070	7,370,993	6,553,800	6,581,054
% growth	4.0%	3.7%	2.0%	3.1%	2.8%	2.8%	2.7%	2.6%	-11.1%	0.4%
Unemployment Rate	4.9%	4.4%	3.6%	5.9%	10.2%	10.6%	10.0%	8.7%	8.5%	7.5%
Per Capita Income	30,225	32,419	34,817	35,863	35,772	33,972	33,967	35,446	36,243	36,823
United States of America										
Unemployment Rate	5.2%	4.8%	4.7%	5.7%	9.7%	9.6%	9.3%	8.4%	7.8%	6.3%
Phoenix MSA										
Per Capita Income	32,587	34,857	37,519	38,345	37,663	35,456	35,384	37,171	38,006	N/A

N/A = Data not available at this time.

\* - Census years. Mid decade census conducted for population only.

\*\* - In thousands of dollars. Peoria personal income calculated by multiplying Phoenix Metropolitan Statistical Area (MSA) per capita income times Peoria population.

Notes : Population estimates in non-census years are estimates from the sources listed below.  
Most recent per capita income information is one-two years old. Most recent year of Peoria persona income calculated using most recent available per capital information. Per capita income information not available for the City of Peoria.

Source: City population for most current year based on City staff estimates based on building permit activity.  
Other population and unemployment data - Arizona Department of Commerce ([www.workforce.az.gov](http://www.workforce.az.gov)) and U.S. Bureau of Labor Statistics.  
Unemployment statistics for June of the fiscal year using non-seasonally adjusted figures.  
Per Capita Income data - U.S. Dept of Commerce, Bureau of Economic Analysis

**CITY OF PEORIA, ARIZONA  
MAJOR EMPLOYERS WITHIN THE CITY  
CURRENT YEAR AND TEN YEARS AGO**

**Table XXXIII**

<b>Employer</b>	<b>2014</b>			<b>2005</b>		
	<b># of Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b># of Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Peoria Unified School District	3,047	1	4.3%	4,250	1	6.6%
City of Peoria	1,093	2	1.5%	1,532	2	2.4%
Younger Brothers	528	3	0.7%	-		
Freedom Plaza Properties	523	4	0.7%	612	3	0.9%
Immanuel Care Campus	340	5	0.5%	354	5	0.5%
Antigua	297	6	0.4%	243	9	0.4%
Northern Pipeline	284	7	0.4%	230	11	0.4%
OakCraft	255	8	0.4%	218	12	0.3%
Varsity Facility Services	203	9	0.3%	-		
Arizona Retirement Center	174	10	0.2%	-		
Forum At Desert Harbor	170	11	0.2%	208	13	0.3%
Good Shepherd Care Center	130	12	0.2%	240	10	0.4%
Albertson's (2 Locations)	-		0.0%	297	7	0.5%
Fry's Food Stores (4 Locations)	-		0.0%	469	4	0.7%
Arizona Training and Evaluation	-		0.0%	280	8	0.4%
Target (3 Locations)	-		0.0%	340	6	0.5%
<b>Total</b>	<b>7,044</b>		<b>9.8%</b>	<b>8,933</b>		<b>13.8%</b>

Note: Beginning in fiscal year 2012, Peoria Economic Development Department no longer tracks employment for retail locations.

Sources: City of Peoria Economic Development Department  
Arizona Unemployment Statistics Program Special Employment Report [www.azstats.gov](http://www.azstats.gov)

**CITY OF PEORIA, ARIZONA**  
**AUTHORIZED FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

Table XXXIV

**Full-time Equivalent Employees as of June 30, 2014**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011 *</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Government										
Mayor & Council	5.00	5.00	6.00	6.00	6.00	6.00	-	-	-	-
City Manager	8.50	10.50	12.00	13.00	13.00	10.00	15.00	15.00	16.00	16.00
Office of Communications	7.50	11.00	12.50	13.50	9.50	8.50	8.00	7.00	8.00	8.00
Human Resources	13.00	13.00	14.00	17.00	17.00	19.00	18.00	17.00	17.50	17.50
Attorney	20.20	22.70	23.80	26.00	26.00	26.00	26.00	26.00	26.00	26.00
City Clerk	8.00	8.00	8.00	9.00	9.00	9.00	9.00	8.00	7.00	7.00
Court	11.00	13.00	16.00	22.00	22.00	22.00	21.00	20.90	20.90	20.90
Economic Development	3.00	4.00	4.00	5.00	5.00	13.30	27.80	26.00	26.00	28.00
Finance & Budget	84.00	86.00	89.00	97.00	96.00	89.75	86.75	80.75	80.75	80.00
Culture & Recreation	111.36	109.36	124.39	131.74	142.04	125.47	115.97	113.57	111.97	115.97
Police	226.00	250.00	264.00	286.00	287.00	271.00	287.00	289.00	288.00	289.00
Fire	131.00	134.00	157.00	173.00	170.00	167.00	164.00	162.00	167.50	168.50
Community Development	49.50	50.80	51.80	53.80	49.80	51.00	15.50	12.50	12.50	13.50
Engineering	38.00	43.00	47.00	49.00	45.25	39.75	39.75	33.25	33.25	33.25
Highways & Streets	39.00	40.00	44.00	44.00	43.00	41.00	44.00	38.80	38.80	38.80
Public Works	59.50	61.50	69.00	70.50	69.50	63.75	56.75	57.95	57.95	57.95
Human Services	8.00	8.50	14.50	14.50	14.50	11.75	10.00	7.50	7.50	7.50
Water Utility	67.02	70.02	72.00	75.00	72.75	60.75	57.75	56.50	55.50	55.50
Wastewater Utility	17.50	16.50	19.00	25.00	28.25	29.25	29.25	29.50	29.50	29.50
Solid Waste Utility	40.00	40.00	44.00	47.00	45.00	45.00	43.25	45.00	45.00	45.50
Information Technology	38.00	39.00	43.00	47.00	47.00	46.00	41.60	39.00	39.00	40.00
Stadium	14.00	14.00	16.00	19.00	19.00	19.00	15.50	15.50	16.50	16.50
<b>Total FTE</b>	<u>1,083.08</u>	<u>1,135.88</u>	<u>1,239.99</u>	<u>1,341.04</u>	<u>1,332.59</u>	<u>1,264.02</u>	<u>1,218.62</u>	<u>1,181.47</u>	<u>1,185.87</u>	<u>1,114.87</u>

Note: Beginning with fiscal year 2003, the City no longer counts part-time seasonal staff in the FTE calculation. Counts do include part-time non-seasonal benefitted employees.

\* Interdepartmental reorganization is reflected in FY2011 numbers. This will explain some of the significant changes in departments such as Mayor and Council, City Manager, Economic Development and Community Development.

Source: City budget office (Schedule 6 in Annual Program Budget)

**CITY OF PEORIA, ARIZONA  
BUILDING PERMITS AND HOME SALES  
LAST TEN YEARS**

Table XXXV

	<b>Building Permits</b>									
	<b>Fiscal Year</b>									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Commercial										
Number of Permits	177	181	244	153	60	82	27	60	31	43
Value	\$ 73,892,753	\$ 64,990,575	\$ 121,602,510	\$ 38,162,527	\$ 18,722,347	\$ 35,940,280	\$ 4,416,256	\$ 14,130,283	\$ 22,536,140	\$ 11,137,771
Residential										
Number of Dwelling Units	2,927	2,421	1,338	963	383	398	404	610	835	1,031
Value	373,716,048	320,780,556	213,028,399	154,975,128	47,217,878	42,714,995	50,318,368	79,951,361	118,188,477	146,826,079
Other <sup>(A)</sup>										
Number of Permits	2,000	2,209	2,110	1,825	1,043	1,017	970	1,701	1,241	1,459
Value	21,512,846	26,532,508	34,196,112	33,948,358	18,535,296	53,152,166	9,025,305	17,128,209	3,526,505	4,254,688
<b>Total Value</b>	<u>\$ 469,121,647</u>	<u>\$ 412,303,639</u>	<u>\$ 368,827,021</u>	<u>\$ 227,086,013</u>	<u>\$ 84,475,521</u>	<u>\$ 131,807,441</u>	<u>\$ 63,759,929</u>	<u>\$ 111,209,853</u>	<u>\$ 144,251,122</u>	<u>\$ 162,218,538</u>

Source: City of Peoria - Economic Development Department

Notes: <sup>(A)</sup> Beginning in FY13, revised criteria was used for "Other" permits.

Figures include the following categories: Addition-Alteration and Patio, Miscellaneous Residential, Miscellaneous Commercial, and Swimming Pool-Spa-Hot Tub.

Figures exclude permits obtained for improvements, non-structural permits, demolition permits, sign permits, mechanical/plumbing/electrical permits.

	<b>Single Family Housing Sales</b>									
	<b>Calendar Year</b>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
New										
# of Units	1,395	1,875	2,235	1,360	925	435	355	390	598	817
Average Sale Amount	\$ 270,000	\$ 323,190	\$ 395,650	\$ 350,000	\$ 282,885	\$ 253,350	\$ 236,505	\$ 243,780	\$ 296,506	\$ 346,353
Avr price % increase	25.10%	19.70%	22.42%	-11.54%	-19.18%	-10.44%	-6.65%	3.08%	21.63%	16.81%
Resale										
# of Units	4,575	5,055	2,930	2,415	3,635	5,000	5,305	5,355	3,933	3,502
Average Sale Amount	\$ 175,000	\$ 250,000	\$ 270,000	\$ 257,830	\$ 210,000	\$ 166,750	\$ 159,000	\$ 140,000	\$ 180,420	\$ 225,683
Avr price % increase	15.89%	42.86%	8.00%	-4.51%	-18.55%	-20.60%	-4.65%	-11.95%	28.87%	25.09%

**New Housing Starts**  
**Calendar Year**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
City of Peoria	2,381	3,038	1,572	1,148	794	330	441	430	642	877
Maricopa County	47,100	41,707	27,607	19,345	8,320	6,502	5,637	6,444	10,029	10,835

Source: Arizona State University College of Business - AZ Real Estate Center

**CITY OF PEORIA, ARIZONA  
SCHEDULE OF INSURANCE IN FORCE  
JULY 1, 2013 THROUGH JUNE 30, 2014**

Table XXXVI

Type of Insurance	Annual Renewal Date	Insurance Carrier	Policy Number	Limits	Deductible Amount	Annual Premium
<b>1. Primary Public Liability &amp; Automobile</b>						
General & Auto liability	N/A	Self-insured	N/A	\$1,000,000 per incident (SIR) \$1,000,000 annual (SIR)	N/A	N/A
Excess Liability - Primary	7/1	OneBeacon (Atlantic Specialty)	791000664000	\$3,000,000 Aggregate \$4,000,000 SIR Aggregate	SIR above	\$ 92,719
Excess Liability - Law Enforcement	7/1	OneBeacon (Atlantic Specialty)	791000664000	\$2,000,000	SIR above	\$ 106,708
Automobile & Equipment	7/1	OneBeacon (Atlantic Specialty)	791000664000	\$1,000,000 (1)	SIR above	\$ 88,253
Excess Liability - Umbrella	7/1	OneBeacon (Atlantic Specialty)	791000664000	\$13,000,000	SIR above	\$ 234,389
Excess Liability	7/1	Endurance American Specialty	ELD10004037700	\$25,000,000 per occurrence	SIR above	\$ 90,943
<b>2. Property (Real &amp; Personal)</b>						
City buildings and Contents	N/A	Self-insured	N/A	\$500,000 per incident (SIR) \$500,000 annual (SIR)	N/A	N/A
Excess buildings, Boiler, Machinery, and Contents	7/1	Travelers Indemnity Company	KTKCMB297T228813	\$250,000,000	SIR above	\$ 354,698
<b>3. Workers' Compensation</b>	N/A	Self-insured	N/A	\$750,000 General (SIR) \$850,000 Public Safety (SIR)	N/A	N/A
Excess Liability		Safety National Casualty Corp.	AGC4048475	\$1,000,000	SIR above	\$ 180,435
<b>4. Cyber Liability</b>	7/1	Axis Surplus Insurance Co.	ECN000168721301	\$2,000,000	\$10,000	\$ 7,744
<b>5. Identity Fraud Expense Reimbursement</b>	7/1	Travelers Casualty & Surety Co.	105639670	\$10,000	None	\$ 4,103
<b>6. Crime Coverages</b>	7/1	Great American Insurance Co.	BVT052017500	\$1,000,000	\$10,000	\$ 4,900
<b>7. Boat Coverage</b>	7/1	Travelers Property Casualty Co.	ZOH15N1430013ND	\$170,000/\$1,000,000	\$2,500	\$ 4,838
<b>8. Fiduciary Liability</b>	9/12	Travelers Casualty & Surety Co.	105993111	\$1,000,000	None	\$ 4,826

(1) Vehicles with a value less than \$100,000 are self-insured by the City. Vehicles with a value in excess of \$100,000 have a \$5,000 deductible.

Source: City Risk Management and financial records

**CITY OF PEORIA, ARIZONA  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

Table XXXVII

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities:										
General Government										
Registered Voters	65,998	62,328	63,544	71,051	76,323	82,578	86,803	85,592	87,432	89,604
Voter Participation (last election)	33.8%	25.4%	25.4%	60.6%	81.2%	29.2%	29.2%	23.7%	23.7%	24.9%
Culture & Recreation										
Recreation Participants	69,206	75,145	77,602	119,620	131,372	132,391	134,661	136,200	134,045	122,318
New Recreation Accounts	5,492	5,160	4,923	6,692	6,237	5,903	5,968	6,106	5,396	5,533
Special Event Participants	*	*	*	*	*	46,578	60,715	65,347	73,800	74,950
Police										
Calls for Service	142,319	102,385	103,921	62,341 <sup>(A)</sup>	60,219	56,683	56,764	57,184	54,159	52,193
Avg Response Time (minutes)	5.73	4.80	5.20	5.98	5.47	5.65	5.87	6.01	4.52 <sup>(C)</sup>	4.39 <sup>(C)</sup>
Fire										
Number of Incidents	11,618	12,445	12,788	13,649	13,361	14,874	15,403	17,717	18,719	19,312
Avg Response Time (minutes)	4.30	4.30	4.40	4.40	4.43	5.02	5.19	5.08	5.14	5.30
Development Services										
Building Permits Issued	5,104	4,811	3,692	2,943	1,486	1,497	1,401	2,371	3625 <sup>(D)</sup>	3993 <sup>(D)</sup>
Value of Building Permits (millions \$)	\$ 469.1	\$ 412.3	\$ 368.8	\$ 225.5	\$ 84.5	\$ 131.8	\$ 63.8	\$ 111.2	\$ 169.0	\$ 188.3
Highways & Streets										
Asphalt Used (in tons)	6,654	5,035	7,999	8,365	2,441	2,832	2,677	2,038	3,122	2,227
Centerline Miles Swept	9,807	8,697	8,496	7,604	7,526	5,935	6,159	6,202	6,143	5,660
Miles Inspected	277	218	275	381	423	422	85 <sup>(B)</sup>	163	187	205
Public Works										
Number of Vehicle Work Orders	5,056	5,920	5,787	5,679	5,917	5,697	5,856	5,608	5,899	5,464
Human Services										
Number of Dial-a-Ride users	6,010	5,147	5,310	5,750	6,174	899	747	759	830	836
Number of Annual Trips	34,428	42,232	47,244	45,451	43,263	31,568	27,440	31,082	32,101	33,308
Section 8 Unit Months Available	984	984	984	984	984	984	984	**	**	**
Section 8 Unit Months Leased	858	773	788	916	846	793	911	**	**	**
Business-type Activities										
Water Utility										
Annual Consumption (000's gal)	6,890,083	7,889,653	8,220,760	8,626,688	8,674,450	8,212,711	8,003,947	8,448,795	8,405,929	8,662,507
Average Gallons/Household/Year	180,679	194,552	195,840	177,016	175,270	164,636	159,203	166,070	163,869	165,821
Wastewater Utility										
Wastewater Treated (billion gal)	3.41	3.55	3.67	3.60	3.90	3.70	3.50	3.61	3.64	3.69
Solid Waste Utility										
Residential Tonnage Processed	65,950	69,191	71,396	61,290	48,970	47,540	47,989	46,299	47,717	47,987
Commercial Tonnage Processed	18,436	22,943	25,260	20,519	22,856	21,981	20,340	19,700	20,561	21,176
Recycle Tonnage Processed	1,523	1,690	1,927	11,549	16,084	15,516	16,277	15,715	15,184	15,155
Stadium										
Spring Training Attendance	225,316	200,153	220,357	230,434	211,243	200,029	188,244	190,643	196,881	192,513
Sporting Rentals Days	*	*	195	234	246	208	336	350	290	322
Non-Sporting Rentals Days	*	*	54	83	66	74	108	134	143	146
Public Housing										
Unit Months Available	840	840	840	840	840	840	840	840	840	NA***
Number of Unit Months Leased	828	831	827	812	796	745	787	813	797	NA***

Notes: \* Information is not available for these fiscal years.

\*\* City discontinued participation in Section 8 housing programs as of 6/30/11.

\*\*\* As of FY14, all public housing units have been transferred to Maricopa County for administration.

<sup>(A)</sup> The drop in calls for service reflect a change in what is considered a "call for service". Prior to FY08, calls for service included officer initiated calls. Beginning in FY08, only calls coming into the 911 center are counted as calls for service.

<sup>(B)</sup> Changed from lane miles to center line miles in FY11 to be consistent with other highway measurements

<sup>(C)</sup> Decrease in Police Average Response time reflects calculation change. New Calculation=Dispatch to Arrival. Previous calculation=Call for Service to Arrival.

<sup>(D)</sup> Beginning FY13, this number includes all permits issued including tenant improvements, C of O permits, and spec suite permits.

Source: Various City Departments

**CITY OF PEORIA, ARIZONA  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

Table XXXVIII

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities:										
General Government										
Annexed Area (square miles)	177.9	177.9	177.9	177.9	177.9	179.0	179.1	179.1	179.1	179.1
Culture & Recreation										
# of Neighborhood Parks	24	26	26	26	28	28	28	32	33	33
Total Park Acreage	240	264	264	264	314	322	322	285	294	294
Public Safety										
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Marked Patrol Vehicles (units)	86	90	101	103	92	86	86	86	86	88
Fire										
Stations (full-time / part-time)	5 / 2	6 / 1	7 / 1	7 / 1	7 / 1	7 / 1	7 / 1	7 / 1	7/1	7/1
Number of Fire Engines	7	8	9	9	9	9	7	7	8	8
Number of Ladder Trucks	1	1	1	1	2	2	2	2	2	2
Highways & Streets										
Streets (miles maintained)	487	518	537	538	551	554	584	590	622	1452 (A)
Crack Seal Application (linear feet)	*	*	*	*	*	*	*	*	*	1,165,460
Surface Treatments (lane miles)	*	*	*	*	*	*	*	*	*	88
Public Works										
Street Lights	12,000	12,000	12,737	13,618	13,726	13,901	14,093	14,333	15,006	14,786
Vehicles in Fleet	599	621	661	720	683	670	673	687	714	738
Utilities										
Number of Pump Stations	*	*	*	*	*	*	*	*	*	25
Number of Lift Stations	*	*	*	*	*	*	*	*	*	15
Number of Well	*	*	*	*	*	*	*	*	*	38
Number of Reservoirs	*	*	*	*	*	*	*	*	*	30
Human Services										
Dial-a-Ride Buses	9	9	11	11	11	9	7	7	7	6
Business-type Activities										
Water Utility										
Number of Water Accounts	42,673	44,221	45,630	46,146	46,902	47,606	47,793	48,509	49,516	50,399
Storage Capacity (million gal)	40.0	40.0	40.0	41.8	42.0	42.0	42.0	42.0	42.0	42.0
Wastewater Utility										
Number of Wastewater Accounts	43,824	45,933	47,831	48,759	49,923	50,383	50,715	51,527	52,674	53,548
Treatment Capacity (billion gal)	14.15	14.15	14.15	25.70	16.25	16.25	16.25	16.25	16.25	16.25
Solid Waste Utility										
Number of Solid Waste Accounts	42,467	44,198	46,309	47,146	48,006	43,382	48,752	49,506	50,727	51,609
Stadium										
Number of Practice Fields	13	13	13	13	13	13	13	13	13	13
Number of Clubhouses	3	3	3	3	3	3	3	3	3	3
Total Complex Acreage	145	145	145	145	145	145	145	145	145	145
Public Housing										
Number of Public Housing Units	70	70	70	70	70	70	70	70	70	N/A**

Notes: \* Information not tracked during this fiscal year.

\*\*As of FY2014, all public housing units have been transferred to Maricopa County for administration

(A) Measurement changed from centerlane miles to lane miles in FY14.

Source: Various City Departments





**Continuing Disclosures**

# Continuing Disclosure Section

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SEC Rule 15c2-12, as amended, requires the City to provide Continuing Disclosure Annual Reports that include audited financial statements and other financial information for the benefit of owners and holders of bond obligations issued by the City. The Continuing Disclosure Annual Report shall contain or incorporate by reference certain information as set forth in the Continuing Disclosure Agreements and Undertakings executed by the City with the issuance of its municipal bond obligations.

Information in this section is provided solely pursuant to the requirements of SEC Rule 15c2-12 and Continuing Disclosure Agreements and Undertakings and include financial information that is not required for fair presentation in conformity with accounting principles generally accepted in the United States of America and is therefore unaudited and not covered by the auditor's opinion.

Annual continuing disclosure information is filed with the Municipal Securities Rulemaking Board (MSRB) for public access via their Electronic Municipal Market Access (EMMA) system at [www.emma.msrb.org](http://www.emma.msrb.org).

# Continuing Disclosures Annual Report

For the Year Ended June 30, 2014

## Audited Financial Statements

The City's Comprehensive Annual Financial Report for fiscal year ended June 30, 2014 is included as part of this submittal.

## Other Financial Information

Information concerning the outstanding debt by type of bond can be found in the Notes to the Financial Statements on page 74, Note 14 Long Term Debt.

Other financial information required per the City's Continuing Disclosure Agreements and Undertakings for each type of bond obligation is incorporated by reference as follows:

	<u>Statistical Section</u>	<u>Page</u>
<b><u>General Obligation Bonds (CUSIP 712838)</u></b>		
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**CITY OF PEORIA, ARIZONA  
SINGLE AUDIT REPORTING PACKAGE  
FOR THE YEAR ENDED JUNE 30, 2014**

**CITY OF PEORIA, ARIZONA  
SINGLE AUDIT REPORTING PACKAGE  
FOR THE YEAR ENDED JUNE 30, 2014**

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**Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of  
Financial Statements Performed in Accordance with  
*Government Auditing Standards***

Independent Auditor's Report

Honorable Mayor and Members of the City Council  
City of Peoria, Arizona

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Peoria, Arizona, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise City of Peoria, Arizona's basic financial statements, and have issued our report thereon dated November 24, 2014. Our report included an emphasis of matter paragraph as to comparability because of a change in accounting principle.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Peoria, Arizona's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Peoria, Arizona's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Peoria, Arizona's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Peoria, Arizona's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



HEINFELD, MEECH & CO., P.C.  
CPAs and Business Consultants

November 24, 2014

**Report on Compliance for Each Major Federal Program;  
Report on Internal Control Over Compliance; and  
Report on Schedule of Expenditures of Federal Awards  
Required by OMB Circular A-133**

Independent Auditor's Report

Honorable Mayor and Members of the City Council  
City of Peoria, Arizona

**Report on Compliance for Each Major Federal Program**

We have audited City of Peoria, Arizona's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City of Peoria, Arizona's major federal programs for the year ended June 30, 2014. City of Peoria, Arizona's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of City of Peoria, Arizona's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Peoria, Arizona's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of Peoria, Arizona's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, City of Peoria, Arizona complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

### **Report on Internal Control Over Compliance**

Management of City of Peoria, Arizona is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Peoria, Arizona's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Peoria, Arizona's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Peoria, Arizona as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise City of Peoria, Arizona's basic financial statements. We issued our report thereon dated November 24, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



HEINFELD, MEECH & CO., P.C.  
CPAs and Business Consultants

November 24, 2014

**CITY OF PEORIA, ARIZONA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2014**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grantor's Number</u>	<u>Expenditures &amp; Transfers</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>			
Direct Programs:			
Community Development Block Grant Cluster:			
Community Development Block Grants/Entitlements Grants	14.218	N/A	901,410
Community Development Block Grants/Entitlements Grants	14.218	B-11-MN-01-0508	260,868
Total Community Development Block Grant Cluster			1,162,278
Passed through Maricopa County:			
Home Investment Partnerships Program	14.239	N/A	349,297
<b>Total U.S. Department of Housing and Urban Development</b>			1,511,575
<b><u>U.S. Department of Justice</u></b>			
Direct Programs:			
Edward Byrne Justice Assistance Grant Program	16.738	2010-DJ-BX-1175	460
Edward Byrne Justice Assistance Grant Program	16.738	2013-DJ-BX-1164	6,980
COPS Hiring Program	16.UNKNOWN	2013ULWX0041	21,809
Passed through Maricopa County:			
Edward Byrne Justice Assistance Grant Program	16.738	2012-DJ-BX-1182	3,750
Passed through Arizona Department of Public Safety:			
Crime Victim Assistance	16.575	2010-VA-GX-0064	50,057
<b>Total U.S. Department of Justice</b>			83,056
<b><u>U.S. Department of Homeland Security</u></b>			
Passed through Arizona Division of Emergency Management:			
Homeland Security Grant Program	97.067	888817-02	15,000
Homeland Security Grant Program	97.067	888818-02	4,566
Homeland Security Grant Program	97.067	999813-01	9,945
Homeland Security Grant Program	97.067	999813-02	1,198
Homeland Security Grant Program	97.067	999814-01	10,768
Homeland Security Grant Program	97.067	130817-02	46,428
Homeland Security Grant Program	97.067	130817-01	11,505
Homeland Security Grant Program	97.067	130818-01	48,107
Homeland Security Grant Program	97.067	130818-01	8,557
Assistance to Firefighters	97.044	EMW-2011-FH-00664	368,346
<b>Total U.S. Department of Homeland Security</b>			524,420
<b><u>U.S. Department of Transportation</u></b>			
Passed through Arizona Governor's Office of Community & Highway Safety:			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	2013-PT-034	13,833
State and Community Highway Safety	20.600	2013-PS-008	6,800
State and Community Highway Safety	20.600	2014-PT-053	7,594
State and Community Highway Safety	20.600	2014-PS-012	24,836
State and Community Highway Safety	20.600	2014A-164-124	4,700
State and Community Highway Safety	20.600	2014-CIOT-001	7,500
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	2014-410-015	37,188
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	2013-410-028	28,096
Incentive Grant Program to Increase Motorcyclist Safety	20.612	2014-2010-001	7,221
Total Highway Safety Cluster			137,768
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	2013-164-010	13,853
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	2013-164-011	8,420
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	2014A-164-124	28,403
National Priority Safety Programs	20.616	2014A-164-124	7,050
Passed through City of Phoenix Transit:			
Federal Transit_Formula Grants	20.507	AZ-90-X103	39,354
Federal Transit_Formula Grants	20.507	AZ-90-096	16,120
<b>Total U.S. Department of Transportation</b>			250,968
<b><u>Institute of Museum and Library Services</u></b>			
Passed through Arizona State Library:			
Grants to States	45.310	N/A	11,885
<b>Total Institute of Museum and Library Services</b>			11,885
<b><u>U.S. Department of the Interior</u></b>			
Bureau of Reclamation:			
Water Conservation Field Services Program (WCFSP)	15.530	R12AP32020	30,373
Water Conservation Field Services Program (WCFSP)	15.530	10AP32071	10,656
<b>Total U.S. Department of the Interior</b>			41,029
<b>Total Expenditures of Federal Awards</b>			<b>\$ 2,422,933</b>

**CITY OF PEORIA, ARIZONA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2014**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of City of Peoria, Arizona under programs of the federal government for the year ended June 30, 2014. The information in the Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the applicable OMB cost principles circular, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Any negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

**NOTE 3 – CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS**

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2014 *Catalog of Federal Domestic Assistance*. When no CFDA number had been assigned to a program, the two-digit federal agency identifier, a period, and the federal contract number were used. When there was no federal contract number, the two-digit federal agency identifier, a period, and the word “unknown” were used.

**CITY OF PEORIA, ARIZONA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2014**

**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_yes  X no
- Significant deficiency(ies) identified? \_\_\_\_\_yes  X none reported

Noncompliance material to financial statements noted? \_\_\_\_\_yes  X no

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_yes  X no
- Significant deficiency(ies) identified? \_\_\_\_\_yes  X none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? \_\_\_\_\_yes  X no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
14.239	Home Investment Partnerships Program
97.044	Assistance to Firefighters Grant

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?  X yes \_\_\_\_\_no

**CITY OF PEORIA, ARIZONA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2014**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

None reported.

**FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS**

None reported.

**CITY OF PEORIA, ARIZONA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2014**

**Status of Federal Award Findings and Questioned Costs**

The City had no findings or questioned costs related to federal awards noted in prior audits that require a status.

**CITY OF PEORIA, ARIZONA  
MANAGEMENT LETTER  
YEAR ENDED JUNE 30, 2014**

Honorable Mayor and Members of the City Council  
City of Peoria, Arizona

In planning and conducting our single audit of the City of Peoria, Arizona for the year ended June 30, 2014, we performed the following as required by *Government Auditing Standards* (GAS) and Office of Management and Budget (OMB) Circular A-133:

- Considered the City's internal control over financial reporting,
- Tested internal controls over its major Federal programs, and
- Tested compliance with certain provisions of laws, regulations, contracts, and grant agreements that could have a direct and material effect on the City's financial statements and major Federal programs.

Any audit findings that are required to be reported by GAS and OMB Circular A-133 have been included in the City's Single Audit Reporting Package for the year ended June 30, 2014. Our audit disclosed opportunities for strengthening internal controls and instances of noncompliance with laws and regulations that did not meet that reporting criteria. Management should address these items to ensure that it fulfills its responsibility to establish and maintain adequate internal controls and comply with laws, regulations, contracts, and grant agreements. Those items and our related recommendations are briefly described in the accompanying summary.

This information is intended for the use of management, the Honorable Mayor and Members of the City Council and is not intended to be and should not be used by anyone other than the specified parties. However, this information is a matter of public record, and its distribution is not limited.

We have already discussed these items and suggestions with City personnel and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,



HEINFELD, MEECH & CO., P.C.  
CPAs and Business Consultants

November 24, 2014

**CITY OF PEORIA, ARIZONA  
MANAGEMENT LETTER  
YEAR ENDED JUNE 30, 2014**

**GRANT REPORTING**

1. The semi-annual Federal Financial Report SF-425 for the Staffing for Adequate Fire and Emergency Response (SAFER) grant due on January 30, 2014 was submitted on March 6, 2014.

The City should implement internal controls to ensure that federal grant reports are submitted by the required deadline.

*Management Response:*

The Fire Department is responsible for completing and submitting the SAFER grants reports. Due to changes in staffing and training new staff for this responsibility, the deadline for submission in January was inadvertently missed. The delay in the semi-annual reporting for our SAFER Grant had no negative impact on the city, or in our ability to get reimbursed, or to receive any future federal grants. The Fire Department was in constant communication during this time with Diane Breedlove from FEMA (the grant provider) about our staffing situation, and the reasons for the late submittal for reimbursement. Ms. Breedlove was very helpful during this time, and understanding of the situation. The Finance Department will work with the Fire Department to implement controls to ensure future timely submission of grant reports.

**CONTINUING DISCLOSURE**

2. Continuing disclosures were not performed timely with the repository of municipal securities for the General Obligation Bonds 2012 - Series A, General Obligation Refunding Bonds 2012 - Series B and Water and Wastewater Revenue Refunding Bonds- Series 2012. The disclosures were due no later than February 1, and were not uploaded to the repository until August 24, 2014.

The City should implement internal controls to ensure that continuing disclosures are made by the required deadline.

*Management Response:*

The City's financial advisory was tasked with this reporting during fiscal year 2014. Because of the way the EMMA system works, all the bond issues are reported at one time by entering all of the cusip numbers. Multiple other bond issues were reported in a timely fashion on the EMMA system. So we believe this was due to a data entry error where these cusip numbers were missed.

**CITY OF PEORIA, ARIZONA  
MANAGEMENT LETTER  
YEAR ENDED JUNE 30, 2014  
(CONCLUDED)**

**PAYROLL**

3. For two of twenty-five payroll transactions reviewed, the City did not maintain documentation to support payments of monthly stipends. These two stipends were paid to a Council member and a Municipal Judge. The City uses stipend authorization forms to document payments of stipends with the exception of appointed employees (Council, Mayor, and Municipal Court divisions).

The City should consider the implementation of similar authorization forms for payments of all stipends.

*Management Response:*

Although the City does not require a signed authorization forms for stipend payments to appointed employees, the stipend payments are authorized in City Council Policy CP2-4 Special Allowances. Additionally, the amounts are authorized through the formal adoption of the annual budget. Attached is the City Council Policy.

4. Payroll expenditures of approximately \$59,000 for the SAFER grant for the time period 5/10/14 - 6/30/14 were not drawn down until August 13, 2014. Those expenditures were reported in the General Fund rather than the Other Grants Fund, causing the Schedule of Expenditures of Federal Awards (SEFA) and intergovernmental receivables to be understated by this amount.

The City should implement internal controls to ensure receivables are appropriately reported in the accounting records and the SEFA.

*Management Response:*

Due to staffing changes, the Fire Department's reconciliation and draws on the SAFER grant were delayed and as a result the expenditure was not properly recorded in the Other Grants Fund. The Finance Department will work with the Fire Department to ensure better coordination and communication in recording grant expenditures and requesting reimbursements.

November 26, 2014

To the Honorable Mayor and Members of the City Council  
City of Peoria, Arizona

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Peoria, Arizona (City), for the year ended June 30, 2014. We also have audited the financial statements of each of the City's non-major governmental, internal service, and fiduciary funds presented as supplementary information in the accompanying combining fund financial statements as of and for the year ended June 30, 2014.

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter provided to you during the planning phase of the audit. Professional standards also require that we communicate to you the following information related to our audit.

**Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Peoria, Arizona, are described in Note 1 to the financial statements. No new accounting policies were adopted during the year. During the year, the City implemented a change to an existing accounting principle which eliminated liabilities associated with developer impact fee credits and sales tax reimbursements. These liabilities were determined to be contingent liabilities, which according to generally accepted accounting principles should only be recorded if the liability is probable. These liabilities, which are reasonably possible, should be mentioned in the footnotes rather than recognized in the financial statements. This change in accounting policy resulted in a prior period adjustment to beginning net position of \$57,165,982 for governmental activities and \$6,297,204 for business-type activities.

We noted no transactions entered into by the City of Peoria, Arizona, during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period and the financial statement disclosures are neutral, consistent, and clear.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time management estimates those assets will provide some economic benefit in the future.
- Management's estimate of the accrued compensated absences is based on leave rates and City policies regarding payment of unused vested leave.
- Management's estimate of the allowance for uncollectible receivable balances is based on past experience and future expectation for collection of various account balances.
- Management's estimate of the insurance claims incurred but not reported is based on information provided by the entity's third party administrators and subsequent claims activity.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

#### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### **Audit Adjustments**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements as a whole.

#### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### **Management Representations**

We have requested certain representations from management that are included in the management representation letter provided to us at the conclusion of the audit.

#### **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City of Peoria, Arizona's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### **Discussions with Management**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management throughout the course of the year. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention as the City's auditors.

**Responsibility for Fraud**

It is important for both management and the members of the governing body to recognize their role in preventing, deterring, and detecting fraud. One common misconception is that the auditors are responsible for detecting fraud. Auditors are required to plan and perform an audit to obtain reasonable assurance that the financial statements do not include material misstatements caused by fraud. Unfortunately most frauds which occur in an organization do not meet this threshold.

The attached document prepared by the Association of Certified Fraud Examiners (ACFE) is provided as a courtesy to test the effectiveness of the fraud prevention measures of your organization. Some of these steps may already be in place, others may not. Not even the most well-designed internal controls or procedures can prevent and detect all forms of fraud. However, an awareness of fraud related factors, as well as the active involvement by management and the members of the governing body in setting the proper “tone at the top”, increases the likelihood that fraud will be prevented, deterred and detected.

**Restriction on Use**

This information is intended solely for the use of the members of the Council and management of City of Peoria, Arizona, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



HEINFELD, MEECH & CO., P.C.  
CPAs and Business Consultants

# Fraud Prevention Checklist

The most cost-effective way to limit fraud losses is to prevent fraud from occurring. This checklist is designed to help organizations test the effectiveness of their fraud prevention measures.

## **1. Is ongoing anti-fraud training provided to all employees of the organization?**

- Do employees understand what constitutes fraud?
- Have the costs of fraud to the company and everyone in it — including lost profits, adverse publicity, job loss and decreased morale and productivity — been made clear to employees?
- Do employees know where to seek advice when faced with uncertain ethical decisions, and do they believe that they can speak freely?
- Has a policy of zero-tolerance for fraud been communicated to employees through words and actions?

## **2. Is an effective fraud reporting mechanism in place?**

- Have employees been taught how to communicate concerns about known or potential wrongdoing?
- Is there an anonymous reporting channel available to employees, such as a third-party hotline?
- Do employees trust that they can report suspicious activity anonymously and/or confidentially and without fear of reprisal?
- Has it been made clear to employees that reports of suspicious activity will be promptly and thoroughly evaluated?
- Do reporting policies and mechanisms extend to vendors, customers and other outside parties?

## **3. To increase employees' perception of detection, are the following proactive measures taken and publicized to employees?**

- Is possible fraudulent conduct aggressively sought out, rather than dealt with passively?
- Does the organization send the message that it actively seeks out fraudulent conduct through fraud assessment questioning by auditors?
- Are surprise fraud audits performed in addition to regularly scheduled audits?
- Is continuous auditing software used to detect fraud and, if so, has the use of such software been made known throughout the organization?

- 4. Is the management climate/tone at the top one of honesty and integrity?**
  - Are employees surveyed to determine the extent to which they believe management acts with honesty and integrity?
  - Are performance goals realistic?
  - Have fraud prevention goals been incorporated into the performance measures against which managers are evaluated and which are used to determine performance-related compensation?
  - Has the organization established, implemented and tested a process for oversight of fraud risks by the board of directors or others charged with governance (e.g., the audit committee)?
- 5. Are fraud risk assessments performed to proactively identify and mitigate the company's vulnerabilities to internal and external fraud?**
- 6. Are strong anti-fraud controls in place and operating effectively, including the following?**
  - Proper separation of duties
  - Use of authorizations
  - Physical safeguards
  - Job rotations
  - Mandatory vacations
- 7. Does the internal audit department, if one exists, have adequate resources and authority to operate effectively and without undue influence from senior management?**
- 8. Does the hiring policy include the following (where permitted by law)?**
  - Past employment verification
  - Criminal and civil background checks
  - Credit checks
  - Drug screening
  - Education verification
  - References check
- 9. Are employee support programs in place to assist employees struggling with addictions, mental/ emotional health, family or financial problems?**
- 10. Is an open-door policy in place that allows employees to speak freely about pressures, providing management the opportunity to alleviate such pressures before they become acute?**
- 11. Are anonymous surveys conducted to assess employee morale?**

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 15C

Date Prepared: November 20, 2014

Council Meeting Date: December 9, 2014

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**TO:** Carl Swenson, City Manager

**FROM:** Scott Whyte, Economic Development Services Director

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

**SUBJECT:** Maintenance Improvement District No. 1160, Sierra Ridge Estates, 105<sup>th</sup> Lane and Pinnacle Peak Road

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**Purpose:**

This is a request for City Council to approve a Petition for Formation, adopt the Resolution of Intention, and Resolution Ordering the Improvements for a proposed Maintenance Improvement District No. 1160, Sierra Ridge Estates, 105<sup>th</sup> Lane and Pinnacle Peak Road, as well as authorize the City Clerk to record the Maintenance Improvement District with the Maricopa County Recorder's Office subject to the following stipulations:

1. All civil and landscape/irrigation plans must be approved by the City of Peoria (City) prior to recordation of the Maintenance Improvement District;
2. The final plat for the subdivision must be approved by City Council and recorded with the Maricopa County Recorder's Office prior to recordation of the Maintenance Improvement District; and
3. The developer must provide a fully executed Petition, Waiver and Consent to Formation of a Municipal Improvement District.

**Background/Summary:**

The purpose of the Maintenance Improvement District is for the operations, maintenance, repair and improvements to landscaping adjacent to designated public roadways and parkways within the proposed district, as well as drainage and retention within each proposed district. Until such time as the Homeowner's Association fails, and the Council directs City staff to assume maintenance responsibility, the additional charge to the residents will show as \$0.00 on their property tax bills.

Pursuant to the provision of A.R.S. 48-574, et. seq., the Mayor and Council are empowered to adopt a Resolution ordering the formation of a Maintenance Improvement District. A Petition

and Resolution of Intention are attached for formation of City of Peoria Maintenance Improvement District No. 1160, Sierra Ridge Estates, located at 105<sup>th</sup> Lane and Pinnacle Peak Road. In this special situation, in which all of the property owners have presented a petition for formation, the ordinary publication and protest period are not required by law, and the Council may then adopt a Resolution ordering the improvements when necessary once the Resolution of Intention is first adopted. The Resolution Ordering the improvements finalizes the formation of the Maintenance Improvement District process.

Under Arizona State law, commencing in October 2015, the residents will receive an additional charge on their property tax bill for maintenance of the landscape, irrigation and drainage improvements, located adjacent to and within the public rights-of-way and tracts. However, until such time as the Homeowner's Association fails, and the Council directs City staff to assume maintenance responsibility, the additional charge to the residents will be \$0.00. In accordance with State statute, an assessment diagram and map, listing each parcel of property within the district has been prepared.

**Previous Actions:**

The final plat for Sierra Ridge Estates was approved by the City on November 25, 2014 and recorded with the County.

**Options:**

A: The Maintenance Improvement District has been approved through the Economic Development Services Department. An option would be to not accept the proposed Maintenance Improvement District; although it should be noted that not approving the Maintenance Improvement District will prevent any additional charges from being assessed on the property tax bills for those properties located within the District, and any and all fees incurred by the City of Peoria as a result of assuming the maintenance responsibility would be paid using City of Peoria funds.

B: The other option would be to formally approve the Maintenance Improvement District to allow for the taxing district to be recorded and in place in the event the Homeowner's Association fails.

**Staff's Recommendation:**

Staff recommends the approval and subsequent recordation of the attached Petition for Formation, Resolution of Intention to Create, and Resolution Declaring Intention to Order.

**Fiscal Analysis:**

There is no direct budgetary impact to the City to approve the Maintenance Improvement District. However, the City would incur the additional charges associated with the maintenance

responsibilities should the taxing district not be approved and recorded, and the Homeowner's Association fail.

**Narrative:**

The acceptance of this Maintenance Improvement District will allow any additional charges associated with the maintenance responsibilities should the Homeowner's Association fail, to be assessed on the property tax bill for the properties located within the District.

**Exhibit(s):**

**Exhibit 1:** Petition for Formation

**Exhibit 2:** Proposed Resolution of Intention to Create

**Exhibit 3:** Proposed Resolution Declaring Intention to Order

**Contact Name and Number:** William Beloit, Engineering Technician II, x7573

**PETITION, WAIVER AND CONSENT TO FORMATION  
OF A MUNICIPAL IMPROVEMENT DISTRICT  
BY THE CITY OF PEORIA**

[ 1160 ]

**MID#**

[ Sierra Ridge Estates ]

**Subdivision Name**

To: Honorable Mayor and Council  
City of Peoria, Arizona

Pursuant to Arizona Revised Statutes, Sections 48-574 and 48-575, the undersigned property owner respectfully petitions the City Council of the City of Peoria, Arizona (City Council) to order the formation of a Municipal Improvement District under Arizona Revised Statutes, Title 48, Chapter 4, Article 2. In support of this petition, the undersigned agrees to waive certain rights under the Arizona Improvement District Law and to consent to the formation and completion of the District.

1. Area of District. The proposed district is described by a map and by a legal description on Exhibit "A" that is attached hereto and incorporated herein by reference. The proposed district consists of 17.54 acres and is entirely within the corporate boundaries of the City of Peoria.
2. Ownership. The undersigned (is) (are) the sole owner(s) of the real property within the proposed district.
3. Purpose. The district is proposed to be formed for the purpose of the operation, maintenance, repair and improvements for landscape maintenance adjacent to designated public roadways and parkways within the proposed district and drainage and retention within each proposed district.
4. Public Convenience and Necessity. The necessity for the proposed district is for the operation, maintenance, repair and improvements for landscape maintenance adjacent to designated streets and parkways within the proposed district by the levying of special assessments in the proposed district.
5. Waiver and Consent. The petitioners with full knowledge of their rights being waived hereunder, hereby expressly waive:
  - (a) Any and all irregularities, illegalities or deficiencies which may exist in the acts or proceedings resulting in the adoption of the Resolution of Intention and the Resolution Ordering the Work;
  - (b) Any necessity for publication and posting of the Resolution of Intention and the Notice of Proposed Improvements pursuant to A.R.S. §48-578;
  - (c) All protest rights whatsoever under A.R.S. §48-579(A) and (B), which provide for protests against the work; and
  - (d) All objections to the filing of and adoption by the City of the plans and specifications, the Engineer's estimate and the Assessment Diagram, all of which provide for the completion of the District.

Further, the improvements described above are of more than local or ordinary public benefit.

In Witness whereof the parties have executed this Petition and Waiver Agreement as of the  
30<sup>th</sup> day of JUNE 2014.

<u>DR Horton Inc.</u> Print Property Owner Name <u>Holly James</u> Print Name <u>20410 N. 19th Ave, #100, Phoenix, AZ 85027</u> Address <u>[REDACTED]</u> Signature <u>[Signature]</u>	Date: <u>6-25-14</u>	Property (Tax Parcel Numbers) <u>201-08-020C, 021, 022, 023</u>
<u>_____</u> Print Property Owner Name <u>_____</u> Print Name <u>_____</u> Address <u>_____</u> Signature	Date: <u>_____</u>	Property (Tax Parcel Numbers) <u>_____</u>

Accepted and approved by:

CITY OF PEORIA, ARIZONA, an  
ARIZONA MUNICIPAL CORPORATION

ATTEST:

By \_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

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

RESOLUTION NO. 2014-167

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PEORIA, ARIZONA, DECLARING ITS INTENTION TO CREATE AN IMPROVEMENT DISTRICT TO MAINTAIN LANDSCAPING INCLUDED WITHIN, NEAR AND ADJACENT TO A PARKWAY AND RELATED FACILITIES TOGETHER WITH APPURTENANT STRUCTURES AS SHOWN ON THE PLANS, FOR MAINTENANCE WITHIN AN AREA IN THE CITY OF PEORIA AS DESCRIBED HEREIN; ADOPTING PLANS FOR CITY OF PEORIA MAINTENANCE IMPROVEMENT DISTRICT NO. 1160, SIERRA RIDGE ESTATES , AS MORE PARTICULARLY DESCRIBED HEREIN, AND DECLARING THE WORK OR IMPROVEMENT TO BE OF MORE THAN LOCAL OR ORDINARY PUBLIC BENEFIT, AND THAT THE COST OF SAID WORK OR IMPROVEMENT SHALL BE ASSESSED UPON A CERTAIN DISTRICT, AND PROVIDING THAT THE PROPOSED WORK OR IMPROVEMENT SHALL BE PERFORMED UNDER ARIZONA REVISED STATUTES TITLE 48, CHAPTER 4, ARTICLE 2, AND AMENDMENTS THERETO AND DECLARING AN EMERGENCY.

WHEREAS, the Mayor and Council of the City of Peoria, Arizona, declare that the Maintenance of the landscaping included within, near and adjacent to a parkway and related facilities in the District to be of more than local or ordinary public benefit, and further that the cost of said maintenance shall be assessed on a certain District; and

WHEREAS, the Mayor and Council of the City of Peoria, Arizona, declare that the maintenance of landscaping included within, near, and adjacent to a parkway and related facilities in the District is incidental to the maintenance and preservation of the parkway and related facilities, has aesthetic value, and maintains and increases the value of property within the District; and

WHEREAS, the City Council declares that the maintenance of landscaping included within and adjacent to a parkway and related facilities preserves and promotes the health, safety, and welfare of those citizens of the City of Peoria living within the District as well as preservation of the streets and parkways which may be adversely impacted by drainage and other water formations; and

WHEREAS, the City of Peoria declares that the maintenance of a landscaped buffer between a parkway and the adjacent developments reduces the visual and other impact of light, air and noise pollution and tends to increase personal and vehicular safety on the parkway and decreases the likelihood vehicular accidents will harm adjacent developments in furtherance of the health, safety and welfare of those citizens of the City living within the District; and

WHEREAS, the City Council declares that maintenance of landscaped drainage and other water control facilities and features within, near or adjacent to a parkway and related facilities tends to preserve the structural integrity of the parkway and mitigates flooding of adjacent areas and the structural integrity of the parkway and mitigates flooding of adjacent areas and the parkway by draining water to and from the parkway in furtherance of the health, safety and welfare of those citizens of the City of Peoria living within the District:

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF PEORIA AS FOLLOWS:

**Section 1. Definitions.**

In this Resolution, the following terms shall have the following meanings:

"Assessment Diagrams" shall mean those duplicate diagrams of the property contained in the Assessment District is to be filed with the Clerk and approved by the Mayor and Council.

"Assessment District" shall mean the lots, pieces or parcels of land lying within the boundaries described on Exhibit B attached hereto and as shown on the map on file with the City Engineer.

"City" shall mean the City of Peoria, Arizona.

"City Council" or "Council" shall mean the Mayor and Council of the City.

"Clerk" shall mean the City Clerk.

"Engineer" shall mean City Engineer.

"Lots" shall mean all lots, pieces or parcels of land lying within the Assessment District.

"Parkways" shall mean those streets and rights-of-way which are designated in Exhibit B as "Parkways," and specifically those portions of Pedestrian Facilities, Parks, Retention, Detention and Storm Water Management Facilities included within or adjacent to the Assessment District.

"Plans and Specifications" shall mean the engineer's estimate for the Maintenance Improvement District No. 1160 filed with the Clerk prior to the adoption of this Resolution.

"Superintendent of Streets" shall mean the City Engineer.

**Section 2. Declaration of Intention to Order an Improvement.**

The public interest or convenience requires, and it is the intention of the Mayor and Council of the City of Peoria, Arizona, to order the following work, hereinafter "Work," to be performed, to wit:

The maintenance of all landscaping, including replacement of landscape materials, in the area generally described as follows:

SEE EXHIBIT "A", LEGAL DESCRIPTION OF CITY OF PEORIA MAINTENANCE IMPROVEMENT DISTRICT NO. 1160

The Mayor and Council of the City of Peoria, Arizona designate as parkways, those areas set forth on Exhibit "B" Assessment Diagram in accordance with Title 48, Chapter 4, Article 2, Arizona Revised Statutes. The public interest and convenience require, and it is the intention of the City Council to order the Work adjacent to the designated parkways to be performed as stated herein. All items of the Work shall be performed as prescribed by the Plans and Specifications hereby

approved and adopted by the Council and on file in the Office of the City Engineer and no assessment for any lot shall exceed its proportion of the Estimate. The estimate of the cost and expenses of the work or improvements on file in the offices of the Superintendent of Streets and the Clerk of the City are hereby approved and adopted by the Mayor and Council of the City. In addition to the requirements of law, the procedures set forth in the City Code will be followed regarding acceptance of bids and setting tax levies. For purposes of this Resolution and of all resolutions, ordinances and notices pertaining to this Resolution, the improvement as herein described is hereby designated City of Peoria Maintenance Improvement District No. 1160.

**Section 3. Determination of Need.**

In the opinion of the City Council, the Work is of more than local or ordinary public benefit. The City Council hereby orders that all amounts due or to become due with respect to the Work shall be chargeable upon the respective lots, pieces and parcels of land within the Assessment District.

**Section 4. Preparation of Assessment Diagrams.**

The City Engineer is hereby authorized and directed to prepare duplicate diagrams (Assessment Diagrams) of the property contained within the Assessment District. The diagrams shall show each separate lot, numbered consecutively, the approximate area in square feet of each lot, and the location of the lot in relation to the work proposed to be done.

**Section 5. Exclusion of Certain Property.**

Any public street or alley within the boundaries of the Assessment District is hereby omitted from the assessment hereafter to be made. Any lot belonging to the United States, the State, a county, city, school district or any political subdivision or institution of the State or county, which is included within the Assessment District shall be omitted from the assessment hereafter made.

**Section 6. Officers Not Liable.**

In no event will the City of Peoria or any officer thereof be liable for any portion of the cost of said Improvement District nor for any delinquency of persons or property assessed.

**Section 7. Annual Statement.**

The City Council shall make annual statements and estimates of the expenses of the District which shall be provided for by the levy and collection of ad valorem taxes upon the assessed value of all real and personal property in the District as provided in A.R.S. § 48-574 and amendments thereto.

**Section 8. Statutory Authority.**

The Work and all proceedings pertaining thereto shall be performed under the provisions of Title 48, Article 2, specifically Section 48-574, and all amendments thereto and pursuant to Article I, Section 3, (8) of the Peoria City Charter.

**Section 10. Delegation of Authority.**

The City Engineer is hereby authorized to fill in any blanks and to make any minor corrections necessary to complete the Plans and Specifications and the Contract Documents.

PASSED AND ADOPTED by the Mayor and Council of the City of Peoria, Arizona, this 9<sup>th</sup> day of December, 2014.

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Bob Barrett, Mayor

ATTEST:

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Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

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Stephen M. Kemp, City Attorney

CERTIFICATION OF CITY ENGINEER

I hereby certify that I have read the description set out under the definition "Assessment District" and approve the same. I further certify that I have read the description set out under the definition "Work" and approve the same.

\_\_\_\_\_  
Andrew Granger, Engineering Director

CERTIFICATION OF CITY CLERK

I hereby certify that the above and foregoing Resolution No. 2014-167 duly passed by the Mayor and Council of the City of Peoria, Arizona at a regular meeting held on December 9, 2014 and that a quorum was present there and that the vote thereon was \_\_\_\_\_ ayes and \_\_\_\_\_ nays. \_\_\_\_\_ were no vote or absent.

\_\_\_\_\_  
City Clerk, City of Peoria



**LEGAL DESCRIPTION  
SIERRA RIDGE ESTATES  
MAINTENANCE IMPROVEMENT DISTRICT NO. 1160**

THAT PARCEL OF LAND RECORDED AS DOC. NO. 2012-1138438, OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA, LOCATED WITHIN THE SOUTHWEST QUARTER OF SECTION 8, TOWNSHIP 4 NORTH, RANGE 1 EAST, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**BEGINNING** AT THE SOUTHWEST CORNER OF SECTION 8, BEING A BRASS CAP IN HANDHOLE, FROM WHICH THE WEST QUARTER CORNER OF SECTION 8, BEING A BRASS CAP IN HANDHOLE, BEARS NORTH 00°25'08" WEST, A DISTANCE OF 2641.59 FEET;

**THENCE** NORTH 00°25'08" WEST, ALONG THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 8, A DISTANCE OF 91.57 FEET;

**THENCE** DEPARTING SAID WEST LINE NORTH 89°34'52" EAST, A DISTANCE OF 33.30 FEET;

**THENCE** SOUTH 00°25'35" EAST, A DISTANCE OF 58.56 FEET;

**THENCE** SOUTH 89°06'51" EAST, A DISTANCE OF 101.35 FEET;

**THENCE** NORTH 00°40'07" WEST, A DISTANCE OF 87.27 FEET;

**THENCE** SOUTH 89°24'46" WEST, A DISTANCE OF 34.91 FEET;

**THENCE** NORTH 00°25'35" WEST, A DISTANCE OF 103.02 FEET;

**THENCE** NORTH 26°37'39" EAST, A DISTANCE OF 486.39 FEET TO A POINT ON THE NORTH LINE OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 8;

**THENCE** SOUTH 89°17'25" EAST, ALONG SAID NORTH LINE, A DISTANCE OF 1006.51 FEET TO A POINT ON THE EAST LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 8;

**THENCE** SOUTH 00°36'19" EAST, ALONG SAID EAST LINE, A DISTANCE OF 660.35 FEET TO A POINT ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 8;

**THENCE** NORTH 89°17'38" WEST, ALONG SAID SOUTH LINE, A DISTANCE OF 1329.20 FEET TO THE **POINT OF BEGINNING**.

SAID PARCEL CONTAINS 765,114 SQUARE FEET OR 17.5646 ACRES, MORE OR LESS.

P:\9684 - NEC 107th Ave & Pinnacle Peak\9684-02-001 (SUR)\Survey\Legal Descriptions\9684-MID LEGAL.docx

Bowman Consulting Group, Ltd. • 1295 W Washington, Suite 108 • Tempe, Arizona 85281 • P: 480.629.8830

**EXHIBIT “B”**

**IS ON FILE IN THE**

**CITY OF PEORIA  
CITY CLERK’S OFFICE  
8401 W. MONROE STREET  
PEORIA, AZ 85345**



**CITY OF PEORIA, ARIZONA  
NOTICE**

OF THE PASSAGE OF A RESOLUTION ORDERING THE IMPROVEMENT CONSISTING OF AUTHORIZING THE MAINTENANCE OF LANDSCAPING INCLUDED WITHIN, NEAR, AND ADJACENT TO A PARKWAY AND RELATED FACILITIES TOGETHER WITHIN APPURTENANT STRUCTURES AS SHOWN ON THE PLANS FOR THE IMPROVEMENT DISTRICT KNOWN AS CITY OF PEORIA MAINTENANCE IMPROVEMENT DISTRICT NO. 1160, SIERRA RIDGE ESTATES.

This notice is given pursuant to the provisions of Title 48, Chapter 4, Article 2, Sections 48-571 to 48-619, both inclusive, Arizona Revised Statutes, as amended.

On the 9<sup>th</sup> day of December, 2014 the Mayor and Council of the City of Peoria adopted Resolution No. 2014-168 ; ordering the improvements of maintaining landscaping included within, near, and adjacent to a parkway and related facilities together within appurtenant structures shown on the plans, within the corporate limits of the City and creating an Improvement District known as the City of Peoria Maintenance Improvement District No. 1160, pursuant to Title 48, Chapter 4, Arizona Revised Statutes; and amendments thereto for the purpose of maintaining landscaping included within, near, and adjacent to a parkway and related facilities together within appurtenant structures, which includes a charge for the maintenance of landscaping and other related items, together with all appurtenant structures as shown on the plans; and directing that this notice been given.

Any owner, or any other person having an interest in any lot, piece or parcel of land situated within the above-described assessment district, who claims that any of the provisions, acts or proceedings relative to the above described improvements are irregular, defective, illegal, erroneous or faulty, may file with the City Clerk, Room 150, 8401 West Monroe Street, Peoria, Arizona 85345, within 15 days from the date of the first publication of this notice, a written notice specifying in what way said acts or proceedings are irregular, defective, illegal, erroneous or faulty.

Further information concerning City of Peoria Maintenance Improvement District No. 1160 may be obtained by contacting Mr. Andrew Granger, Engineering Director, City of Peoria, Arizona, 8401 West Monroe, Peoria, Arizona 85345, (623) 773-7215.

DATED AND SIGNED this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

---

Andrew Granger, P.E.  
Superintendent of Streets  
City of Peoria, Arizona

RESOLUTION NO. 2014-168

RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, ARIZONA DECLARING ITS INTENTION TO ORDER THE IMPROVEMENTS OF A CERTAIN AREA WITHIN THE CORPORATE LIMITS OF THE CITY AND CREATING AN IMPROVEMENT DISTRICT KNOWN AS THE CITY OF PEORIA MAINTENANCE IMPROVEMENT DISTRICT NO. 1160, SIERRA RIDGE ESTATES; PROVIDING THAT THE COST OF THE MAINTENANCE OF THE LANDSCAPING INCLUDED WITHIN, NEAR, AND ADJACENT TO A PARKWAY AND RELATED FACILITIES TOGETHER WITH APPURTENANT STRUCTURES AS SHOWN ON THE PLANS, SHALL BE ASSESSED UNDER THE PROVISIONS OF TITLE 48, CHAPTER 4, ARTICLE 2, ARIZONA REVISED STATUTES, AS AMENDED; AND DECLARING AN EMERGENCY.

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, ARIZONA, THAT:

SECTION 1. The public interest or convenience require and it is the intention of the Mayor and Council of the City of Peoria, Arizona to order the maintenance of landscaping within the proposed district and that the cost of maintaining landscaping included within, near, and adjacent to a parkway and related facilities together with appurtenant structures be assessed upon a certain improvement district to be known as Peoria Maintenance Improvement District No. 1160.

The estimate of the cost and expenses for the maintenance of the landscaping on file with the Superintendent of Streets and the City Clerk is approved and adopted by the Mayor and Council of the City.

SECTION 2. The maintenance of the landscaping, therefore, in the opinion of the Mayor and Council of the City, are of more than local or ordinary public benefit, and are of special benefit to the respective lots, pieces and parcels

of land within the real property described herein. The Mayor and Council of the City make and order that the cost and expense for the maintenance of the landscaping included within, near, and adjacent to a parkway and related facilities together with appurtenant structures be chargeable upon a district to be known and designated as the City of Peoria Maintenance Improvement District No. 1160 and as described and bounded as set forth on Exhibits A and B attached, and declare that the district in the City benefited by the maintenance of landscaping included within, near, and adjacent to a parkway and related facilities together with appurtenant structures to be assessed, to pay the costs and expenses thereof in proportion to the benefits derived therefrom.

The City shall not assess the costs and expenses for the maintenance of landscaping included within, near, and adjacent to a parkway and related facilities together with appurtenant structures, which are for the general public benefit against the respective lots, pieces and parcels of land located within the boundaries of the City of Peoria Maintenance Improvement District No. 1160 and if a portion of the costs and expenses for the maintenance of landscaping is for the general public benefit, the City shall assess the boundaries of the City of Peoria Maintenance Improvement District No. 1160 only that portion of such costs and expenses which benefits the lots, pieces and parcels of land located within the boundaries of the City of Peoria Maintenance Improvement District No. 1160.

SECTION 3. The costs and expense for the maintenance of landscaping shall be made and all proceedings therein taken; that the Superintendent of Streets of the City shall post or cause to be posted notices thereof; that the City Clerk shall certify to the passage of this Resolution of Intention; that the Engineer shall prepare duplicate diagrams of the City of Peoria Maintenance Improvement District No. 1160 described in Section 2 of this Resolution to be assessed to pay the costs and expenses thereof, under and in accordance with the provisions of Title 48, Chapter 4, Article 2, Arizona Revised Statutes, as amended.

SECTION 4. The majority of owners of all of the real property within the proposed district have executed a Petition for formation of a Maintenance Improvement District and the City Council has verified the ownership of the property. Publication and posting of the notice of the passage of the Resolution of Intention will be completed as prescribed by the State Statues.

SECTION 5. Any Resolutions or parts of Resolutions in conflict with the provisions of this Resolution are hereby repealed.

SECTION 6. The immediate operation of the provisions of this Resolution is necessary for the preservation of the public peace, health and safety and an emergency is declared to exist, and this Resolution will be in full force and effect from and after its passage and approval by the Mayor and Council of the

Resolution No. 2014-168  
MID 1160 – Sierra Ridge Estates  
December 9, 2014  
Page 3 of 6 Pages

City of Peoria, Arizona as required by law and is exempt from the referendum provisions of the Constitution and laws of the State of Arizona.

PASSED AND ADOPTED by the Mayor and Council of the City of Peoria, Arizona, this 9<sup>th</sup> day of December, 2014.

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Bob Barrett, Mayor

ATTEST:

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Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

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Stephen M. Kemp, City Attorney



**LEGAL DESCRIPTION  
SIERRA RIDGE ESTATES  
MAINTENANCE IMPROVEMENT DISTRICT NO. 1160**

THAT PARCEL OF LAND RECORDED AS DOC. NO. 2012-1138438, OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA, LOCATED WITHIN THE SOUTHWEST QUARTER OF SECTION 8, TOWNSHIP 4 NORTH, RANGE 1 EAST, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**BEGINNING** AT THE SOUTHWEST CORNER OF SECTION 8, BEING A BRASS CAP IN HANDHOLE, FROM WHICH THE WEST QUARTER CORNER OF SECTION 8, BEING A BRASS CAP IN HANDHOLE, BEARS NORTH 00°25'08" WEST, A DISTANCE OF 2641.59 FEET;

**THENCE** NORTH 00°25'08" WEST, ALONG THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 8, A DISTANCE OF 91.57 FEET;

**THENCE** DEPARTING SAID WEST LINE NORTH 89°34'52" EAST, A DISTANCE OF 33.30 FEET;

**THENCE** SOUTH 00°25'35" EAST, A DISTANCE OF 58.56 FEET;

**THENCE** SOUTH 89°06'51" EAST, A DISTANCE OF 101.35 FEET;

**THENCE** NORTH 00°40'07" WEST, A DISTANCE OF 87.27 FEET;

**THENCE** SOUTH 89°24'46" WEST, A DISTANCE OF 34.91 FEET;

**THENCE** NORTH 00°25'35" WEST, A DISTANCE OF 103.02 FEET;

**THENCE** NORTH 26°37'39" EAST, A DISTANCE OF 486.39 FEET TO A POINT ON THE NORTH LINE OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 8;

**THENCE** SOUTH 89°17'25" EAST, ALONG SAID NORTH LINE, A DISTANCE OF 1006.51 FEET TO A POINT ON THE EAST LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 8;

**THENCE** SOUTH 00°36'19" EAST, ALONG SAID EAST LINE, A DISTANCE OF 660.35 FEET TO A POINT ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 8;

**THENCE** NORTH 89°17'38" WEST, ALONG SAID SOUTH LINE, A DISTANCE OF 1329.20 FEET TO THE **POINT OF BEGINNING**.

SAID PARCEL CONTAINS 765,114 SQUARE FEET OR 17.5646 ACRES, MORE OR LESS.

P:\9684 - NEC 107th Ave & Pinnacle Peak\9684-02-001 (SUR)\Survey\Legal Descriptions\9684-MID LEGAL.docx

Bowman Consulting Group, Ltd. • 1295 W Washington, Suite 108 • Tempe, Arizona 85281 • P: 480.629.8830

**EXHIBIT “B”**

**IS ON FILE IN THE**

**CITY OF PEORIA  
CITY CLERK’S OFFICE  
8401 W. MONROE STREET  
PEORIA, AZ 85345**



**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 16C

Date Prepared: November 20, 2014

Council Meeting Date: December 9, 2014

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**TO:** Carl Swenson, City Manager

**FROM:** Scott Whyte, Economic Development Services Director

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

**SUBJECT:** Maintenance Improvement District No. 1170, Querencia Phase 1, Lake Pleasant Parkway and Remuda Drive

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**Purpose:**

This is a request for City Council to approve a Petition for Formation, adopt the Resolution of Intention, and Resolution Ordering the Improvements for a proposed Maintenance Improvement District No. 1170, Querencia Phase 1, Lake Pleasant Parkway and Remuda Drive, as well as authorize the City Clerk to record the Maintenance Improvement District with the Maricopa County Recorder's Office subject to the following stipulations:

1. All civil and landscape/irrigation plans must be approved by the City of Peoria (City) prior to recordation of the Maintenance Improvement District;
2. The final plat for the subdivision must be approved by City Council and recorded with the Maricopa County Recorder's Office prior to recordation of the Maintenance Improvement District; and
3. The developer must provide a fully executed Petition, Waiver and Consent to Formation of a Municipal Improvement District.

**Background/Summary:**

The purpose of the Maintenance Improvement District is for the operations, maintenance, repair and improvements to landscaping adjacent to designated public roadways and parkways within the proposed district, as well as drainage and retention within each proposed district. Until such time as the Homeowner's Association fails, and the Council directs City staff to assume maintenance responsibility, the additional charge to the residents will show as \$0.00 on their property tax bills.

Pursuant to the provision of A.R.S. 48-574, et. seq., the Mayor and Council are empowered to adopt a Resolution ordering the formation of a Maintenance Improvement District. A Petition

and Resolution of Intention are attached for formation of City of Peoria Maintenance Improvement District No. 1170, Querencia Phase 1, located at Lake Pleasant Parkway and Remuda Drive. In this special situation, in which all of the property owners have presented a petition for formation, the ordinary publication and protest period are not required by law, and the Council may then adopt a Resolution ordering the improvements when necessary once the Resolution of Intention is first adopted. The Resolution Ordering the improvements finalizes the formation of the Maintenance Improvement District process.

Under Arizona State law, commencing in October 2015, the residents will receive an additional charge on their property tax bill for maintenance of the landscape, irrigation and drainage improvements, located adjacent to and within the public rights-of-way and tracts. However, until such time as the Homeowner's Association fails, and the Council directs City staff to assume maintenance responsibility, the additional charge to the residents will be \$0.00. In accordance with State statute, an assessment diagram and map, listing each parcel of property within the district has been prepared.

**Previous Actions:**

The final plat for Querencia Phase 1 was approved by the City on November 25, 2014 and recorded with the County.

**Options:**

A: The Maintenance Improvement District has been approved through the Economic Development Services Department. An option would be to not accept the proposed Maintenance Improvement District; although it should be noted that not approving the Maintenance Improvement District will prevent any additional charges from being assessed on the property tax bills for those properties located within the District, and any and all fees incurred by the City of Peoria as a result of assuming the maintenance responsibility would be paid using City of Peoria funds.

B: The other option would be to formally approve the Maintenance Improvement District to allow for the taxing district to be recorded and in place in the event the Homeowner's Association fails.

**Staff's Recommendation:**

Staff recommends the approval and subsequent recordation of the attached Petition for Formation, Resolution of Intention to Create, and Resolution Declaring Intention to Order.

**Fiscal Analysis:**

There is no direct budgetary impact to the City to approve the Maintenance Improvement District. However, the City would incur the additional charges associated with the maintenance

responsibilities should the taxing district not be approved and recorded, and the Homeowner's Association fail.

**Narrative:**

The acceptance of this Maintenance Improvement District will allow any additional charges associated with the maintenance responsibilities should the Homeowner's Association fail, to be assessed on the property tax bill for the properties located within the District.

**Exhibit(s):**

**Exhibit 1:** Petition for Formation

**Exhibit 2:** Proposed Resolution of Intention to Create

**Exhibit 3:** Proposed Resolution Declaring Intention to Order

**Contact Name and Number:** William Beloit, Engineering Technician II, x7573

**PETITION, WAIVER AND CONSENT TO FORMATION  
OF A MUNICIPAL IMPROVEMENT DISTRICT  
BY THE CITY OF PEORIA**

[ 1170 ]  
MID#

[ Querencia- Phase 1 ]  
Subdivision Name

To: Honorable Mayor and Council  
City of Peoria, Arizona

Pursuant to Arizona Revised Statutes, Sections 48-574 and 48-575, the undersigned property owner respectfully petitions the City Council of the City of Peoria, Arizona (City Council) to order the formation of a Municipal Improvement District under Arizona Revised Statutes, Title 48, Chapter 4, Article 2. In support of this petition, the undersigned agrees to waive certain rights under the Arizona Improvement District Law and to consent to the formation and completion of the District.

1. Area of District. The proposed district is described by a map and by a legal description on Exhibit "A" that is attached hereto and incorporated herein by reference. The proposed district consists of 23.3389 acres and is entirely within the corporate boundaries of the City of Peoria.
2. Ownership. The undersigned (is) (are) the sole owner(s) of the real property within the proposed district.
3. Purpose. The district is proposed to be formed for the purpose of the operation, maintenance, repair and improvements for landscape maintenance adjacent to designated public roadways and parkways within the proposed district and drainage and retention within each proposed district.
4. Public Convenience and Necessity. The necessity for the proposed district is for the operation, maintenance, repair and improvements for landscape maintenance adjacent to designated streets and parkways within the proposed district by the levying of special assessments in the proposed district.
5. Waiver and Consent. The petitioners with full knowledge of their rights being waived hereunder, hereby expressly waive:
  - (a) Any and all irregularities, illegalities or deficiencies which may exist in the acts or proceedings resulting in the adoption of the Resolution of Intention and the Resolution Ordering the Work;
  - (b) Any necessity for publication and posting of the Resolution of Intention and the Notice of Proposed Improvements pursuant to A.R.S. §48-578;
  - (c) All protest rights whatsoever under A.R.S. §48-579(A) and (B), which provide for protests against the work; and
  - (d) All objections to the filing of and adoption by the City of the plans and specifications, the Engineer's estimate and the Assessment Diagram, all of which provide for the completion of the District.

Further, the improvements described above are of more than local or ordinary public benefit.

In Witness whereof the parties have executed this Petition and Waiver Agreement as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

<p>JEN Arizona 17 LLC Print Property Owner Name Diann Curley Authorized Signor Print Name 20045 N. 19th Ave Bldg #10 Ste #3 Phoenix 85027 Address [Redacted] Signature</p>	<p>Date: _____</p>	<p>Property (Tax Parcel Numbers) APN:201-06-993A APN:201-06-993B APN:201-06-993C</p>
<p>_____ Print Property Owner Name _____ Print Name _____ Address _____ Signature</p>	<p>Date: _____</p>	<p>Property (Tax Parcel Numbers) _____</p>

Accepted and approved by:

CITY OF PEORIA, ARIZONA, an  
ARIZONA MUNICIPAL CORPORATION

ATTEST:

By \_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

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

RESOLUTION NO. 2014-165

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PEORIA, ARIZONA, DECLARING ITS INTENTION TO CREATE AN IMPROVEMENT DISTRICT TO MAINTAIN LANDSCAPING INCLUDED WITHIN, NEAR AND ADJACENT TO A PARKWAY AND RELATED FACILITIES TOGETHER WITH APPURTENANT STRUCTURES AS SHOWN ON THE PLANS, FOR MAINTENANCE WITHIN AN AREA IN THE CITY OF PEORIA AS DESCRIBED HEREIN; ADOPTING PLANS FOR CITY OF PEORIA MAINTENANCE IMPROVEMENT DISTRICT NO. 1170, QUERENCIA PHASE 1, AS MORE PARTICULARLY DESCRIBED HEREIN, AND DECLARING THE WORK OR IMPROVEMENT TO BE OF MORE THAN LOCAL OR ORDINARY PUBLIC BENEFIT, AND THAT THE COST OF SAID WORK OR IMPROVEMENT SHALL BE ASSESSED UPON A CERTAIN DISTRICT, AND PROVIDING THAT THE PROPOSED WORK OR IMPROVEMENT SHALL BE PERFORMED UNDER ARIZONA REVISED STATUTES TITLE 48, CHAPTER 4, ARTICLE 2, AND AMENDMENTS THERETO AND DECLARING AN EMERGENCY.

WHEREAS, the Mayor and Council of the City of Peoria, Arizona, declare that the Maintenance of the landscaping included within, near and adjacent to a parkway and related facilities in the District to be of more than local or ordinary public benefit, and further that the cost of said maintenance shall be assessed on a certain District; and

WHEREAS, the Mayor and Council of the City of Peoria, Arizona, declare that the maintenance of landscaping included within, near, and adjacent to a parkway and related facilities in the District is incidental to the maintenance and preservation of the parkway and related facilities, has aesthetic value, and maintains and increases the value of property within the District; and

WHEREAS, the City Council declares that the maintenance of landscaping included within and adjacent to a parkway and related facilities preserves and promotes the health, safety, and welfare of those citizens of the City of Peoria living within the District as well as preservation of the streets and parkways which may be adversely impacted by drainage and other water formations; and

WHEREAS, the City of Peoria declares that the maintenance of a landscaped buffer between a parkway and the adjacent developments reduces the visual and other impact of light, air and noise pollution and tends to increase personal and vehicular safety on the parkway and decreases the likelihood vehicular accidents will harm adjacent developments in furtherance of the health, safety and welfare of those citizens of the City living within the District; and

WHEREAS, the City Council declares that maintenance of landscaped drainage and other water control facilities and features within, near or adjacent to a parkway and related facilities tends to preserve the structural integrity of the parkway and mitigates flooding of adjacent areas and the structural integrity of the parkway and mitigates flooding of adjacent areas and the parkway by draining water to and from the parkway in furtherance of the health, safety and welfare of those citizens of the City of Peoria living within the District:

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF PEORIA AS FOLLOWS:

**Section 1. Definitions.**

In this Resolution, the following terms shall have the following meanings:

"Assessment Diagrams" shall mean those duplicate diagrams of the property contained in the Assessment District is to be filed with the Clerk and approved by the Mayor and Council.

"Assessment District" shall mean the lots, pieces or parcels of land lying within the boundaries described on Exhibit B attached hereto and as shown on the map on file with the City Engineer.

"City" shall mean the City of Peoria, Arizona.

"City Council" or "Council" shall mean the Mayor and Council of the City.

"Clerk" shall mean the City Clerk.

"Engineer" shall mean City Engineer.

"Lots" shall mean all lots, pieces or parcels of land lying within the Assessment District.

"Parkways" shall mean those streets and rights-of-way which are designated in Exhibit B as "Parkways," and specifically those portions of Pedestrian Facilities, Parks, Retention, Detention and Storm Water Management Facilities included within or adjacent to the Assessment District.

"Plans and Specifications" shall mean the engineer's estimate for the Maintenance Improvement District No. 1170 filed with the Clerk prior to the adoption of this Resolution.

"Superintendent of Streets" shall mean the City Engineer.

**Section 2. Declaration of Intention to Order an Improvement.**

The public interest or convenience requires, and it is the intention of the Mayor and Council of the City of Peoria, Arizona, to order the following work, hereinafter "Work," to be performed, to wit:

The maintenance of all landscaping, including replacement of landscape materials, in the area generally described as follows:

SEE EXHIBIT "A", LEGAL DESCRIPTION OF CITY OF PEORIA MAINTENANCE IMPROVEMENT DISTRICT NO. 1170

The Mayor and Council of the City of Peoria, Arizona designate as parkways, those areas set forth on Exhibit "B" Assessment Diagram in accordance with Title 48, Chapter 4, Article 2, Arizona Revised Statutes. The public interest and convenience require, and it is the intention of the City Council to order the Work adjacent to the designated parkways to be performed as stated herein. All items of the Work shall be performed as prescribed by the Plans and Specifications hereby

approved and adopted by the Council and on file in the Office of the City Engineer and no assessment for any lot shall exceed its proportion of the Estimate. The estimate of the cost and expenses of the work or improvements on file in the offices of the Superintendent of Streets and the Clerk of the City are hereby approved and adopted by the Mayor and Council of the City. In addition to the requirements of law, the procedures set forth in the City Code will be followed regarding acceptance of bids and setting tax levies. For purposes of this Resolution and of all resolutions, ordinances and notices pertaining to this Resolution, the improvement as herein described is hereby designated City of Peoria Maintenance Improvement District No. 1170.

**Section 3. Determination of Need.**

In the opinion of the City Council, the Work is of more than local or ordinary public benefit. The City Council hereby orders that all amounts due or to become due with respect to the Work shall be chargeable upon the respective lots, pieces and parcels of land within the Assessment District.

**Section 4. Preparation of Assessment Diagrams.**

The City Engineer is hereby authorized and directed to prepare duplicate diagrams (Assessment Diagrams) of the property contained within the Assessment District. The diagrams shall show each separate lot, numbered consecutively, the approximate area in square feet of each lot, and the location of the lot in relation to the work proposed to be done.

**Section 5. Exclusion of Certain Property.**

Any public street or alley within the boundaries of the Assessment District is hereby omitted from the assessment hereafter to be made. Any lot belonging to the United States, the State, a county, city, school district or any political subdivision or institution of the State or county, which is included within the Assessment District shall be omitted from the assessment hereafter made.

**Section 6. Officers Not Liable.**

In no event will the City of Peoria or any officer thereof be liable for any portion of the cost of said Improvement District nor for any delinquency of persons or property assessed.

**Section 7. Annual Statement.**

The City Council shall make annual statements and estimates of the expenses of the District which shall be provided for by the levy and collection of ad valorem taxes upon the assessed value of all real and personal property in the District as provided in A.R.S. § 48-574 and amendments thereto.

**Section 8. Statutory Authority.**

The Work and all proceedings pertaining thereto shall be performed under the provisions of Title 48, Article 2, specifically Section 48-574, and all amendments thereto and pursuant to Article I, Section 3, (8) of the Peoria City Charter.

**Section 9. Delegation of Authority.**

The City Engineer is hereby authorized to fill in any blanks and to make any minor corrections necessary to complete the Plans and Specifications and the Contract Documents.

PASSED AND ADOPTED by the Mayor and Council of the City of Peoria, Arizona, this 9<sup>th</sup> day of December, 2014.

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Bob Barrett, Mayor

ATTEST:

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Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

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Stephen M. Kemp, City Attorney

CERTIFICATION OF CITY ENGINEER

I hereby certify that I have read the description set out under the definition "Assessment District" and approve the same. I further certify that I have read the description set out under the definition "Work" and approve the same.

---

Andrew Granger, Engineering Director

CERTIFICATION OF CITY CLERK

I hereby certify that the above and foregoing Resolution No. 2014-165 duly passed by the Mayor and Council of the City of Peoria, Arizona at a regular meeting held on December 9, 2014 and that a quorum was present there and that the vote thereon was \_\_\_\_\_ ayes and \_\_\_\_\_ nays. \_\_\_\_\_ were no vote or absent.

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City Clerk, City of Peoria



**PARCEL DESCRIPTION  
FOR  
QUERENCIA - PHASE 1**

9977 N 90<sup>th</sup> Street  
Suite 150  
Scottsdale, Arizona 85258  
USA

Phone (602) 977-8000  
Fax (602) 977-8099

[www.cardno.com](http://www.cardno.com)

That portion of the South half of the Northwest quarter of Section 4, Township 4 North, Range 1 East of the Gila and Salt River Meridian, Maricopa County, Arizona, lying Easterly of the East right-of-way line of Lake Pleasant Parkway as established in Book 2 of maps, Page 43A, in the records of Maricopa County, Arizona, more particularly described as follows:

**Commencing** at the center of said Section 4, monumented by an iron rod;

**Thence**, North 01°39'18" West, along the East line of the Northwest quarter of said Section 4, a distance of 834.19 feet, to the **POINT OF BEGINNING**;

**Thence**, leaving said East line, South 88°20'42" West, a distance of 112.03 feet;

**Thence**, South 67°15'42" West, a distance of 174.43 feet;

**Thence**, South 39°49'13" West, a distance of 240.80 feet;

**Thence**, North 80°48'56" West, a distance of 271.25 feet;

**Thence**, North 82°27'22" West, a distance of 130.00 feet, to a point of non-tangent curvature to the right, concave Easterly, having a radius of 325.00 feet, and a central angle of 06°45'25", from which the center of said curve bears South 82°27'22" East;

**Thence**, along the arc of said curve, a distance of 38.33 feet, to a point of non-tangency;

**Thence**, North 75°41'57" West, a distance of 50.00 feet;

**Thence**, North 81°03'17" West, a distance of 146.21 feet;

**Thence**, South 78°53'22" West, a distance of 172.59 feet;

**Thence**, North 11°06'38" West, a distance of 10.60 feet, to a point of tangent curvature to the right, concave Northeasterly, having a radius of 155.00 feet, and central angle of 16°50'46";

**Thence**, along the arc of said curve, a distance of 45.57 feet, to a point of non-tangency;

**Thence**, North 79°45'47" West, a distance of 25.07 feet, to a point of non-tangent curvature to the right, concave Easterly, having a radius of 180.00 feet, and a central angle of 02°16'47", from which the center of said curve bears South 83°38'18" East;

**Thence**, along the arc of said curve, a distance of 7.16 feet, to a point of non-tangency;



**Thence**, North 81°00'23" West, a distance of 25.00 feet, to a point of non-tangent curvature to the right, concave Easterly, having a radius of 205.00 feet, and a central angle of 01°05'42", from which the center of said curve bears South 81°18'57" East;

**Thence**, along the arc of said curve, a distance of 3.92 feet, to a point of non-tangency;

**Thence**, North 80°13'14" West, a distance of 131.57 feet;

**Thence**, South 09°46'46" West, a distance of 15.85 feet;

**Thence**, South 00°55'21" West, a distance of 88.45 feet;

**Thence**, South 11°06'38" East, a distance of 300.30 feet;

**Thence**, South 18°15'34" East, a distance of 89.07 feet;

**Thence**, South 67°49'55" West, a distance of 319.22 feet, to a point on the Easterly right-of-way line of Lake Pleasant Parkway, according to doc 2004-1086343, records of Maricopa County, Arizona;

**Thence**, North 72°55'53" West, along said Easterly line, a distance of 50.00 feet;

**Thence**, continuing along said Easterly line, North 17°04'07" East, a distance of 19.89 feet;

**Thence**, leaving said Easterly line, North 72°55'53" West, a distance of 95.00 feet, to a point on the centerline of Lake Pleasant Parkway;

**Thence**, along said centerline, North 17°04'07" East, a distance of 1,101.55 feet, to a point on centerline that intersects with the prolonged Southerly line of the final plat of La Strada Del Lago, a subdivision recorded in Book 803 of maps, Page 06, in the records of Maricopa County, Arizona;

**Thence**, leaving said centerline, North 89°43'51" East, along the Southerly line of said La Strada Del Lago, a distance of 1,370.49 feet, to a point on the said East line of the Northwest quarter;

**Thence**, leaving said Southerly line, South 01°39'18" East, along said East line, a distance of 459.10 feet, to the **POINT OF BEGINNING**;

The described parcel contains 1,016,640 square feet, or 23.3389 acres, more or less.



**EXHIBIT “B”**

**IS ON FILE IN THE**

**CITY OF PEORIA**  
**CITY CLERK’S OFFICE**  
**8401 W. MONROE STREET**  
**PEORIA, AZ 85345**



**CITY OF PEORIA, ARIZONA  
NOTICE**

OF THE PASSAGE OF A RESOLUTION ORDERING THE IMPROVEMENT CONSISTING OF AUTHORIZING THE MAINTENANCE OF LANDSCAPING INCLUDED WITHIN, NEAR, AND ADJACENT TO A PARKWAY AND RELATED FACILITIES TOGETHER WITHIN APPURTENANT STRUCTURES AS SHOWN ON THE PLANS FOR THE IMPROVEMENT DISTRICT KNOWN AS CITY OF PEORIA MAINTENANCE IMPROVEMENT DISTRICT NO. 1170, QUERENCIA PHASE 1.

This notice is given pursuant to the provisions of Title 48, Chapter 4, Article 2, Sections 48-571 to 48-619, both inclusive, Arizona Revised Statutes, as amended.

On the 9<sup>th</sup> day of December, 2014 the Mayor and Council of the City of Peoria adopted Resolution No. 2014-166 ; ordering the improvements of maintaining landscaping included within, near, and adjacent to a parkway and related facilities together within appurtenant structures shown on the plans, within the corporate limits of the City and creating an Improvement District known as the City of Peoria Maintenance Improvement District No. 1170, pursuant to Title 48, Chapter 4, Arizona Revised Statutes; and amendments thereto for the purpose of maintaining landscaping included within, near, and adjacent to a parkway and related facilities together within appurtenant structures, which includes a charge for the maintenance of landscaping and other related items, together with all appurtenant structures as shown on the plans; and directing that this notice been given.

Any owner, or any other person having an interest in any lot, piece or parcel of land situated within the above-described assessment district, who claims that any of the provisions, acts or proceedings relative to the above described improvements are irregular, defective, illegal, erroneous or faulty, may file with the City Clerk, Room 150, 8401 West Monroe Street, Peoria, Arizona 85345, within 15 days from the date of the first publication of this notice, a written notice specifying in what way said acts or proceedings are irregular, defective, illegal, erroneous or faulty.

Further information concerning City of Peoria Maintenance Improvement District No. 1170 may be obtained by contacting Mr. Andrew Granger, Engineering Director, City of Peoria, Arizona, 8401 West Monroe, Peoria, Arizona 85345, (623) 773-7215.

DATED AND SIGNED this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

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Andrew Granger, P.E.  
Superintendent of Streets  
City of Peoria, Arizona

RESOLUTION NO. 2014-166

RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, ARIZONA DECLARING ITS INTENTION TO ORDER THE IMPROVEMENTS OF A CERTAIN AREA WITHIN THE CORPORATE LIMITS OF THE CITY AND CREATING AN IMPROVEMENT DISTRICT KNOWN AS THE CITY OF PEORIA MAINTENANCE IMPROVEMENT DISTRICT NO. 1170, QUERENCIA PHASE 1; PROVIDING THAT THE COST OF THE MAINTENANCE OF THE LANDSCAPING INCLUDED WITHIN, NEAR, AND ADJACENT TO A PARKWAY AND RELATED FACILITIES TOGETHER WITH APPURTENANT STRUCTURES AS SHOWN ON THE PLANS, SHALL BE ASSESSED UNDER THE PROVISIONS OF TITLE 48, CHAPTER 4, ARTICLE 2, ARIZONA REVISED STATUTES, AS AMENDED; AND DECLARING AN EMERGENCY.

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, ARIZONA, THAT:

SECTION 1. The public interest or convenience require and it is the intention of the Mayor and Council of the City of Peoria, Arizona to order the maintenance of landscaping within the proposed district and that the cost of maintaining landscaping included within, near, and adjacent to a parkway and related facilities together with appurtenant structures be assessed upon a certain improvement district to be known as Peoria Maintenance Improvement District No. 1170.

The estimate of the cost and expenses for the maintenance of the landscaping on file with the Superintendent of Streets and the City Clerk is approved and adopted by the Mayor and Council of the City.

SECTION 2. The maintenance of the landscaping, therefore, in the opinion of the Mayor and Council of the City, are of more than local or ordinary public benefit, and are of special benefit to the respective lots, pieces and parcels

of land within the real property described herein. The Mayor and Council of the City make and order that the cost and expense for the maintenance of the landscaping included within, near, and adjacent to a parkway and related facilities together with appurtenant structures be chargeable upon a district to be known and designated as the City of Peoria Maintenance Improvement District No. 1170 and as described and bounded as set forth on Exhibits A and B attached, and declare that the district in the City benefited by the maintenance of landscaping included within, near, and adjacent to a parkway and related facilities together with appurtenant structures to be assessed, to pay the costs and expenses thereof in proportion to the benefits derived therefrom.

The City shall not assess the costs and expenses for the maintenance of landscaping included within, near, and adjacent to a parkway and related facilities together with appurtenant structures, which are for the general public benefit against the respective lots, pieces and parcels of land located within the boundaries of the City of Peoria Maintenance Improvement District No. 1170 and if a portion of the costs and expenses for the maintenance of landscaping is for the general public benefit, the City shall assess the boundaries of the City of Peoria Maintenance Improvement District No. 1170 only that portion of such costs and expenses which benefits the lots, pieces and parcels of land located within the boundaries of the City of Peoria Maintenance Improvement District No. 1170.

SECTION 3. The costs and expense for the maintenance of landscaping shall be made and all proceedings therein taken; that the Superintendent of Streets of the City shall post or cause to be posted notices thereof; that the City Clerk shall certify to the passage of this Resolution of Intention; that the Engineer shall prepare duplicate diagrams of the City of Peoria Maintenance Improvement District No. 1170 described in Section 2 of this Resolution to be assessed to pay the costs and expenses thereof, under and in accordance with the provisions of Title 48, Chapter 4, Article 2, Arizona Revised Statutes, as amended.

SECTION 4. The majority of owners of all of the real property within the proposed district have executed a Petition for formation of a Maintenance Improvement District and the City Council has verified the ownership of the property. Publication and posting of the notice of the passage of the Resolution of Intention will be completed as prescribed by the State Statues.

SECTION 5. Any Resolutions or parts of Resolutions in conflict with the provisions of this Resolution are hereby repealed.

SECTION 6. The immediate operation of the provisions of this Resolution is necessary for the preservation of the public peace, health and safety and an emergency is declared to exist, and this Resolution will be in full force and effect from and after its passage and approval by the Mayor and Council of the

Resolution No. 2014-166  
MID 1170 – Querencia Phase 1  
December 9, 2014  
Page 3 of 7 Pages

City of Peoria, Arizona as required by law and is exempt from the referendum provisions of the Constitution and laws of the State of Arizona.

PASSED AND ADOPTED by the Mayor and Council of the City of Peoria, Arizona, this 9<sup>th</sup> day of December, 2014.

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Bob Barrett, Mayor

ATTEST:

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Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

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Stephen M. Kemp, City Attorney



**PARCEL DESCRIPTION  
FOR  
QUERENCIA - PHASE 1**

9977 N 90<sup>th</sup> Street  
Suite 150  
Scottsdale, Arizona 85258  
USA

Phone (602) 977-8000  
Fax (602) 977-8099

[www.cardno.com](http://www.cardno.com)

That portion of the South half of the Northwest quarter of Section 4, Township 4 North, Range 1 East of the Gila and Salt River Meridian, Maricopa County, Arizona, lying Easterly of the East right-of-way line of Lake Pleasant Parkway as established in Book 2 of maps, Page 43A, in the records of Maricopa County, Arizona, more particularly described as follows:

**Commencing** at the center of said Section 4, monumented by an iron rod;

**Thence**, North 01°39'18" West, along the East line of the Northwest quarter of said Section 4, a distance of 834.19 feet, to the **POINT OF BEGINNING**;

**Thence**, leaving said East line, South 88°20'42" West, a distance of 112.03 feet;

**Thence**, South 67°15'42" West, a distance of 174.43 feet;

**Thence**, South 39°49'13" West, a distance of 240.80 feet;

**Thence**, North 80°48'56" West, a distance of 271.25 feet;

**Thence**, North 82°27'22" West, a distance of 130.00 feet, to a point of non-tangent curvature to the right, concave Easterly, having a radius of 325.00 feet, and a central angle of 06°45'25", from which the center of said curve bears South 82°27'22" East;

**Thence**, along the arc of said curve, a distance of 38.33 feet, to a point of non-tangency;

**Thence**, North 75°41'57" West, a distance of 50.00 feet;

**Thence**, North 81°03'17" West, a distance of 146.21 feet;

**Thence**, South 78°53'22" West, a distance of 172.59 feet;

**Thence**, North 11°06'38" West, a distance of 10.60 feet, to a point of tangent curvature to the right, concave Northeasterly, having a radius of 155.00 feet, and central angle of 16°50'46";

**Thence**, along the arc of said curve, a distance of 45.57 feet, to a point of non-tangency;

**Thence**, North 79°45'47" West, a distance of 25.07 feet, to a point of non-tangent curvature to the right, concave Easterly, having a radius of 180.00 feet, and a central angle of 02°16'47", from which the center of said curve bears South 83°38'18" East;

**Thence**, along the arc of said curve, a distance of 7.16 feet, to a point of non-tangency;



**Thence**, North 81°00'23" West, a distance of 25.00 feet, to a point of non-tangent curvature to the right, concave Easterly, having a radius of 205.00 feet, and a central angle of 01°05'42", from which the center of said curve bears South 81°18'57" East;

**Thence**, along the arc of said curve, a distance of 3.92 feet, to a point of non-tangency;

**Thence**, North 80°13'14" West, a distance of 131.57 feet;

**Thence**, South 09°46'46" West, a distance of 15.85 feet;

**Thence**, South 00°55'21" West, a distance of 88.45 feet;

**Thence**, South 11°06'38" East, a distance of 300.30 feet;

**Thence**, South 18°15'34" East, a distance of 89.07 feet;

**Thence**, South 67°49'55" West, a distance of 319.22 feet, to a point on the Easterly right-of-way line of Lake Pleasant Parkway, according to doc 2004-1086343, records of Maricopa County, Arizona;

**Thence**, North 72°55'53" West, along said Easterly line, a distance of 50.00 feet;

**Thence**, continuing along said Easterly line, North 17°04'07" East, a distance of 19.89 feet;

**Thence**, leaving said Easterly line, North 72°55'53" West, a distance of 95.00 feet, to a point on the centerline of Lake Pleasant Parkway;

**Thence**, along said centerline, North 17°04'07" East, a distance of 1,101.55 feet, to a point on centerline that intersects with the prolonged Southerly line of the final plat of La Strada Del Lago, a subdivision recorded in Book 803 of maps, Page 06, in the records of Maricopa County, Arizona;

**Thence**, leaving said centerline, North 89°43'51" East, along the Southerly line of said La Strada Del Lago, a distance of 1,370.49 feet, to a point on the said East line of the Northwest quarter;

**Thence**, leaving said Southerly line, South 01°39'18" East, along said East line, a distance of 459.10 feet, to the **POINT OF BEGINNING**;

The described parcel contains 1,016,640 square feet, or 23.3389 acres, more or less.



**EXHIBIT “B”**

**IS ON FILE IN THE**

**CITY OF PEORIA**  
**CITY CLERK’S OFFICE**  
**8401 W. MONROE STREET**  
**PEORIA, AZ 85345**



**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 17C

Date Prepared: November 20, 2014

Council Meeting Date: December 9, 2014

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**TO:** Carl Swenson, City Manager

**FROM:** Scott Whyte, Economic Development Services Director

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

**SUBJECT:** Maintenance Improvement District No. 1174, Mountain Ridge Views, 79<sup>th</sup> Avenue and Peay Drive

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**Purpose:**

This is a request for City Council to approve a Petition for Formation, adopt the Resolution of Intention, and Resolution Ordering the Improvements for a proposed Maintenance Improvement District No. 1174, Mountain Ridge Views, 79<sup>th</sup> Avenue and Peay Drive, as well as authorize the City Clerk to record the Maintenance Improvement District with the Maricopa County Recorder's Office subject to the following stipulations:

1. All civil and landscape/irrigation plans must be approved by the City of Peoria (City) prior to recordation of the Maintenance Improvement District;
2. The final plat for the subdivision must be approved by City Council and recorded with the Maricopa County Recorder's Office prior to recordation of the Maintenance Improvement District; and
3. The developer must provide a fully executed Petition, Waiver and Consent to Formation of a Municipal Improvement District.

**Background/Summary:**

The purpose of the Maintenance Improvement District is for the operations, maintenance, repair and improvements to landscaping adjacent to designated public roadways and parkways within the proposed district, as well as drainage and retention within each proposed district. Until such time as the Homeowner's Association fails, and the Council directs City staff to assume maintenance responsibility, the additional charge to the residents will show as \$0.00 on their property tax bills.

Pursuant to the provision of A.R.S. 48-574, et. seq., the Mayor and Council are empowered to adopt a Resolution ordering the formation of a Maintenance Improvement District. A Petition

and Resolution of Intention are attached for formation of City of Peoria Maintenance Improvement District No. 1174, Mountain Ridge Views, located at 79<sup>th</sup> Avenue and Peay Drive. In this special situation, in which all of the property owners have presented a petition for formation, the ordinary publication and protest period are not required by law, and the Council may then adopt a Resolution ordering the improvements when necessary once the Resolution of Intention is first adopted. The Resolution Ordering the improvements finalizes the formation of the Maintenance Improvement District process.

Under Arizona State law, commencing in October 2015, the residents will receive an additional charge on their property tax bill for maintenance of the landscape, irrigation and drainage improvements, located adjacent to and within the public rights-of-way and tracts. However, until such time as the Homeowner's Association fails, and the Council directs City staff to assume maintenance responsibility, the additional charge to the residents will be \$0.00. In accordance with State statute, an assessment diagram and map, listing each parcel of property within the district has been prepared.

**Previous Actions:**

The final plat for Mountain Ridge Views was approved by the City on February 6, 2007 and recorded with the County.

**Options:**

A: The Maintenance Improvement District has been approved through the Economic Development Services Department. An option would be to not accept the proposed Maintenance Improvement District; although it should be noted that not approving the Maintenance Improvement District will prevent any additional charges from being assessed on the property tax bills for those properties located within the District, and any and all fees incurred by the City of Peoria as a result of assuming the maintenance responsibility would be paid using City of Peoria funds.

B: The other option would be to formally approve the Maintenance Improvement District to allow for the taxing district to be recorded and in place in the event the Homeowner's Association fails.

**Staff's Recommendation:**

Staff recommends the approval and subsequent recordation of the attached Petition for Formation, Resolution of Intention to Create, and Resolution Declaring Intention to Order.

**Fiscal Analysis:**

There is no direct budgetary impact to the City to approve the Maintenance Improvement District. However, the City would incur the additional charges associated with the maintenance

responsibilities should the taxing district not be approved and recorded, and the Homeowner's Association fail.

**Narrative:**

The acceptance of this Maintenance Improvement District will allow any additional charges associated with the maintenance responsibilities should the Homeowner's Association fail, to be assessed on the property tax bill for the properties located within the District.

**Exhibit(s):**

**Exhibit 1:** Petition for Formation

**Exhibit 2:** Proposed Resolution of Intention to Create

**Exhibit 3:** Proposed Resolution Declaring Intention to Order

**Contact Name and Number:** William Beloit, Engineering Technician II, x7573

**PETITION, WAIVER AND CONSENT TO FORMATION  
OF A MUNICIPAL IMPROVEMENT DISTRICT  
BY THE CITY OF PEORIA**

**[1174]**  
**MID#**

**[MOUNTAIN RIDGE VIEWS]**  
**Subdivision Name**

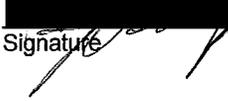
To: Honorable Mayor and Council  
City of Peoria, Arizona

Pursuant to Arizona Revised Statutes, Sections 48-574 and 48-575, the undersigned property owner respectfully petitions the City Council of the City of Peoria, Arizona (City Council) to order the formation of a Municipal Improvement District under Arizona Revised Statutes, Title 48, Chapter 4, Article 2. In support of this petition, the undersigned agrees to waive certain rights under the Arizona Improvement District Law and to consent to the formation and completion of the District.

1. Area of District. The proposed district is described by a map and by a legal description on Exhibit "A" that is attached hereto and incorporated herein by reference. The proposed district consists of FIVE (5) acres and is entirely within the corporate boundaries of the City of Peoria.
2. Ownership. The undersigned (is) (are) the sole owner(s) of the real property within the proposed district.
3. Purpose. The district is proposed to be formed for the purpose of the operation, maintenance, repair and improvements for landscape maintenance adjacent to designated public roadways and parkways within the proposed district and drainage and retention within each proposed district.
4. Public Convenience and Necessity. The necessity for the proposed district is for the operation, maintenance, repair and improvements for landscape maintenance adjacent to designated streets and parkways within the proposed district by the levying of special assessments in the proposed district.
5. Waiver and Consent. The petitioners with full knowledge of their rights being waived hereunder, hereby expressly waive:
  - (a) Any and all irregularities, illegalities or deficiencies which may exist in the acts or proceedings resulting in the adoption of the Resolution of Intention and the Resolution Ordering the Work;
  - (b) Any necessity for publication and posting of the Resolution of Intention and the Notice of Proposed Improvements pursuant to A.R.S. §48-578;
  - (c) All protest rights whatsoever under A.R.S. §48-579(A) and (B), which provide for protests against the work; and
  - (d) All objections to the filing of and adoption by the City of the plans and specifications, the Engineer's estimate and the Assessment Diagram, all of which provide for the completion of the District.

Further, the improvements described above are of more than local or ordinary public benefit.

In Witness whereof the parties have executed this Petition and Waiver Agreement as of the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

<p><u>AVENIDA 6, LLC</u> Print Property Owner Name <u>J.D. CAMPBELL</u> Print Name <u>1098 W PINNACLE PEAK RD</u> Address <u>PEORIA, AZ 85383</u> Signature </p>	<p>Date: _____</p>	<p>Property (Tax Parcel Numbers)  <u>201-14-996</u> <u>THROUGH</u> <u>201-14-506</u></p>
<p>_____ Print Property Owner Name  _____ Print Name  _____ Address  _____ Signature</p>	<p>Date: _____</p>	<p>Property (Tax Parcel Numbers)  _____</p>

Accepted and approved by:

CITY OF PEORIA, ARIZONA, an  
ARIZONA MUNICIPAL CORPORATION

ATTEST:

By \_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

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

RESOLUTION NO. 2014-163

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PEORIA, ARIZONA, DECLARING ITS INTENTION TO CREATE AN IMPROVEMENT DISTRICT TO MAINTAIN LANDSCAPING INCLUDED WITHIN, NEAR AND ADJACENT TO A PARKWAY AND RELATED FACILITIES TOGETHER WITH APPURTENANT STRUCTURES AS SHOWN ON THE PLANS, FOR MAINTENANCE WITHIN AN AREA IN THE CITY OF PEORIA AS DESCRIBED HEREIN; ADOPTING PLANS FOR CITY OF PEORIA MAINTENANCE IMPROVEMENT DISTRICT NO. 1174, MOUNTAIN RIDGE VIEWS, AS MORE PARTICULARLY DESCRIBED HEREIN, AND DECLARING THE WORK OR IMPROVEMENT TO BE OF MORE THAN LOCAL OR ORDINARY PUBLIC BENEFIT, AND THAT THE COST OF SAID WORK OR IMPROVEMENT SHALL BE ASSESSED UPON A CERTAIN DISTRICT, AND PROVIDING THAT THE PROPOSED WORK OR IMPROVEMENT SHALL BE PERFORMED UNDER ARIZONA REVISED STATUTES TITLE 48, CHAPTER 4, ARTICLE 2, AND AMENDMENTS THERETO AND DECLARING AN EMERGENCY.

WHEREAS, the Mayor and Council of the City of Peoria, Arizona, declare that the Maintenance of the landscaping included within, near and adjacent to a parkway and related facilities in the District to be of more than local or ordinary public benefit, and further that the cost of said maintenance shall be assessed on a certain District; and

WHEREAS, the Mayor and Council of the City of Peoria, Arizona, declare that the maintenance of landscaping included within, near, and adjacent to a parkway and related facilities in the District is incidental to the maintenance and preservation of the parkway and related facilities, has aesthetic value, and maintains and increases the value of property within the District; and

WHEREAS, the City Council declares that the maintenance of landscaping included within and adjacent to a parkway and related facilities preserves and promotes the health, safety, and welfare of those citizens of the City of Peoria living within the District as well as preservation of the streets and parkways which may be adversely impacted by drainage and other water formations; and

WHEREAS, the City of Peoria declares that the maintenance of a landscaped buffer between a parkway and the adjacent developments reduces the visual and other impact of light, air and noise pollution and tends to increase personal and vehicular safety on the parkway and decreases the likelihood vehicular accidents will harm adjacent developments in furtherance of the health, safety and welfare of those citizens of the City living within the District; and

WHEREAS, the City Council declares that maintenance of landscaped drainage and other water control facilities and features within, near or adjacent to a parkway and related facilities tends to preserve the structural integrity of the parkway and mitigates flooding of adjacent areas and the structural integrity of the parkway and mitigates flooding of adjacent areas and the parkway by draining water to and from the parkway in furtherance of the health, safety and welfare of those citizens of the City of Peoria living within the District:

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF PEORIA AS FOLLOWS:

**Section 1. Definitions.**

In this Resolution, the following terms shall have the following meanings:

"Assessment Diagrams" shall mean those duplicate diagrams of the property contained in the Assessment District is to be filed with the Clerk and approved by the Mayor and Council.

"Assessment District" shall mean the lots, pieces or parcels of land lying within the boundaries described on Exhibit B attached hereto and as shown on the map on file with the City Engineer.

"City" shall mean the City of Peoria, Arizona.

"City Council" or "Council" shall mean the Mayor and Council of the City.

"Clerk" shall mean the City Clerk.

"Engineer" shall mean City Engineer.

"Lots" shall mean all lots, pieces or parcels of land lying within the Assessment District.

"Parkways" shall mean those streets and rights-of-way which are designated in Exhibit B as "Parkways," and specifically those portions of Pedestrian Facilities, Parks, Retention, Detention and Storm Water Management Facilities included within or adjacent to the Assessment District.

"Plans and Specifications" shall mean the engineer's estimate for the Maintenance Improvement District No. 1174 filed with the Clerk prior to the adoption of this Resolution.

"Superintendent of Streets" shall mean the City Engineer.

**Section 2. Declaration of Intention to Order an Improvement.**

The public interest or convenience requires, and it is the intention of the Mayor and Council of the City of Peoria, Arizona, to order the following work, hereinafter "Work," to be performed, to wit:

The maintenance of all landscaping, including replacement of landscape materials, in the area generally described as follows:

SEE EXHIBIT "A", LEGAL DESCRIPTION OF CITY OF PEORIA MAINTENANCE IMPROVEMENT DISTRICT NO. 1174

The Mayor and Council of the City of Peoria, Arizona designate as parkways, those areas set forth on Exhibit "B" Assessment Diagram in accordance with Title 48, Chapter 4, Article 2, Arizona Revised Statutes. The public interest and convenience require, and it is the intention of the City Council to order the Work adjacent to the designated parkways to be performed as stated herein. All items of the Work shall be performed as prescribed by the Plans and Specifications hereby

approved and adopted by the Council and on file in the Office of the City Engineer and no assessment for any lot shall exceed its proportion of the Estimate. The estimate of the cost and expenses of the work or improvements on file in the offices of the Superintendent of Streets and the Clerk of the City are hereby approved and adopted by the Mayor and Council of the City. In addition to the requirements of law, the procedures set forth in the City Code will be followed regarding acceptance of bids and setting tax levies. For purposes of this Resolution and of all resolutions, ordinances and notices pertaining to this Resolution, the improvement as herein described is hereby designated City of Peoria Maintenance Improvement District No. 1174.

**Section 3. Determination of Need.**

In the opinion of the City Council, the Work is of more than local or ordinary public benefit. The City Council hereby orders that all amounts due or to become due with respect to the Work shall be chargeable upon the respective lots, pieces and parcels of land within the Assessment District.

**Section 4. Preparation of Assessment Diagrams.**

The City Engineer is hereby authorized and directed to prepare duplicate diagrams (Assessment Diagrams) of the property contained within the Assessment District. The diagrams shall show each separate lot, numbered consecutively, the approximate area in square feet of each lot, and the location of the lot in relation to the work proposed to be done.

**Section 5. Exclusion of Certain Property.**

Any public street or alley within the boundaries of the Assessment District is hereby omitted from the assessment hereafter to be made. Any lot belonging to the United States, the State, a county, city, school district or any political subdivision or institution of the State or county, which is included within the Assessment District shall be omitted from the assessment hereafter made.

**Section 6. Officers Not Liable.**

In no event will the City of Peoria or any officer thereof be liable for any portion of the cost of said Improvement District nor for any delinquency of persons or property assessed.

**Section 7. Annual Statement.**

The City Council shall make annual statements and estimates of the expenses of the District which shall be provided for by the levy and collection of ad valorem taxes upon the assessed value of all real and personal property in the District as provided in A.R.S. § 48-574 and amendments thereto.

**Section 8. Statutory Authority.**

The Work and all proceedings pertaining thereto shall be performed under the provisions of Title 48, Article 2, specifically Section 48-574, and all amendments thereto and pursuant to Article I, Section 3, (8) of the Peoria City Charter.

**Section 9. Delegation of Authority.**

Resolution No. 2014-163  
MID 1174 – Mountain Ridge Views  
December 9, 2014  
Page 5 of 10 Pages

The City Engineer is hereby authorized to fill in any blanks and to make any minor corrections necessary to complete the Plans and Specifications and the Contract Documents.

PASSED AND ADOPTED by the Mayor and Council of the City of Peoria, Arizona, this 9<sup>th</sup> day of December, 2014.

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Bob Barrett, Mayor

ATTEST:

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Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

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Stephen M. Kemp, City Attorney

CERTIFICATION OF CITY ENGINEER

I hereby certify that I have read the description set out under the definition "Assessment District" and approve the same. I further certify that I have read the description set out under the definition "Work" and approve the same.

---

Andrew Granger, Engineering Director

CERTIFICATION OF CITY CLERK

I hereby certify that the above and foregoing Resolution No. 2014-163 duly passed by the Mayor and Council of the City of Peoria, Arizona at a regular meeting held on December 9, 2014 and that a quorum was present there and that the vote thereon was \_\_\_\_\_ ayes and \_\_\_\_\_ nays. \_\_\_\_\_ were no vote or absent.

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City Clerk, City of Peoria

**MAINTENANCE IMPROVEMENT DISTRICT # 1174  
MOUNTAIN RIDGE VIEWS SUBDIVISION**

LEGAL DESCRIPTION

THAT PART OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 11 TOWNSHIP 4 NORTH, RANGE 1 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE CENTER OF SAID SECTION 11;

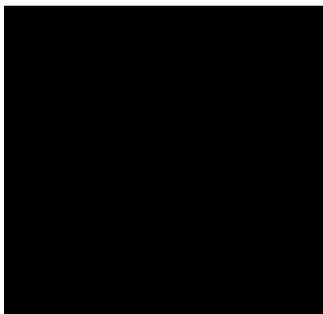
THENCE SOUTH 0° 07' 42" WEST A DISTANCE OF 660.99 FEET TO THE NORTHEAST CORNER OF THE MOUNTAIN RIDGE VIEWS SUBDIVISION, ALSO BEING THE TRUE POINT OF BEGINNING;

THENCE SOUTH 89° 28' 35" WEST A DISTANCE OF 657.84 FEET TO THE NORTHWEST CORNER OF SAID SUBDIVISION;

THENCE SOUTH 00° 05' 45" WEST A DISTANCE OF 330.63 FEET TO THE SOUTHWEST CORNER OF SAID MOUNTAIN RIDGE VIEWS SUBDIVISION;

THENCE NORTH 89° 27' 50" EAST A DISTANCE OF 657.65 FEET TO A POINT ALONG THE CENTER LINE OF SAID SECTION 11, ALSO BEING THE SOUTHEAST CORNER OF SAID SUBDIVISION, AS RECORDED IN BOOK 902, PAGE 6, OF MARICOPA COUNTY RECORDER'S OFFICE;

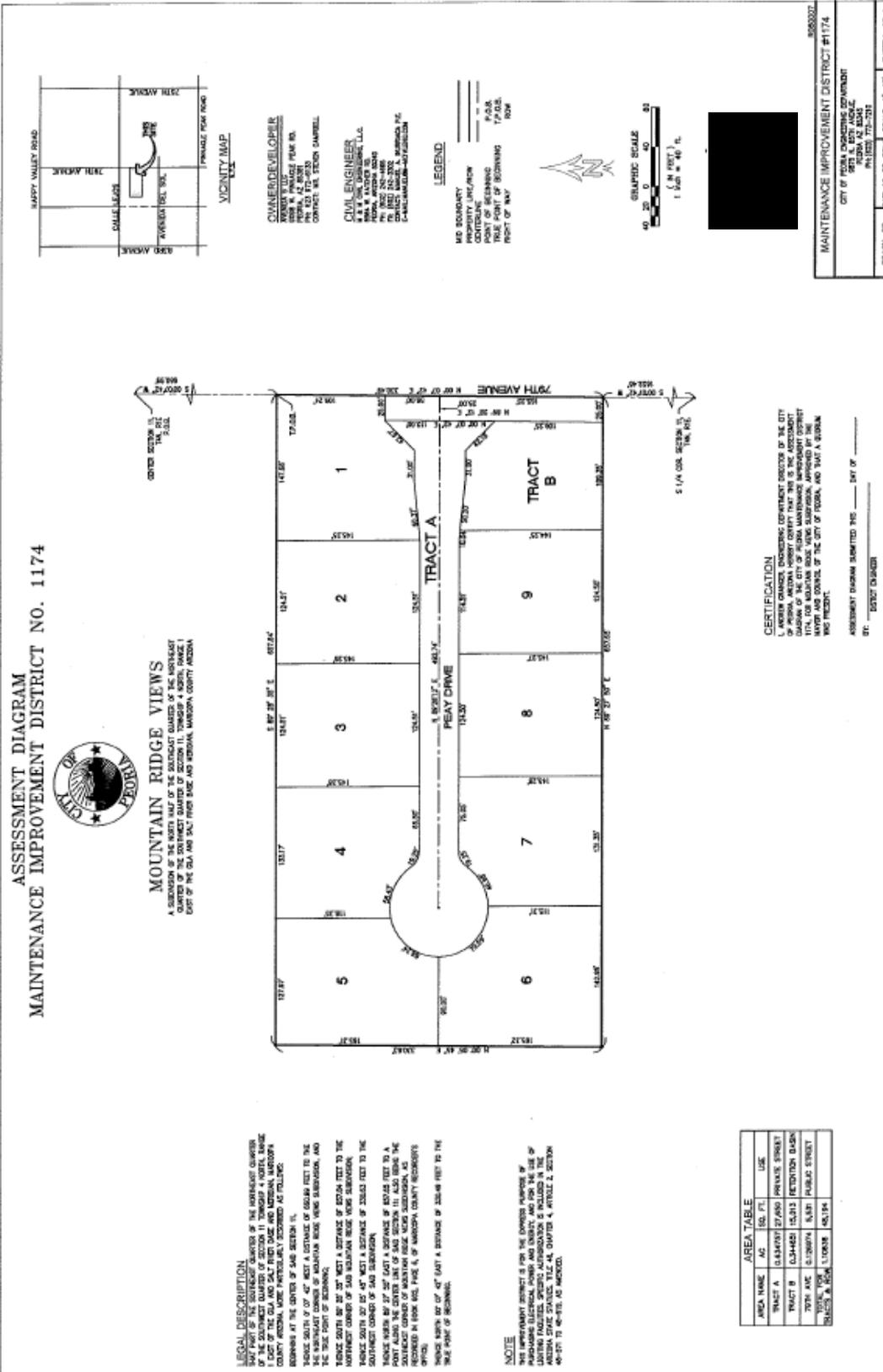
THENCE NORTH 00° 07' 42" EAST A DISTANCE OF 330.49 FEET TO THE TRUE POINT OF BEGINNING.



## EXHIBIT “B”

IS ON FILE IN THE

CITY OF PEORIA  
CITY CLERK’S OFFICE  
8401 W. MONROE STREET  
PEORIA, AZ 85345



**CITY OF PEORIA, ARIZONA  
NOTICE**

OF THE PASSAGE OF A RESOLUTION ORDERING THE IMPROVEMENT CONSISTING OF AUTHORIZING THE MAINTENANCE OF LANDSCAPING INCLUDED WITHIN, NEAR, AND ADJACENT TO A PARKWAY AND RELATED FACILITIES TOGETHER WITHIN APPURTENANT STRUCTURES AS SHOWN ON THE PLANS FOR THE IMPROVEMENT DISTRICT KNOWN AS CITY OF PEORIA MAINTENANCE IMPROVEMENT DISTRICT NO. 1174, MOUNTAIN RIDGE VIEWS.

This notice is given pursuant to the provisions of Title 48, Chapter 4, Article 2, Sections 48-571 to 48-619, both inclusive, Arizona Revised Statutes, as amended.

On the 9<sup>th</sup> day of December, 2014 the Mayor and Council of the City of Peoria adopted Resolution No. 2014-164 ; ordering the improvements of maintaining landscaping included within, near, and adjacent to a parkway and related facilities together within appurtenant structures shown on the plans, within the corporate limits of the City and creating an Improvement District known as the City of Peoria Maintenance Improvement District No. 1174, pursuant to Title 48, Chapter 4, Arizona Revised Statutes; and amendments thereto for the purpose of maintaining landscaping included within, near, and adjacent to a parkway and related facilities together within appurtenant structures, which includes a charge for the maintenance of landscaping and other related items, together with all appurtenant structures as shown on the plans; and directing that this notice been given.

Any owner, or any other person having an interest in any lot, piece or parcel of land situated within the above-described assessment district, who claims that any of the provisions, acts or proceedings relative to the above described improvements are irregular, defective, illegal, erroneous or faulty, may file with the City Clerk, Room 150, 8401 West Monroe Street, Peoria, Arizona 85345, within 15 days from the date of the first publication of this notice, a written notice specifying in what way said acts or proceedings are irregular, defective, illegal, erroneous or faulty.

Further information concerning City of Peoria Maintenance Improvement District No. 1174 may be obtained by contacting Mr. Andrew Granger, Engineering Director, City of Peoria, Arizona, 8401 West Monroe, Peoria, Arizona 85345, (623) 773-7367.

DATED AND SIGNED this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

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Andrew Granger, P.E.  
Superintendent of Streets  
City of Peoria, Arizona

RESOLUTION NO. 2014-164

RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, ARIZONA DECLARING ITS INTENTION TO ORDER THE IMPROVEMENTS OF A CERTAIN AREA WITHIN THE CORPORATE LIMITS OF THE CITY AND CREATING AN IMPROVEMENT DISTRICT KNOWN AS THE CITY OF PEORIA MAINTENANCE IMPROVEMENT DISTRICT NO. 1174, MOUNTAIN RIDGE VIEWS; PROVIDING THAT THE COST OF THE MAINTENANCE OF THE LANDSCAPING INCLUDED WITHIN, NEAR, AND ADJACENT TO A PARKWAY AND RELATED FACILITIES TOGETHER WITH APPURTENANT STRUCTURES AS SHOWN ON THE PLANS, SHALL BE ASSESSED UNDER THE PROVISIONS OF TITLE 48, CHAPTER 4, ARTICLE 2, ARIZONA REVISED STATUTES, AS AMENDED; AND DECLARING AN EMERGENCY.

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, ARIZONA, THAT:

SECTION 1. The public interest or convenience require and it is the intention of the Mayor and Council of the City of Peoria, Arizona to order the maintenance of landscaping within the proposed district and that the cost of maintaining landscaping included within, near, and adjacent to a parkway and related facilities together with appurtenant structures be assessed upon a certain improvement district to be known as Peoria Maintenance Improvement District No. 1174.

The estimate of the cost and expenses for the maintenance of the landscaping on file with the Superintendent of Streets and the City Clerk is approved and adopted by the Mayor and Council of the City.

SECTION 2. The maintenance of the landscaping, therefore, in the opinion of the Mayor and Council of the City, are of more than local or ordinary public benefit, and are of special benefit to the respective lots, pieces and parcels

of land within the real property described herein. The Mayor and Council of the City make and order that the cost and expense for the maintenance of the landscaping included within, near, and adjacent to a parkway and related facilities together with appurtenant structures be chargeable upon a district to be known and designated as the City of Peoria Maintenance Improvement District No. 1174 and as described and bounded as set forth on Exhibits A and B attached, and declare that the district in the City benefited by the maintenance of landscaping included within, near, and adjacent to a parkway and related facilities together with appurtenant structures to be assessed, to pay the costs and expenses thereof in proportion to the benefits derived therefrom.

The City shall not assess the costs and expenses for the maintenance of landscaping included within, near, and adjacent to a parkway and related facilities together with appurtenant structures, which are for the general public benefit against the respective lots, pieces and parcels of land located within the boundaries of the City of Peoria Maintenance Improvement District No. 1174 and if a portion of the costs and expenses for the maintenance of landscaping is for the general public benefit, the City shall assess the boundaries of the City of Peoria Maintenance Improvement District No. 1174 only that portion of such costs and expenses which benefits the lots, pieces and parcels of land located within the boundaries of the City of Peoria Maintenance Improvement District No. 1174.

SECTION 3. The costs and expense for the maintenance of landscaping shall be made and all proceedings therein taken; that the Superintendent of Streets of the City shall post or cause to be posted notices thereof; that the City Clerk shall certify to the passage of this Resolution of Intention; that the Engineer shall prepare duplicate diagrams of the City of Peoria Maintenance Improvement District No. 1174 described in Section 2 of this Resolution to be assessed to pay the costs and expenses thereof, under and in accordance with the provisions of Title 48, Chapter 4, Article 2, Arizona Revised Statutes, as amended.

SECTION 4. The majority of owners of all of the real property within the proposed district have executed a Petition for formation of a Maintenance Improvement District and the City Council has verified the ownership of the property. Publication and posting of the notice of the passage of the Resolution of Intention will be completed as prescribed by the State Statues.

SECTION 5. Any Resolutions or parts of Resolutions in conflict with the provisions of this Resolution are hereby repealed.

SECTION 6. The immediate operation of the provisions of this Resolution is necessary for the preservation of the public peace, health and safety and an emergency is declared to exist, and this Resolution will be in full force and effect from and after its passage and approval by the Mayor and Council of the

Resolution No. 2014-164  
MID 1174 – Mountain Ridge Views  
December 9, 2014  
Page 3 of 6 Pages

City of Peoria, Arizona as required by law and is exempt from the referendum provisions of the Constitution and laws of the State of Arizona.

PASSED AND ADOPTED by the Mayor and Council of the City of Peoria, Arizona, this 9<sup>th</sup> day of December, 2014.

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Bob Barrett, Mayor

ATTEST:

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Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

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Stephen M. Kemp, City Attorney

**MAINTENANCE IMPROVEMENT DISTRICT # 1174  
MOUNTAIN RIDGE VIEWS SUBDIVISION**

LEGAL DESCRIPTION

THAT PART OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE  
SOUTHWEST QUARTER OF SECTION 11 TOWNSHIP 4 NORTH, RANGE 1 EAST OF THE  
GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE  
PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE CENTER OF SAID SECTION 11;

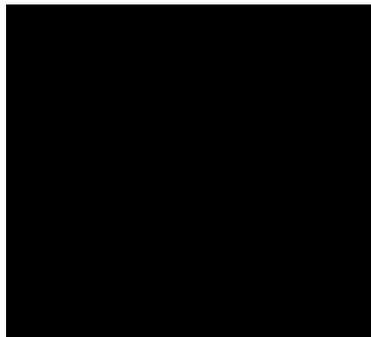
THENCE SOUTH 0° 07' 42" WEST A DISTANCE OF 660.99 FEET TO THE  
NORTHEAST CORNER  
OF THE MOUNTAIN RIDGE VIEWS SUBDIVISION, ALSO BEING THE TRUE POINT OF  
BEGINNING;

THENCE SOUTH 89° 28' 35" WEST A DISTANCE OF 657.84 FEET TO THE  
NORTHWEST CORNER  
OF SAID SUBDIVISION;

THENCE SOUTH 00° 05' 45" WEST A DISTANCE OF 330.63 FEET TO THE  
SOUTHWEST CORNER OF SAID MOUNTAIN RIDGE VIEWS SUBDIVISION;

THENCE NORTH 89° 27' 50" EAST A DISTANCE OF 657.65 FEET TO A POINT  
ALONG THE CENTER LINE OF SAID SECTION 11, ALSO BEING THE SOUTHEAST  
CORNER OF SAID SUBDIVISION, AS RECORDED IN BOOK 902, PAGE 6, OF  
MARICOPA COUNTY RECORDER'S OFFICE;

THENCE NORTH 00° 07' 42" EAST A DISTANCE OF 330.49 FEET TO THE TRUE  
POINT OF  
BEGINNING.



**EXHIBIT “B”**

**IS ON FILE IN THE**

**CITY OF PEORIA  
CITY CLERK’S OFFICE  
8401 W. MONROE STREET  
PEORIA, AZ 85345**



**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 18C

Date Prepared: November 20, 2014

Council Meeting Date: December 9, 2014

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**TO:** Carl Swenson, City Manager

**FROM:** Scott Whyte, Economic Development Services Director

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

**SUBJECT:** Street Light Improvement District No. 1096, Sierra Ridge Estates, 105<sup>th</sup> Lane and Pinnacle Peak Road

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**Purpose:**

This is a request for City Council to approve the Petition for Formation and adopt the Resolution of Intention and Resolution Ordering the Improvements for the proposed Street Light Improvement District No. 1096, Sierra Ridge Estates, 105<sup>th</sup> Lane and Pinnacle Peak Road, and authorize the City Clerk to record the Street Light Improvement District with the Maricopa County Recorder's Office subject to the following stipulations:

1. All civil and street light plans must be approved by the City of Peoria (City) prior to recordation of the Street Light Improvement District.
2. The final plat for the subdivision must be approved by City Council and recorded with the Maricopa County Recorder's Office prior to recordation of the Street Light Improvement District.
3. The developer must provide a fully executed Petition, Waiver and Consent to Formation of a Municipal Improvement District.

**Background/Summary:**

The purpose of the Streetlight Improvement District is for the purchase of electricity for lighting the streets and public parks within the proposed district.

Pursuant to the provisions of A.R.S. §48-616, et seq., Mayor and Council are empowered to adopt a resolution ordering the formation of a Street Light Improvement District. A Petition, Resolution of Intention and Resolution Ordering the Improvements are attached for formation of City of Peoria Street Light Improvement District No. 1096, Sierra Ridge Estates, located at 105<sup>th</sup> Lane and Pinnacle Peak Road. In this special situation, in which all of the property owners have presented a petition for formation, the ordinary publication and protest period are not required by law, and the Council may then immediately adopt a Resolution Ordering the

improvements once the Resolution of Intention is first adopted. The Resolution ordering the improvements finalizes the formation of the Street Light Improvement District process.

Under Arizona State law, commencing in October 2015, the residents will receive, on their property tax bill, an additional charge for operation of the street light system. In accordance with state statute, an assessment diagram and map listing each parcel of property within the district has been prepared.

**Previous Actions:**

The final replat for Sierra Ridge Estates was approved by the Council on November 25, 2014.

**Options:**

A: The Street Light Improvement District has been approved through the Economic Development Services Department. An option would be to not accept the proposed Street Light Improvement District; although it should be noted that not approving the Street Light Improvement District will prevent the purchase of electricity for lighting the streets and public parks within the proposed district from being assessed on the property tax bill.

B: The other option would be to formally approve the Street Light Improvement District to allow for the taxing district to be recorded and fees assessed to the property tax bills.

**Staff's Recommendation:**

Staff recommends the approval and subsequent recordation of the attached Petition for Formation, Resolution of Intention, and Resolution Ordering the Improvements.

**Fiscal Analysis:**

There is no direct budgetary impact to the City to approve the Street Light Improvement District. However, the City would incur the cost associated with the purchase of electricity for lighting the streets and public parks within the proposed district should the taxing district not be approved and recorded.

**Narrative:**

The acceptance of this Street Light Improvement District will allow the purchase of electricity for lighting the streets and public parks within the proposed district to be assessed on the property tax bill for the properties located within the District.

**Exhibit(s):**

**Exhibit 1:** Petition for Formation

**Exhibit 2:** Proposed Resolution of Intention

**Exhibit 3:** Proposed Resolution Ordering the Improvements

**Contact Name and Number:** William Beloit, Engineering Technician II, x7573

**PETITION, WAIVER AND CONSENT TO FORMATION  
OF A MUNICIPAL IMPROVEMENT DISTRICT  
BY THE CITY OF PEORIA**

[ 1096 ]  
SLID#  
[ Sierra Ridge Estates ]  
Subdivision Name

To: Honorable Mayor and Council  
City of Peoria, Arizona

Pursuant to Arizona Revised Statutes, Section 48-617, the undersigned property owner respectfully petitions the City Council of the City of Peoria, Arizona (City Council) to order the formation of a Municipal Street Light Improvement District under Arizona Revised Statutes, Title 48, Chapter 4, Article 2. In support of this petition, the undersigned states agrees to waive certain rights under the Arizona Improvement District Law and to consent to the formation and completion of the District.

1. Area of District. The proposed district is described by a map and by a legal description on Exhibit "A", which is attached hereto and incorporated herein by reference. The proposed district consists of 17.54 acres and is entirely within the corporate boundaries of the City of Peoria.
2. Ownership. The undersigned (is) (are) the sole owner(s) of the real property within the proposed district.
3. Purpose. The district is proposed to be formed for the purpose of the purchase of electricity for lighting the streets and public parks within the proposed district.
4. Public Convenience and Necessity. The necessity for the proposed district is the purchase of electricity for lighting the streets and public parks within the proposed district by the levying of special assessments in the proposed district.
5. Waiver and Consent. The petitioners with full knowledge of their rights being waived hereunder, hereby expressly waive:
  - (a) Any and all irregularities, illegalities or deficiencies which may exist in the acts or proceedings resulting in the adoption of the Resolution of Intention and the Resolution Ordering the Work;
  - (b) Any necessity for publication and posting of the Resolution of Intention and the Notice of Proposed Improvements pursuant to A.R.S. §48-578;
  - (c) All protest rights whatsoever under A.R.S. §48-579(A) and (B), which provide for protests against the work;
  - (d) All objections to the filing of and adoption by the City of the plans and specifications, the Engineer's estimate and the Assessment Diagram, all of which provide for the completion of the District.

Further, the improvements described above are of more than local or ordinary public benefit.

In Witness whereof the parties have executed this Petition and Waiver Agreement as of the 25<sup>th</sup>  
day of June 20 14.

<u>DR Horton Inc.</u> <u>Print Property Owner Name</u> <u>Holly James</u> <u>Print Name</u> <u>20410 N. 19th Ave, #100, Phoenix, AZ 85027</u>  <u>Signature</u>	<u>Date:</u>  <u>6-25-14</u>	<u>Property (Tax Parcel Numbers)</u>  <u>201-08-020C, 021, 022, 023</u>
<u>Print Property Owner Name</u>  <u>Print Name</u>  <u>Address</u>  <u>Signature</u>	<u>Date:</u>  _____	<u>Property (Tax Parcel Numbers)</u>  _____

Accepted and approved by:

CITY OF PEORIA, ARIZONA, an  
ARIZONA MUNICIPAL CORPORATION

ATTEST:

By \_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

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

RESOLUTION NO. 2014-169

RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, ARIZONA DECLARING ITS INTENTION TO ORDER THE PURCHASE OF ELECTRICITY FOR LIGHTING THE STREETS AND PUBLIC PARKS WITHIN THE PROPOSED DISTRICT AND THAT THE COST OF THE PURCHASE OF ELECTRICITY FOR LIGHTING THE STREETS AND PUBLIC PARKS, BE ASSESSED UPON A CERTAIN IMPROVEMENT DISTRICT TO BE KNOWN AS CITY OF PEORIA STREETLIGHT IMPROVEMENT DISTRICT NO. 1096, SIERRA RIDGE ESTATES; PROVIDING THAT THE COST OF THE ELECTRICITY REQUIRED TO OPERATE THE SYSTEM BE ASSESSED UNDER THE PROVISIONS OF TITLE 48, CHAPTER 4, ARTICLE 2, ARIZONA REVISED STATUTES, AS AMENDED; AND DECLARING AN EMERGENCY.

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, ARIZONA, THAT:

SECTION 1. The public interest or convenience require and it is the intention of the Mayor and Council of the City of Peoria, Arizona to order the purchase of electricity for lighting the streets and public parks within the proposed district.

The estimate of the cost and expenses for the purchase of electricity for the operation of the streetlights on file with the Superintendent of Streets and the City Clerk is approved and adopted by the Mayor and Council of the City.

SECTION 2. The streetlights and the electricity, therefore, in the opinion of the Mayor and Council of the City, are of more than local or ordinary public benefit, and are of special benefit to the respective lots, pieces and parcels of land within the real property described herein. The Mayor and Council of the City make and order that the cost and expense for the purchase of electricity be

chargeable upon a district to be known and designated as the City of Peoria Streetlight Improvement District No. 1096 and as described and bounded as set forth on Exhibits A and B attached, and declare that the district in the City benefited by the purchase of electricity for streetlights to be assessed, to pay the costs and expenses thereof in proportion to the benefits derived therefrom.

The City shall not assess the costs and expenses for the purchase of electricity for streetlights which are for the general public benefit against the respective lots, pieces and parcels of land located within the boundaries of the City of Peoria Streetlight Improvement District No. 1096 and if a portion of the costs and expenses for the purchase of electricity for streetlights is for the general public benefit, the City shall assess the boundaries of the City of Peoria Streetlight Improvement District No. 1096 only that portion of such costs and expenses which benefits the lots, pieces and parcels of land located within the boundaries of the City of Peoria Streetlight Improvement District No. 1096.

SECTION 3. The costs and expense for the purchase of electricity for streetlights shall be made and all proceedings therein taken; that the Superintendent of Streets of the City shall post or cause to be posted notices thereof; that the City Clerk shall certify to the passage of this Resolution of Intention; that the Engineer shall prepare duplicate diagrams of the City of Peoria Streetlight Improvement District No. 1096 described in Section 2 of this Resolution to be assessed to pay the costs and expenses thereof, under and in accordance with the provisions of Title 48, Chapter 4, Article 2, Arizona Revised Statutes, as amended.

SECTION 4. The majority of owners of all of the real property within the proposed district have executed a Petition for formation of a Streetlight Improvement District and the City Council has verified the ownership of the property. Publication and posting of the notice of the passage of the Resolution of Intention will be completed as prescribed by the State Statutes.

SECTION 5. Any Resolutions or parts of Resolutions in conflict with the provisions of this Resolution are hereby repealed.

SECTION 6. The immediate operation of the provisions of this Resolution is necessary for the preservation of the public peace, health and safety and an emergency is declared to exist, and this Resolution will be in full force and effect from and after its passage and approval by the Mayor and Council of the City of Peoria, Arizona as required by law and is exempt from the referendum provisions of the Constitution and laws of the State of Arizona.

Resolution No. 2014-169  
SLID 1096, Sierra Ridge Estates  
December 9, 2014  
Page 3 of 7 Pages

PASSED AND ADOPTED by the Mayor and Council of the City of  
Peoria, Arizona, this 9<sup>th</sup> day of December, 2014.

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Bob Barrett, Mayor

ATTEST:

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Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

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Stephen M. Kemp, City Attorney



August 21, 2014  
PROJECT # 9684-02-001

**CLOSURE REPORT  
SIERRA RIDGE ESTATES  
STREET LIGHT IMPROVEMENT DISTRICT NO. 1096**

Name: BOUNDARY

North: 1662436.8190' East: 2487923.9150'

Segment #1 : Line  
Course: N00° 25' 08.28"W Length: 91.565'  
North: 1662528.3866' East: 2487923.2454'

Segment #2 : Line  
Course: N89° 34' 51.72"E Length: 33.295'  
North: 1662528.6301' East: 2487956.5445'

Segment #3 : Line  
Course: S00° 25' 35.28"E Length: 58.561'  
North: 1662470.0717' East: 2487956.9804'

Segment #4 : Line  
Course: S89° 06' 51.28"E Length: 101.346'  
North: 1662468.5049' East: 2488058.3183'

Segment #5 : Line  
Course: N00° 40' 07.28"W Length: 87.270'  
North: 1662555.7690' East: 2488057.2998'

Segment #6 : Line  
Course: S89° 24' 45.72"W Length: 34.910'  
North: 1662555.4112' East: 2488022.3916'

Segment #7 : Line  
Course: N00° 25' 35.28"W Length: 103.020'  
North: 1662658.4283' East: 2488021.6248'

Segment #8 : Line  
Course: N26° 37' 39.24"E Length: 486.392'  
North: 1663093.2311' East: 2488239.6196'

Segment #9 : Line  
Course: S89° 17' 24.63"E Length: 399.861'  
North: 1663088.2775' East: 2488639.4489'

Segment #10 : Line  
Course: S89° 17' 24.63"E Length: 100.001'  
North: 1663087.0386' East: 2488739.4412'

Segment #11 : Line  
Course: S89° 17' 24.63"E Length: 506.644'  
North: 1663080.7622' East: 2489246.0424'

Segment #12 : Line  
Course: S00° 36' 19.44"E Length: 660.355'  
North: 1662420.4490' East: 2489253.0196'

Segment #13 : Line  
Course: N89° 17' 38.25"W Length: 1329.203'  
North: 1662436.8280' East: 2487923.9206'

Perimeter: 3992.423' Area: 765114.29 Sq. Ft.  
Error Closure: 0.0106  
Course: N31° 39' 52.58"E  
Error North: 0.00900 East: 0.00555

Precision 1: 376643.40



**LEGAL DESCRIPTION  
SIERRA RIDGE ESTATES  
STREET LIGHT IMPROVEMENT DISTRICT NO. 1096**

THAT PARCEL OF LAND RECORDED AS DOC. NO. 2012-1138438, OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA, LOCATED WITHIN THE SOUTHWEST QUARTER OF SECTION 8, TOWNSHIP 4 NORTH, RANGE 1 EAST, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**BEGINNING** AT THE SOUTHWEST CORNER OF SECTION 8, BEING A BRASS CAP IN HANDHOLE, FROM WHICH THE WEST QUARTER CORNER OF SECTION 8, BEING A BRASS CAP IN HANDHOLE, BEARS NORTH 00°25'08" WEST, A DISTANCE OF 2641.59 FEET;

**THENCE** NORTH 00°25'08" WEST, ALONG THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 8, A DISTANCE OF 91.57 FEET;

**THENCE** DEPARTING SAID WEST LINE NORTH 89°34'52" EAST, A DISTANCE OF 33.30 FEET;

**THENCE** SOUTH 00°25'35" EAST, A DISTANCE OF 58.56 FEET;

**THENCE** SOUTH 89°06'51" EAST, A DISTANCE OF 101.35 FEET;

**THENCE** NORTH 00°40'07" WEST, A DISTANCE OF 87.27 FEET;

**THENCE** SOUTH 89°24'46" WEST, A DISTANCE OF 34.91 FEET;

**THENCE** NORTH 00°25'35" WEST, A DISTANCE OF 103.02 FEET;

**THENCE** NORTH 26°37'39" EAST, A DISTANCE OF 486.39 FEET TO A POINT ON THE NORTH LINE OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 8;

**THENCE** SOUTH 89°17'25" EAST, ALONG SAID NORTH LINE, A DISTANCE OF 1006.51 FEET TO A POINT ON THE EAST LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 8;

**THENCE** SOUTH 00°36'19" EAST, ALONG SAID EAST LINE, A DISTANCE OF 660.35 FEET TO A POINT ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 8;

**THENCE** NORTH 89°17'38" WEST, ALONG SAID SOUTH LINE, A DISTANCE OF 1329.20 FEET TO THE **POINT OF BEGINNING**.

SAID PARCEL CONTAINS 765,114 SQUARE FEET OR 17.5646 ACRES, MORE OR LESS.

P:\9684 - NEC 107th Ave & Pinnacle Peak\9684-02-001 (SUR)\Survey\Legal Descriptions\9684-SLID LEGAL.docx

Bowman Consulting Group, Ltd. • 1295 W Washington, Suite 108 • Tempe, Arizona 85281 • P: 480.629.8830

**EXHIBIT "B"**

**IS ON FILE IN THE**

**CITY OF PEORIA  
CITY CLERK'S OFFICE  
8401 W. MONROE STREET  
PEORIA, AZ 85345**



RESOLUTION NO. 2014-170

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, ARIZONA ORDERING THE IMPROVEMENTS OF CERTAIN STREETS AND RIGHTS-OF-WAY WITHIN THE CORPORATE LIMITS OF THE TOWN AND CREATING AN IMPROVEMENT DISTRICT KNOWN AS THE CITY OF PEORIA STREETLIGHT IMPROVEMENT DISTRICT NO. 1096, SIERRA RIDGE ESTATES PURSUANT TO TITLE 48, CHAPTER 4, ARIZONA REVISED STATUTES AND AMENDMENTS THERETO FOR THE PURPOSE OF PURCHASING ELECTRICITY, WHICH INCLUDES A CHARGE FOR THE USE OF LIGHTING FACILITIES AND OTHER RELATED ITEMS TOGETHER WITH ALL APPURTENANT STRUCTURES AS SHOWN ON THE PLANS, AND DECLARING AN EMERGENCY.

WHEREAS on the 9<sup>th</sup> day of December, 2014, the Mayor and Council of the City of Peoria, Arizona, passed and adopted Resolution No. 2014-169, declaring its intention to order the purchase of electricity for lighting the streets and public parks within the proposed district and that the cost of the purchase of electricity for lighting the streets and public parks be assessed upon a certain improvement district, to be known as City of Peoria Streetlight Improvement District No. 1096; providing that the cost of the electricity required to operate the system be assessed under the provisions of Title 48, Chapter 4, Article 2, Arizona Revised Statutes, as amended; and declaring an emergency; and

WHEREAS, a copy of Resolution No. 2014-170 has been published in the Peoria Times, a newspaper published and generally circulated in the City, as required by law or alternatively a petition has been filed with the City Clerk having been signed by all the owners of the real property; and

WHEREAS, the Superintendent of Streets of the City caused to be posted along the streets of the District, no more than three hundred (300) feet apart, notices of the passage of Resolution No. 2014-170, said notices being headed "Notice of Proposed Improvement", each heading in letters at least one (1)

inch in height. Said notices stated the fact of the passage of said Resolution of Intention No. 2014-170 or alternatively a petition has been filed with the City Clerk having been signed by all the owners of the real property; and

WHEREAS, more than fifteen (15) days have elapsed since the date of the last publication of said Resolution of Intention No. 2014-170 and since the completion of the posting of said notices or alternatively a petition has been filed with the City Clerk having been signed by all the owners of the real property; and

WHEREAS, no protests against the proposed improvement and no objections to the extent of the District were filed with the Clerk of the City during the time prescribed by law; and

WHEREAS, the Mayor and Council of the City having acquired jurisdiction to order the improvements as described in Resolution No. 2014-170; and

WHEREAS, the City Engineer acting as District Engineer has prepared and presented to the Mayor and Council of the City duplicate diagrams of the property contained within the District ("the Diagram") and legal description copies of which are attached and incorporated as Exhibits A and B.

NOW THEREFORE IT IS RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, ARIZONA, as follows:

Section 1. By virtue of the authority vested in the Mayor and Council of the City by Title 48, Chapter 4, Article 2, Arizona Revised Statutes and all amendments thereto, the Mayor and Council of the City orders the work or improvement done as described in Resolution No. 2014-170 and in accordance with the Plans and Specifications approved and adopted by the Mayor and Council of the City of Peoria, Arizona.

Section 2. The Superintendent of Streets of the City is authorized and directed to prepare and execute the notice of the passage of this Resolution, which is attached as Exhibit B. Such notice shall be posted and published as provided by law.

Section 3. That the Diagram, as prepared and presented to the Mayor and Council of the City is approved by the Mayor and Council of the City.

Section 4. That the Clerk of the City is authorized and directed to certify that the Diagram was approved by the Mayor and Council of the City on the 9<sup>th</sup> day of December, 2014, and after such certification, the Clerk of the City is authorized and directed to deliver the Diagram to the Superintendent of Streets of the City.

Resolution No. 2014-170  
SLID 1096, Sierra Ridge Estates  
December 9, 2014  
Page 3 of 7 Pages

PASSED AND ADOPTED by the Mayor and Council of the City of  
Peoria, Arizona, this 9<sup>th</sup> day of December, 2014.

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Bob Barrett, Mayor

ATTEST:

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Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

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Stephen M. Kemp, City Attorney

**EXHIBIT "B"**

**IS ON FILE IN THE**

**CITY OF PEORIA**  
**CITY CLERK'S OFFICE**  
**8401 W. MONROE STREET**  
**PEORIA, AZ 85345**





**LEGAL DESCRIPTION  
SIERRA RIDGE ESTATES  
STREET LIGHT IMPROVEMENT DISTRICT NO. 1096**

THAT PARCEL OF LAND RECORDED AS DOC. NO. 2012-1138438, OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA, LOCATED WITHIN THE SOUTHWEST QUARTER OF SECTION 8, TOWNSHIP 4 NORTH, RANGE 1 EAST, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**BEGINNING** AT THE SOUTHWEST CORNER OF SECTION 8, BEING A BRASS CAP IN HANDHOLE, FROM WHICH THE WEST QUARTER CORNER OF SECTION 8, BEING A BRASS CAP IN HANDHOLE, BEARS NORTH 00°25'08" WEST, A DISTANCE OF 2641.59 FEET;

**THENCE** NORTH 00°25'08" WEST, ALONG THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 8, A DISTANCE OF 91.57 FEET;

**THENCE** DEPARTING SAID WEST LINE NORTH 89°34'52" EAST, A DISTANCE OF 33.30 FEET;

**THENCE** SOUTH 00°25'35" EAST, A DISTANCE OF 58.56 FEET;

**THENCE** SOUTH 89°06'51" EAST, A DISTANCE OF 101.35 FEET;

**THENCE** NORTH 00°40'07" WEST, A DISTANCE OF 87.27 FEET;

**THENCE** SOUTH 89°24'46" WEST, A DISTANCE OF 34.91 FEET;

**THENCE** NORTH 00°25'35" WEST, A DISTANCE OF 103.02 FEET;

**THENCE** NORTH 26°37'39" EAST, A DISTANCE OF 486.39 FEET TO A POINT ON THE NORTH LINE OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 8;

**THENCE** SOUTH 89°17'25" EAST, ALONG SAID NORTH LINE, A DISTANCE OF 1006.51 FEET TO A POINT ON THE EAST LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 8;

**THENCE** SOUTH 00°36'19" EAST, ALONG SAID EAST LINE, A DISTANCE OF 660.35 FEET TO A POINT ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 8;

**THENCE** NORTH 89°17'38" WEST, ALONG SAID SOUTH LINE, A DISTANCE OF 1329.20 FEET TO THE **POINT OF BEGINNING**.

SAID PARCEL CONTAINS 765,114 SQUARE FEET OR 17.5646 ACRES, MORE OR LESS.

P:\9684 - NEC 107th Ave & Pinnacle Peak\9684-02-001 (SUR)\Survey\Legal Descriptions\9684-SLID LEGAL.docx

Bowman Consulting Group, Ltd. • 1295 W Washington, Suite 108 • Tempe, Arizona 85281 • P: 480.629.8830

**CITY OF PEORIA, ARIZONA  
NOTICE**

OF THE PASSAGE OF A RESOLUTION ORDERING  
THE IMPROVEMENT CONSISTING OF  
AUTHORIZING THE PURCHASE OF ELECTRICITY  
FOR LIGHTING THE STREETS AND PUBLIC PARKS  
FOR THE IMPROVEMENT DISTRICT KNOWN AS  
CITY OF PEORIA STREETLIGHT IMPROVEMENT  
DISTRICT NO. 1096, SIERRA RIDGE ESTATES

This notice is given pursuant to the provisions of Title 48, Chapter 4, Article 2, Sections 48-571 to 48-619, both inclusive, Arizona Revised Statutes, as amended.

On the 9<sup>th</sup> day of December, 2014, the Mayor and Council of the City of Peoria adopted Resolution No. 2014-170 second resolution in SLID; ordering the improvements of certain streets and rights-of-way within the corporate limits of the town and creating an Improvement District known as the City of Peoria Streetlight Improvement District No. 1096, pursuant to Title 48, Chapter 4, Arizona Revised Statutes; and amendments thereto for the purpose of purchasing electricity, which includes a charge for the use of lighting facilities and other related items, together with all appurtenant structures as shown on the plans; and directing that this notice been given.

Any owner, or any other person having an interest in any lot, piece or parcel of land situated within the above-described assessment district, who claims that any of the provisions, acts or proceedings relative to the above described improvements are irregular, defective, illegal, erroneous or faulty, may file with the City Clerk, Room 150, 8401 West Monroe Street, Peoria, Arizona 85345, within 15 days from the date of the first publication of this notice, a written notice specifying in what way said acts or proceedings are irregular, defective, illegal, erroneous or faulty.

Further information concerning City of Peoria Streetlight Improvement District No. 1096 may be obtained by contacting Mr. Andrew Granger, Engineering Director, City of Peoria, Arizona, 8401 West Monroe, Peoria, Arizona 85345, (623) 773-7215.

DATED AND SIGNED this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

---

Andrew Granger, P.E.  
Superintendent of Streets  
City of Peoria, Arizona

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 19C

**Date Prepared:** November 13, 2014

**Council Meeting Date:** December 9, 2014

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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 deeded lands, roadway dedications and various types of easements. All conveyance 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. 2014-171

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.

New River Trail – Northern to Olive  
Salt River Project  
NON-EXCLUSIVE RECREATION EASEMENT  
Maricopa County Recording No. 20140637054  
Re-recorded to correct legal description  
Original Acceptance on 9/16/14

North of Northern Avenue  
West of 99<sup>th</sup> Avenue

Resolution No. 2014-171  
Acceptance of Deeds and Easements  
December 9, 2014  
Page: 2

Recharge Wells  
Vistancia 150, LLC  
PUBLIC UTILITY EASEMENT  
Maricopa County Recording No. 20140608342

Lone Mountain PW and  
Sunset Point

### 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.

PASSED AND ADOPTED by the Mayor and Council of the City of Peoria, Arizona, this 9<sup>th</sup> day of December 2014.

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Bob Barrett, Mayor

ATTEST:

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Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

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Stephen M. Kemp, City Attorney

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 20C

**Date Prepared:** November 12, 2014

**Council Meeting Date:** December 9, 2014

---

**TO:** Carl Swenson, City Manager  
**FROM:** Andy Granger, P.E., Engineering Director  
**THROUGH:** Susan J. Daluddung, Deputy City Manager  
**SUBJECT:** Easement, Arizona Public Service, Camino A Lago Park

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**Purpose:**

This is a request for City Council to authorize the execution of a Utility Easement to Arizona Public Service (APS) for the installation and maintenance of electrical facilities associated with the construction of the Camino A Lago Park/Sunset Heights ball field located north of the northeast corner of 98<sup>th</sup> Avenue and Lake Pleasant Parkway.

**Background/Summary:**

The City and APS have worked together to design an electrical system that will provide power to the Sunset Heights ball field adjacent to Camino A Lago Park.

**Previous Actions:**

APS has agreed to construct the electrical facilities necessary to provide power for the ball field lighting improvements and will require an easement over City owned property to allow them to install and maintain these facilities.

**Options:**

- A:** City Council authorizes the execution and recordation of the Easement.
- B:** City Council chooses not to authorize the easement resulting in APS being unable to complete the electrical system as designed.

**Staff's Recommendation:**

Staff recommends the adoption of a Resolution authorizing the City Manager to execute the APS easement.

**Fiscal Analysis:**

There is no fiscal impact to the City associated with granting this easement.

**Narrative:**

Recordation of this easement will provide a public record of the existence and location of APS's electrical facilities.

**Exhibit(s):**

**Exhibit 1:** Vicinity Map

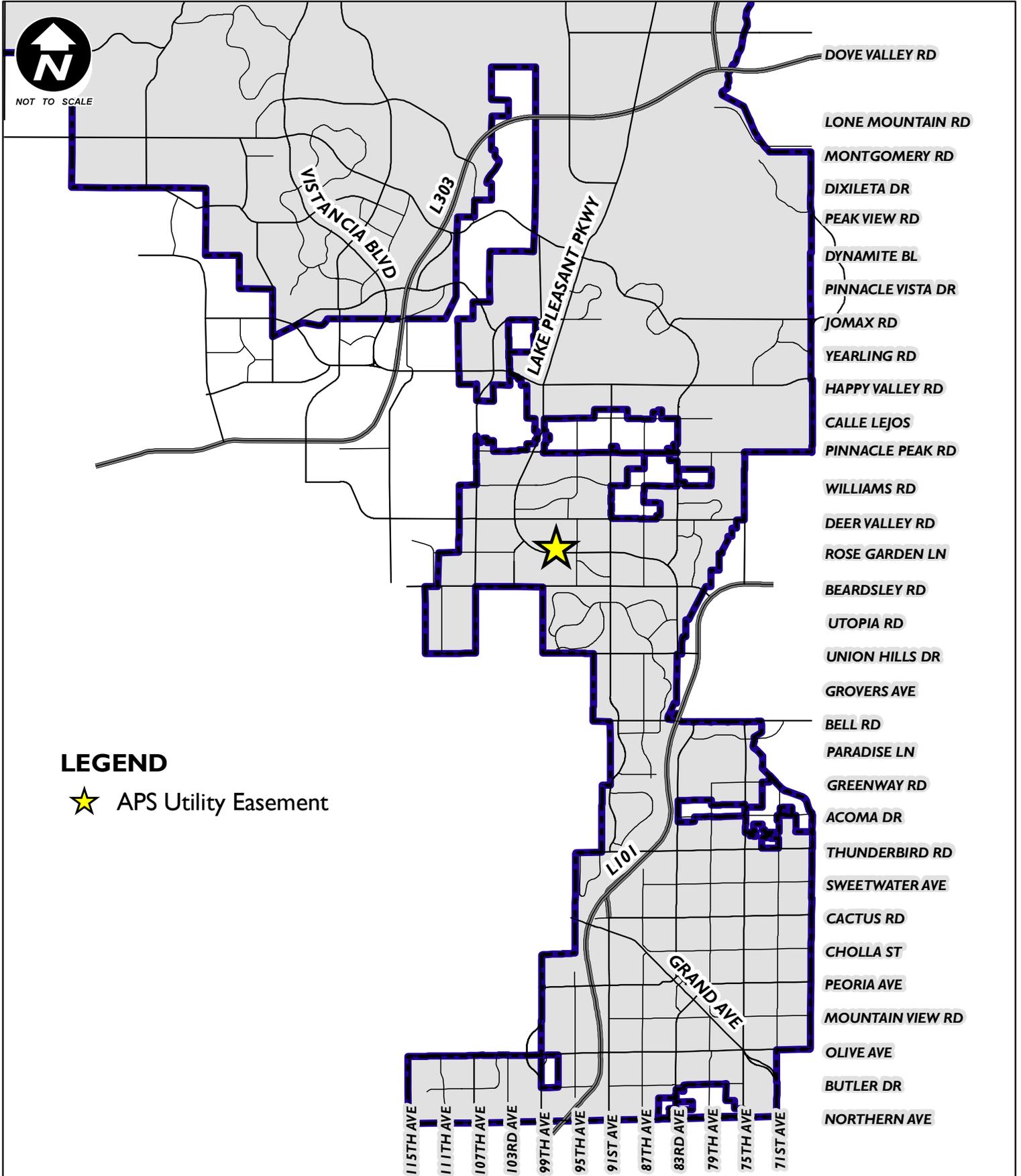
**Exhibit 2:** Location Map

**Exhibit 3:** Resolution

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



NOT TO SCALE



**LEGEND**

★ APS Utility Easement



**Legend**

-  Peoria Parcels
-  APS Utility Easement



**NOTE**  
Map based on imprecise source information, subject to change and FOR GENERAL REFERENCE ONLY.

RESOLUTION NO. 2014-172

RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, ARIZONA, AUTHORIZING THE GRANTING OF AN EASEMENT TO ARIZONA PUBLIC SERVICE COMPANY FOR THE INSTALLATION AND MAINTENANCE OF ELECTRICAL FACILITIES ASSOCIATED WITH THE CAMINO A LAGO PARK IMPROVEMENTS.

WHEREAS, Arizona Public Service has been requested, by the City of Peoria, to design and install new electrical facilities associated with the Camino A Lago Park/Sunset Heights Ball Field Improvements, and they have agreed to do so with the understanding that the City will grant them an easement for the location of the new electrical facilities.

WHEREAS, Pursuant to Article I, Section III of the Peoria City Charter, the City Council may convey any right, title or interest in any real property in such terms as the City Council determines to be appropriate and necessary; and

WHEREAS, Pursuant to the Peoria City Charter and in accordance with the findings set forth above, the Mayor and Council of the City of Peoria consent to the granting of this Easement and authorize the City Manager to execute the document; and

THEREFORE, BE IT RESOLVED that the Mayor and Council of the City of Peoria, Arizona authorize the granting of the attached Easement to Arizona Public Service, and authorize the City Manager to execute the Easement.

Resolution No. 2014-172  
Camino A Lago Park – APS Easement  
December 9, 2014  
Page 2 of 2

PASSED AND ADOPTED by the Mayor and Council of the City of Peoria,  
Arizona this 9th day of December, 2014.

---

Bob Barrett, Mayor

ATTEST:

---

City Clerk

APPROVED AS TO FORM:

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Stephen M. Kemp, City Attorney

Attachment:

1. APS Easement

NW ¼ SEC. 21  
T-4N, R-1E  
33.677064, -112.270251  
200-08-649  
CCW 14-62  
WA182632  
RT

## **CITY OF PEORIA-APS UTILITY EASEMENT**

**THE CITY OF PEORIA, an Arizona Municipal Corporation**, a municipal corporation of the State of Arizona, (hereinafter called "Grantor"), is the owner of the following described real property located in Maricopa County, Arizona (hereinafter called "Grantor's Property"):

**TRACT J, CAMINO A LAGO SOUTH UNIT 6, as shown on the Final Plat for Camino A Lago South Unit 6 recorded in Book 936 of Maps, Page 47, Records of Maricopa County, Arizona.**

Grantor, for and in consideration of One Dollar (\$1.00) and other valuable consideration, receipt of which is hereby acknowledged, does hereby grant and convey to **ARIZONA PUBLIC SERVICE COMPANY**, an Arizona corporation, (hereinafter called "Grantee"), and to its successors and assigns, a non-exclusive right, privilege, and easement, 8 feet in width or as further described in attached exhibits at locations and elevations, in, upon, over, under, through and across, a portion of Grantor's Property described as follows (herein called the "Easement Premises"):

### **SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF**

Grantee is hereby granted the right to: construct, reconstruct, replace, repair, operate and maintain electrical lines, together with appurtenant facilities and fixtures for use in connection therewith, for the transmission and distribution of electricity to, through, across, and beyond Grantor's Property; and install, operate and maintain telecommunication wires, cables, conduits, fixtures and facilities solely for Grantee's own use incidental to supplying electricity (said electrical and telecommunication lines, facilities and fixtures collectively herein called "Grantee Facilities"). Grantee Facilities shall consist of underground electric lines and appurtenant facilities including pad mounted equipment, the locations of which are set forth in Exhibit "C." In no event may any overhead electric lines and associated overhead equipment be installed unless in an emergency to restore power. Grantee shall at all times have the right of full and free ingress and egress to and along the Easement Premises for the purposes herein specified.

Grantor shall not locate, erect or construct, or permit to be located, erected or constructed, any building or other structure or drill any well within the limits of the Easement Premises. However, Grantor reserves all other rights, interests and uses of the Easement Premises that are not inconsistent with Grantee's easement rights herein conveyed and which do not interfere with or endanger any of the Grantee Facilities, including, without limitation, granting others the right to use all or portions of the Easement Premises for utility or roadway purposes and constructing improvements within the Easement Premises such as paving, sidewalks, landscaping, driveways, and curbing. Notwithstanding the foregoing, Grantor shall not have the right to lower by more than one foot or raise by more than two feet the surface grade of the Easement Premises without the prior written consent of Grantee, and in no event shall a change in the grade compromise Grantee's minimum cover requirements or interfere with Grantee's operation, maintenance or repair.

Grantee shall not have the right to use the Easement Premises to store gasoline or petroleum products, hazardous or toxic substances, or flammable materials; provided however, that this prohibition shall not apply to any material, equipment or substance contained in, or a part of, the Grantee Facilities, provided that Grantee must comply with all applicable federal, state and local laws and regulations in connection therewith. Additionally, the Easement Premises may not be used for the storage of construction-related materials or to park or store construction-related vehicles or equipment except on a temporary basis to construct, reconstruct, replace, repair, operate, or maintain the Grantee Facilities.

Grantor shall maintain clear areas that extend: 1) 3 feet from and around all edges of all switching cabinet pads and 2 feet from and around all edges of all transformer pads and other equipment pads, and 2) a clear operational area that extends 10 feet immediately in front of all transformer, switching cabinet and other equipment openings, and 3) a 6 feet by 6 feet hot-stick operating area off the front left corner of all transformers, all as shown on Exhibit "A" attached hereto and made a part hereof. No obstructions, trees, shrubs, large landscape rocks, fences, fixtures, or permanent structures shall be placed by Grantor within said clear areas; nor shall Grantor install landscape irrigation or sprinkler systems within said clear areas. Landscape irrigation or sprinkler systems installed adjacent to the clear areas shall be installed and maintained so that the transformers, switching cabinets or any other equipment do not get wet by spray or irrigation.

Grantee shall exercise reasonable care to avoid damage to the Easement Premises and all improvements thereon and agrees that following any installation, excavation, maintenance, repair, or other work by Grantee within the Easement Premises, the affected area, including without limitation, all pavement, landscaping, cement, and other improvements permitted within the Easement Premises pursuant to this easement will be restored by Grantee to as close to original condition as is reasonably possible, at the expense of Grantee.

Grantor reserves the right to require the relocation of Grantee Facilities to a new location within Grantor's Property; provided however, that: (1) Grantor pays the entire cost of redesigning and relocating Grantee Facilities; and (2) Grantor provides Grantee with a new easement in a form and location acceptable to Grantee and at no cost to Grantee. Upon the acceptance by Grantee of a new easement and after the relocation of Grantee Facilities to the new easement area, Grantee shall abandon its rights to use the Easement Premises granted in this easement. The easement granted herein shall not be deemed abandoned except upon Grantee's execution and recording of a formal instrument abandoning the easement.

If any of Grantee's electric facilities in this easement are not being used or are determined not to be useful, Grantor may request that the facilities that are no longer needed be removed and that portion of the easement be abandoned. Grantee will execute and record a formal instrument abandoning the easement, or a portion thereof. Any facilities that are determined to still be needed for Grantee's electrical system can be relocated pursuant to the above relocation requirements.

Grantee shall not have the right to transfer, convey or assign its interests in this easement to any individual, corporation, or other entity (other than to an affiliated entity of Grantee or an entity that acquires from Grantee substantially all of Grantee's electric distribution facilities within the area of Grantor's Property) without the prior written consent of Grantor, which consent shall not be unreasonably withheld. Grantee shall notify Grantor of the transfer, conveyance or assignment of any rights granted herein.

The covenants and agreements herein set forth shall extend and inure in favor and to the benefit of, and shall be binding on the heirs, administrators, executors, successors in ownership and estate, assigns and lessees of Grantor and Grantee.

IN WITNESS WHEREOF, City of Peoria, a municipal corporation of the State of Arizona, has caused this Utility Easement to be executed by its duly authorized representative, this \_\_\_ day of \_\_\_\_\_, 20\_\_.

APPROVED AS TO FORM:

CITY OF Peoria, an Arizona municipal corporation

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

By: \_\_\_\_\_  
Carl Swenson, City Manager

ATTEST:

\_\_\_\_\_  
Rhonda Geriminsky, City Clerk

STATE OF ARIZONA            }  
  } ss.  
County of MARICOPA        }

This instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 20\_\_ by  
\_\_\_\_\_ of \_\_\_\_\_, on behalf of  
\_\_\_\_\_.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

Notary Seal

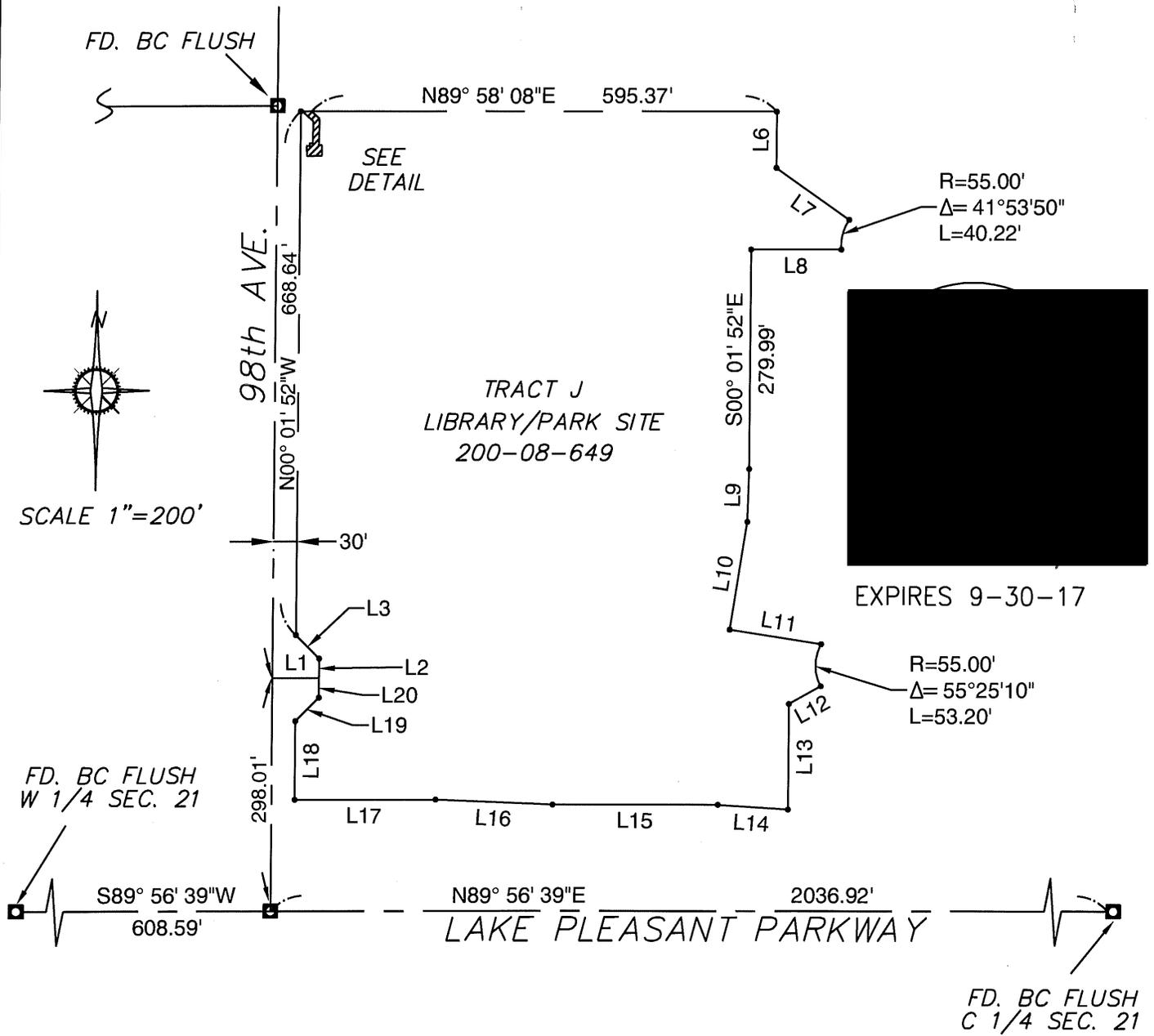
\_\_\_\_\_

Notary Public

# EXHIBIT "A"

SKETCH SHOWING LOCATION AND LIMITS OF  
UTILITY EASEMENT

## CAMINO A LAGO SOUTH UNIT 6



**LEGEND**

- EASEMENT AREA
- ROAD CENTERLINE
- PROPERTY LINE
- PROPERTY CORNER

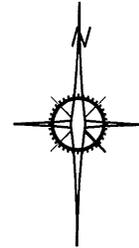
JOB# WA192632	DATE: 11/07/14
NW 1/4 SEC 21	T 4N R 1E
SCALE: 1" = 200' INDEX CCW 14-62	
R/W: RICHARD TAFT	
SURVEY: TAFT-JOHNSON	
DRAWN BY: RICHARD TAFT	

# EXHIBIT "A"

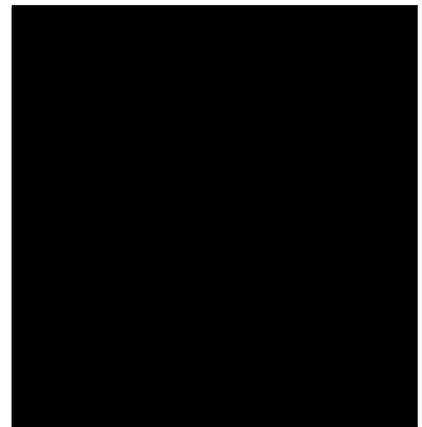
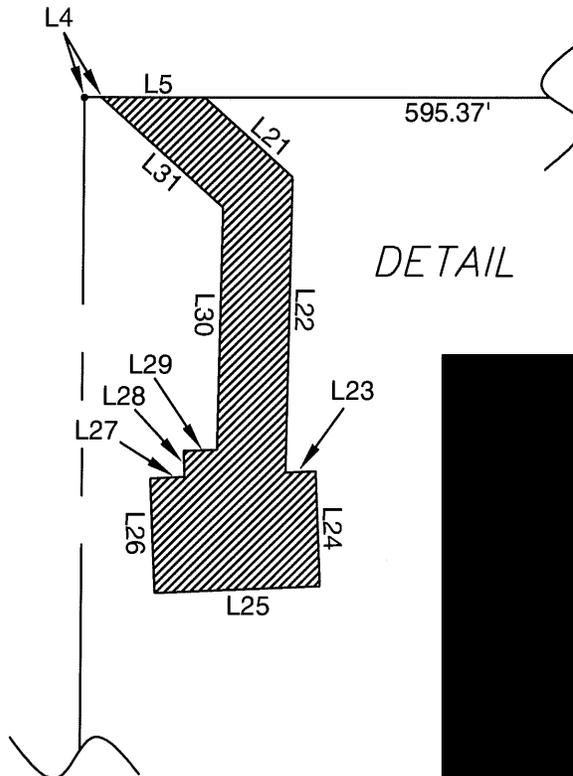
## LINE AND CURVE TABLES AND DETAIL

LINE TABLE		
LINE	BEARING	DISTANCE
L1	N89°58'10"E	60.00'
L2	N00°01'52"W	25.00'
L3	N45°01'53"W	42.43'
L4	N89°58'08"E	2.00'
L5	N89°58'08"E	11.99'
L6	S00°01'52"E	71.94'
L7	S54°48'19"E	115.00'
L8	S89°58'07"W	115.37'
L9	S01°29'23"W	67.63'
L10	S08°51'16"W	139.27'
L11	S81°08'42"E	118.66'
L12	S60°46'34"W	46.50'
L13	S00°03'21"E	135.00'
L14	N86°14'31"W	90.20'
L15	S89°56'39"W	211.59'
L16	N87°34'29"W	150.14'
L17	S89°56'39"W	179.93'
L18	N00°01'51"W	100.55'
L19	N44°58'08"E	42.43'
L20	N00°01'56"W	25.00'
L21	S48°10'48"E	13.80'
L22	S00°57'22"W	34.25'
L23	N87°30'23"E	3.53'
L24	S02°29'37"E	13.33'
L25	S87°30'23"W	19.25'
L26	N02°29'37"W	13.33'
L27	N87°30'23"E	4.00'

LINE TABLE		
LINE	BEARING	DISTANCE
L28	N02°29'37"W	3.00'
L29	N87°30'23"E	3.89'
L30	N00°57'22"E	28.07'
L31	N48°10'48"W	19.07'



SCALE = NONE



### LEGEND

- EASEMENT AREA
- ROAD CENTERLINE
- PROPERTY LINE
- PROPERTY CORNER

JOB# WA192632	DATE: 11/07/14
NW 1/4 SEC 21 T 4N R 1E	
SCALE: 1" = 200' INDEX CCW 14-62	
R/W: RICHARD TAFT	
SURVEY: TAFT-JOHNSON	
DRAWN BY: RICHARD TAFT	

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 21C

**Date Prepared:** November 17, 2014      **Council Meeting Date:** December 9, 2014

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**TO:** Carl Swenson, City Manager  
**FROM:** Andrew Granger, P. E., Engineering Director  
**THROUGH:** Susan J. Daluddung, Deputy City Manager  
**SUBJECT:** Dedication of Easements, 68<sup>th</sup> Lane and Bronco Trail Alignment

---

**Purpose:**

This is a request for City Council to authorize the execution of a Public Utility Easement (PUE) and an Emergency Access and Peoria Utility Easement associated with the development of the land adjacent to Terramar Park in the vicinity of 68<sup>th</sup> Lane and Bronco Trail alignment.

**Background/Summary:**

Staff has been working with the developer of the property west of Terramar Park to maximize the development potential. The land is surrounded by a school, existing neighborhoods, custom home lots and Terramar Park which have provided challenges for developing the property.

**Previous Actions:**

February 4, 2014 – Council approved a Reimbursement Agreement for Access Road Improvements and Rezoning for the proposed Terramar Cove subdivision.

**Options:**

- A:** City Council authorizes the execution and recordation of the Public Utility Easement and Emergency Access and Peoria Utility Easement.
- B:** City Council chooses not to authorize the easements resulting in the utility companies acquiring individual easements for each utility and the developer finding another route for emergency access.

**Staff's Recommendation:**

Staff recommends the adoption of a Resolution authorizing the City Manager to execute the PUE and Emergency Access easement.

**Fiscal Analysis:**

There is no fiscal impact to the City associated with granting these easements.

**Narrative:**

Recordation of these easements will provide a public record of the existence and location of the easements.

**Exhibit(s):**

**Exhibit 1:** Vicinity Map

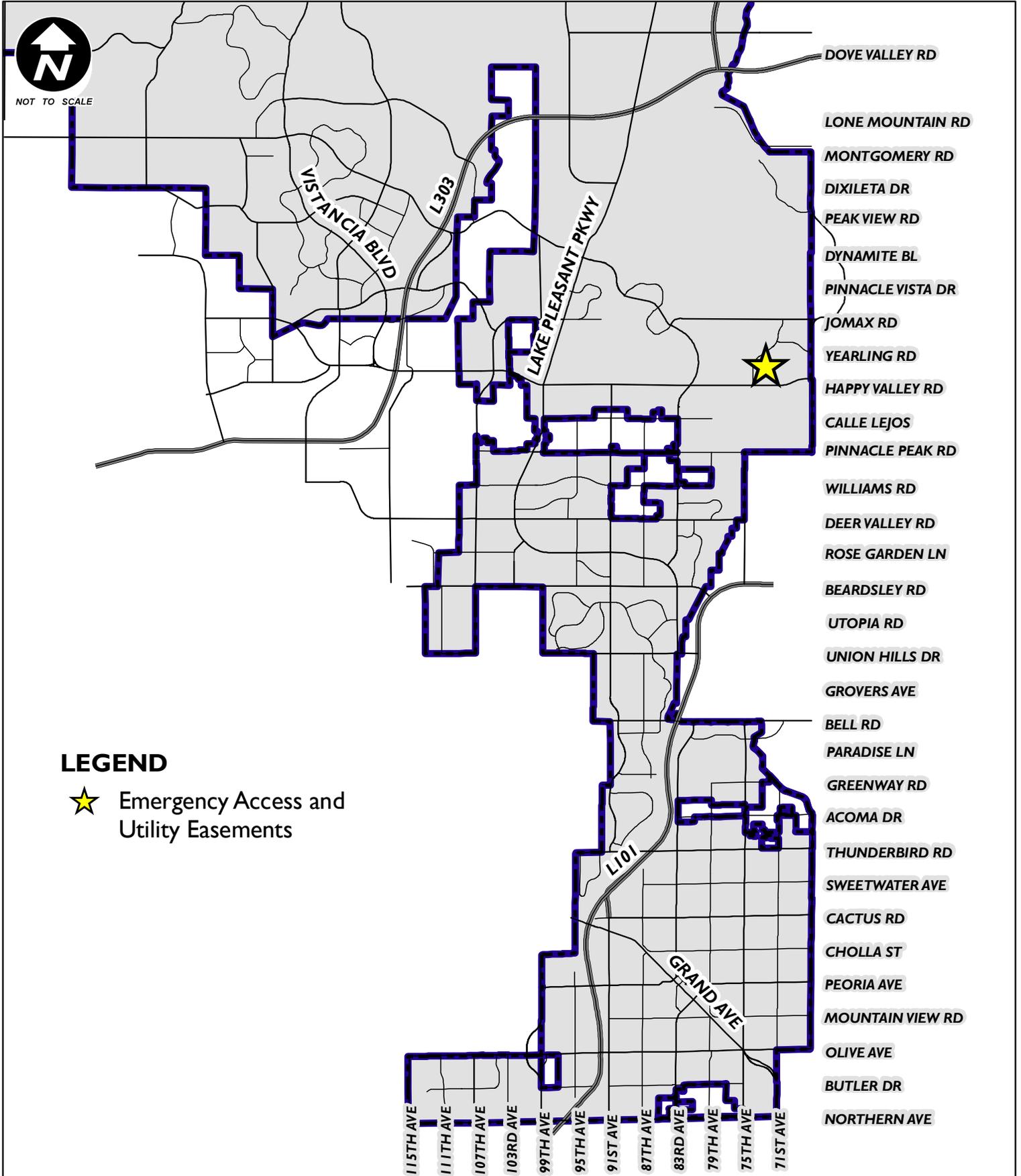
**Exhibit 2:** Location Map

**Exhibit 3:** Resolution

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



NOT TO SCALE



**LEGEND**

-  Emergency Access and Utility Easements

- DOVE VALLEY RD
- LONE MOUNTAIN RD
- MONTGOMERY RD
- DIXILETA DR
- PEAK VIEW RD
- DYNAMITE BL
- PINNACLE VISTA DR
- JOMAX RD
- YEARLING RD
- HAPPY VALLEY RD
- CALLE LEJOS
- PINNACLE PEAK RD
- WILLIAMS RD
- DEER VALLEY RD
- ROSE GARDEN LN
- BEARDSLEY RD
- UTOPIA RD
- UNION HILLS DR
- GROVERS AVE
- BELL RD
- PARADISE LN
- GREENWAY RD
- ACOMA DR
- THUNDERBIRD RD
- SWEETWATER AVE
- CACTUS RD
- CHOLLA ST
- PEORIA AVE
- MOUNTAIN VIEW RD
- OLIVE AVE
- BUTLER DR
- NORTHERN AVE

- 115TH AVE
- 111TH AVE
- 107TH AVE
- 103RD AVE
- 99TH AVE
- 95TH AVE
- 91ST AVE
- 87TH AVE
- 83RD AVE
- 79TH AVE
- 75TH AVE
- 71ST AVE

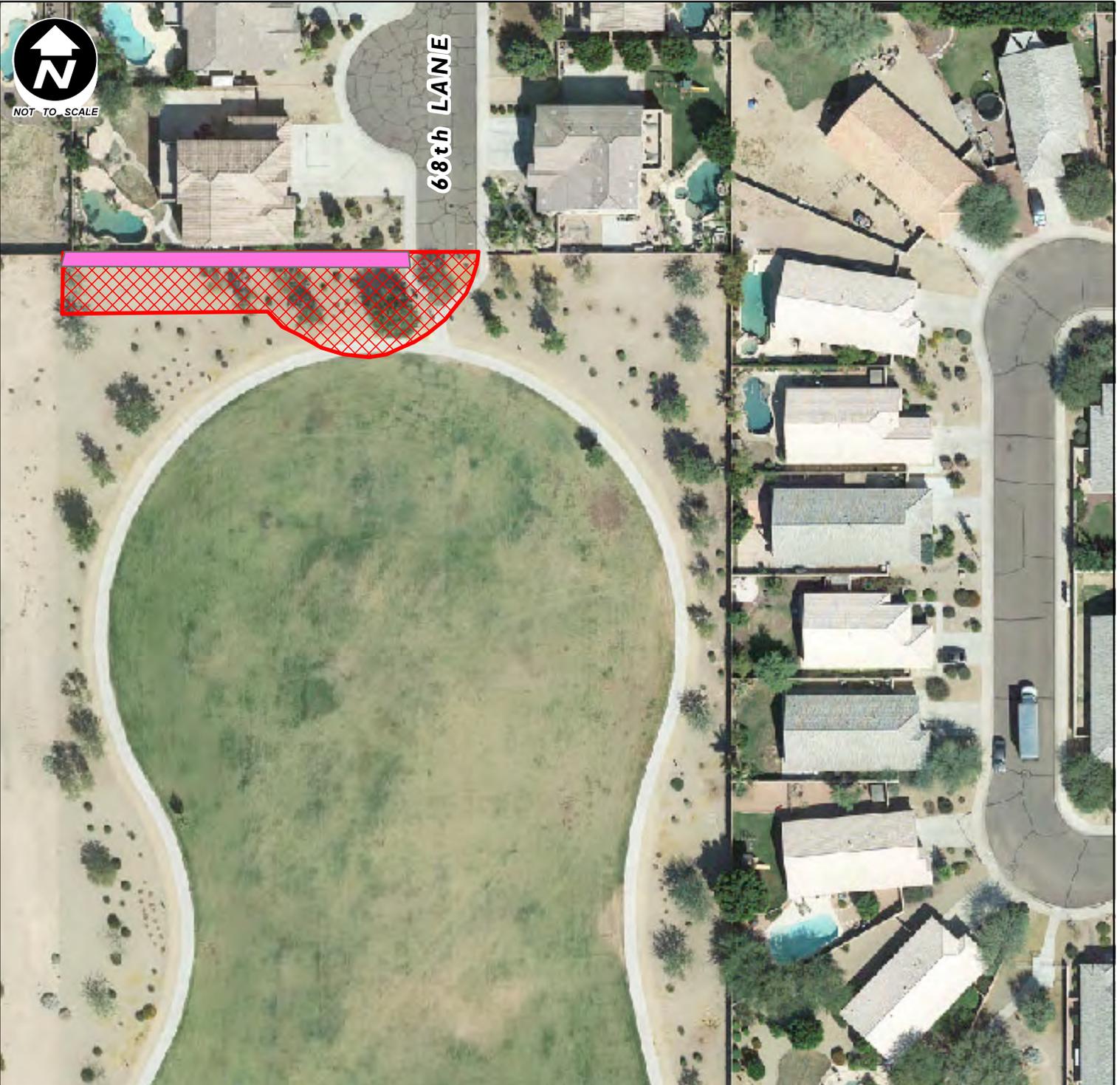


# City of Peoria

ENGINEERING

Terramar Cove  
Emergency Access and Utility Easements

## Location Map



### LEGEND



EASEMENT FOR PUBLIC UTILITIES



EMERGENCY ACCESS AND PEORIA  
UTILITY EASEMENT



#### NOTE

Map based on imprecise source information, subject to change and FOR GENERAL REFERENCE ONLY.

RESOLUTION NO. 2014-173

RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, ARIZONA, AUTHORIZING THE GRANTING OF A DEDICATION OF A PUBLIC UTILITY EASEMENT AND AN EMERGENCY ACCESS AND PEORIA UTILITY EASEMENT TO THE PUBLIC RELATED TO DEVELOPMENT ADJACENT TO TERRAMAR PARK.

WHEREAS, the City of Peoria has agreed to allow improvements for public purposes within a designated portion of Terramar Park which requires the dedication of land rights for emergency access and utilities.

WHEREAS, Pursuant to Article I, Section III of the Peoria City Charter, the City Council may convey any right, title or interest in any real property in such terms as the City Council determines to be appropriate and necessary; and

WHEREAS, Pursuant to the Peoria City Charter and in accordance with the findings set forth above, the Mayor and Council of the City of Peoria consent to the granting of a Public Utility Easement and an Emergency Access & Peoria Utility Easement and authorize the City Manager to execute the documents; and

THEREFORE, BE IT RESOLVED that the Mayor and Council of the City of Peoria, Arizona authorize the granting of the attached Public Utility Easement and Emergency Access & Peoria Utility Easement to the public, and authorize the City Manager to execute the documents.

Resolution No. 2014-173  
Terramar Cove Dedications  
December 9, 2014  
Page 2 of 2

PASSED AND ADOPTED by the Mayor and Council of the City of Peoria,  
Arizona this 9<sup>th</sup> day of December, 2014.

---

Bob Barrett, Mayor

ATTEST:

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Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

---

Stephen M. Kemp, City Attorney

Attachments:

1. Public Utility Easement
2. Emergency Access & Peoria Utility Easement

When Recorded/Executed Mail to:

City Clerk  
City of Peoria  
8401 West Monroe  
Peoria, Arizona 85345

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### **EASEMENT FOR PUBLIC UTILITIES**

CITY OF PEORIA, an Arizona municipal corporation, Grantor(s), for and in consideration of the sum of One Dollar and other valuable consideration, receipt of which is hereby acknowledged, do hereby grant to the public, a permanent and perpetual easement for the following purposes, namely: The right to enter upon for construction, maintenance, operation and replacement of all public utilities over, under, and across the following described property situated in the County of Maricopa, State of Arizona, described as follows:

(See attached description, Exhibit A)

To have and hold the easement unto City of Peoria, a municipal corporation of Maricopa County, Arizona and unto its successors and assigns forever, together with the right of ingress and egress to permit the construction, operation, maintenance, and replacement of all public utilities.

And the Grantor hereby covenants that it is lawfully seized and possessed on this aforementioned tract or parcel of land; that it has a good and lawful right to sell and convey it; and that they will warrant the title and quiet possession thereto against the lawful claim of all persons.

The easement includes the right to cut back and trim such portion of the branches and tops of the trees now growing or that may hereafter grow upon the above described premises, as may extend over said easement, so as to prevent the same from interfering with the efficient maintenance and operation of said public utilities and storm drains.

In the event the right, privilege and easement herein granted shall be abandoned and permanently cease to be used for the purposes herein granted, all rights herein granted shall cease and revert to the grantors, their heirs or assigns.





# EXHIBIT A

## LEGAL DESCRIPTION

AN EASEMENT LOCATED WITHIN THE SOUTHEAST QUARTER OF SECTION 1, TOWNSHIP 4 NORTH, RANGE 1 EAST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE SOUTH QUARTER CORNER OF SAID SECTION 1, BEING A CITY OF PEORIA BRASS CAP FLUSH, FROM WHICH THE SOUTHEAST CORNER OF SAID SECTION 1, BEING A MARICOPA COUNTY BRASS CAP FLUSH, BEARS NORTH 89°53'07" EAST, A DISTANCE OF 2636.51 FEET;

**THENCE** NORTH 00°13'40" WEST, ALONG THE WEST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 1, A DISTANCE OF 1319.33 FEET TO THE NORTHWEST CORNER OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 1;

**THENCE** NORTH 89°52'08" EAST, ALONG THE NORTH LINE OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 1, A DISTANCE OF 988.94 FEET TO THE NORTHEAST CORNER OF THE WEST HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 1, SAID POINT BEING THE **POINT OF BEGINNING**;

**THENCE** CONTINUING NORTH 89°52'08" EAST, ALONG SAID NORTH LINE, A DISTANCE OF 168.71 FEET;

**THENCE** DEPARTING SAID NORTH LINE, SOUTH 00°07'52" EAST, A DISTANCE OF 8.00 FEET TO A POINT ON A LINE PARALLEL WITH AND 8.00 FEET SOUTH OF, AS MEASURED AT RIGHT ANGLES, SAID NORTH LINE;

**THENCE** SOUTH 89°52'08" WEST, A DISTANCE OF 168.69 FEET TO THE EAST LINE OF THE WEST HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 1;

**THENCE** NORTH 00°13'01" WEST, ALONG SAID EAST LINE, A DISTANCE OF 8.00 FEET TO THE **POINT OF BEGINNING**.

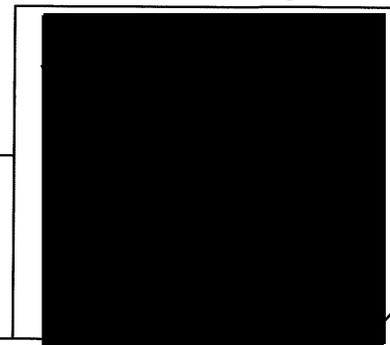
SAID EASEMENT CONTAINS 1,350 SQUARE FEET, OR 0.0310 ACRES, MORE OR LESS.

Title: TERRAMAR COVE OFFSITE PUBLIC UTILITY EASEMENT

Preparing Firm: BOWMAN CONSULTING GROUP, LTD.

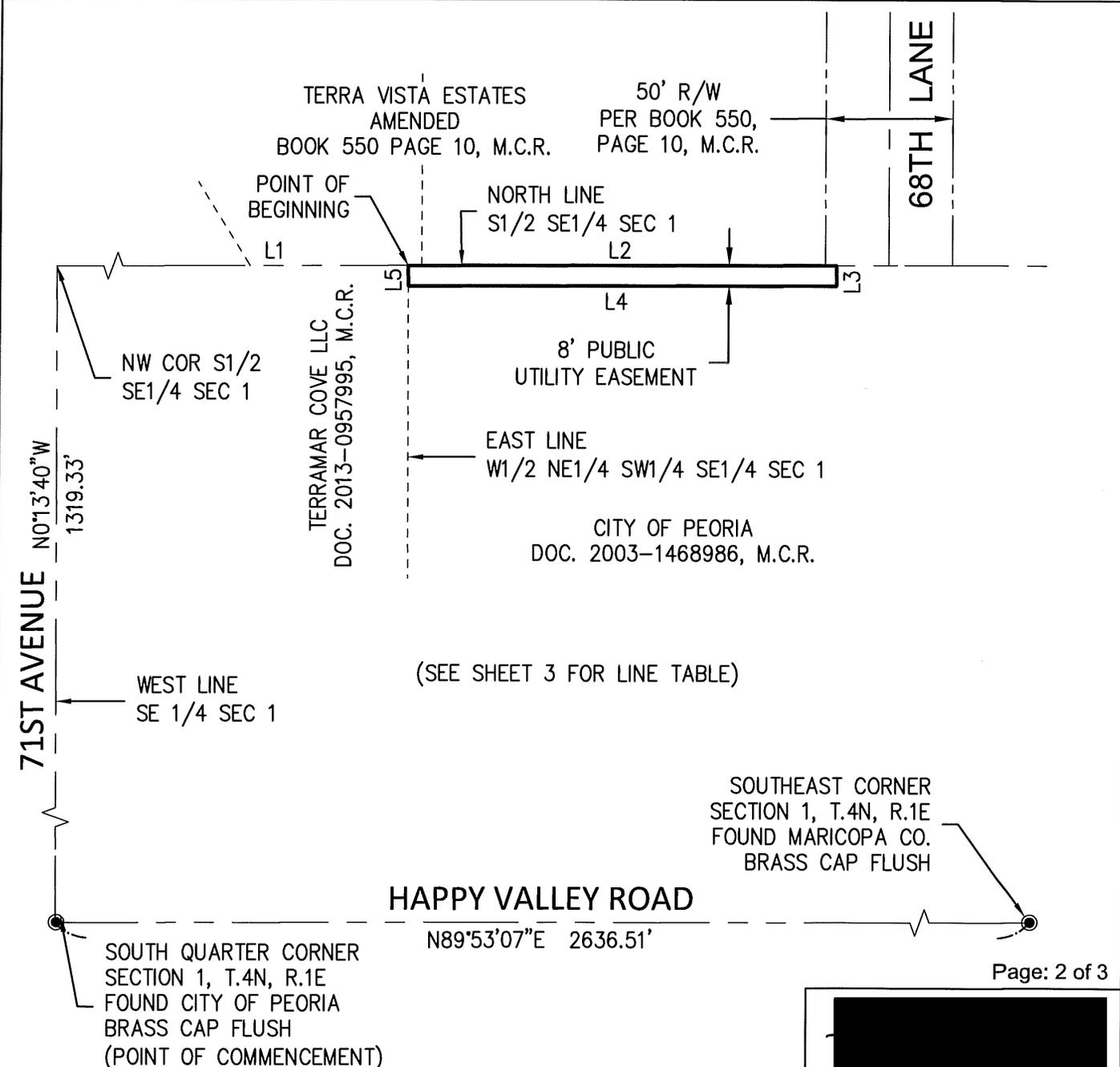
Address: 1295 W WASHINGTON, SUITE 108 • TEMPE, ARIZONA 8528

Phone: (480) 629-8830 Fax: (480) 629-8841





# EXHIBIT A SKETCH



Title: TERRAMAR COVE OFFSITE PUBLIC UTILITY EASEMENT

Preparing Firm: BOWMAN CONSULTING GROUP, LTD.

Address: 1295 W WASHINGTON, SUITE 108 • TEMPE, ARIZONA 85281

Phone:(480) 629-8830 Fax:(480) 629-8841





# EXHIBIT A

## SKETCH



LINE TABLE		
LINE #	LENGTH	DIRECTION
L1	988.94'	N89°52'08"E
L2	168.71'	N89°52'08"E
L3	8.00'	S00°07'52"E
L4	168.69'	S89°52'08"W
L5	8.00'	N00°13'01"W

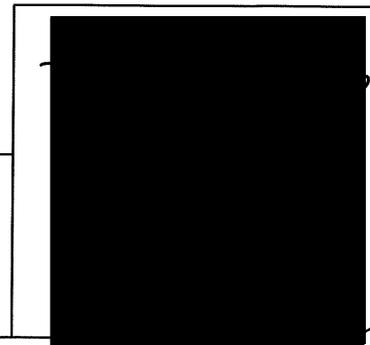
Title: TERRAMAR COVE OFFSITE PUBLIC UTILITY EASEMENT

Preparing Firm: BOWMAN CONSULTING GROUP, LTD.

Address: 1295 W WASHINGTON, SUITE 108 • TEMPE, ARIZONA 85281

Phone:(480) 629-8830

Fax:(480) 629-8841



When Recorded/Executed Mail to:

City Clerk  
City of Peoria  
8401 West Monroe  
Peoria, Arizona 85345

---

## EMERGENCY ACCESS AND PEORIA UTILITIES EASEMENT

CITY OF PEORIA, an Arizona municipal corporation, Grantor(s), for and in consideration of the sum of One Dollar and other valuable consideration, receipt of which is hereby acknowledged, do hereby grant to the public, a permanent, perpetual and exclusive emergency access and utilities easement for the following purposes, namely: The right to access and enter upon, over, across, and under the surface, for emergency access and Peoria utilities on the following described real property situated in Maricopa County, Arizona:

(See attached description, Exhibit A)

To have and hold the easement unto the Public, and unto its successors and assigns forever, together with the right (at the City of Peoria's discretion) to allow other utilities to utilize such easement.

Grantor hereby covenants that it has lawfully seized and possessed the aforementioned tract or parcel of land/real property; that it has good and lawful right to sell and convey it; and that they will warrant the title and quiet possession thereto against the lawful claim of all persons.

The easement includes the right to cut back and trim such portion of the branches and tops of trees now growing or that may hereafter grow upon the above described premises, as may extend over said easement, so as to prevent the same from interfering with the efficient use of the easement.

In the event the right, privilege and easement herein granted shall be abandoned and permanently cease to be used for the purposes herein granted, all rights herein granted shall cease and revert to the grantor, their heirs or assigns.

The City of Peoria shall not be responsible for replacing any landscaping or any improvement placed in the easement by grantor(s) or its successors or assigns.

The City of Peoria shall not be responsible for maintaining such easement or for the construction of any improvements over, across, and under the surface that may be deemed necessary to make such easement accessible.





# EXHIBIT A

## LEGAL DESCRIPTION

AN EASEMENT LOCATED WITHIN THE SOUTHEAST QUARTER OF SECTION 1, TOWNSHIP 4 NORTH, RANGE 1 EAST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE SOUTH QUARTER CORNER OF SAID SECTION 1, BEING A CITY OF PEORIA BRASS CAP FLUSH, FROM WHICH THE SOUTHEAST CORNER OF SAID SECTION 1, BEING A MARICOPA COUNTY BRASS CAP FLUSH, BEARS NORTH 89°53'07" EAST, A DISTANCE OF 2636.51 FEET;

**THENCE** NORTH 00°13'40" WEST, ALONG THE WEST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 1, A DISTANCE OF 1319.33 FEET TO THE NORTHWEST CORNER OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 1;

**THENCE** NORTH 89°52'08" EAST, ALONG THE NORTH LINE OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 1, A DISTANCE OF 1158.08 FEET TO THE **POINT OF BEGINNING**;

**THENCE** CONTINUING NORTH 89°52'08" EAST, ALONG SAID NORTH LINE, A DISTANCE OF 40.09 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE TO THE NORTHWEST, FROM WHICH POINT THE RADIUS BEARS SOUTH 89°57'38" WEST, A RADIAL DISTANCE OF 55.00 FEET;

**THENCE** WESTERLY ALONG THE ARC OF SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 131°34'21", AN ARC DISTANCE OF 126.30 FEET TO A POINT ON A LINE PARALLEL WITH AND 41.00 FEET SOUTH OF, AS MEASURED AT RIGHT ANGLES, SAID NORTH LINE;

**THENCE** SOUTH 89°52'08" WEST, A DISTANCE OF 117.61 FEET TO THE EAST LINE OF THE WEST HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 1;

**THENCE** NORTH 00°13'01" WEST, ALONG SAID EAST LINE, A DISTANCE OF 40.00 FEET TO A POINT ON A LINE PARALLEL WITH AND 1.00 FEET SOUTH OF, AS MEASURED AT RIGHT ANGLES, SAID NORTH LINE;

**THENCE** NORTH 89°52'08" EAST, ALONG SAID PARALLEL LINE, A DISTANCE OF 168.14 FEET;

**THENCE** NORTH 44°55'39" EAST, A DISTANCE OF 1.42 FEET TO THE **POINT OF BEGINNING**.

SAID EASEMENT CONTAINS 8,873 SQUARE FEET, OR 0.2037 ACRES,  
MORE OR LESS.

Page: 1 of 3

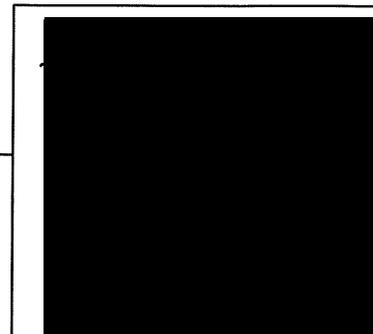
**Title:** TERRAMAR COVE OFFSITE WATER & ACCESS EASEMENT

**Preparing Firm:** BOWMAN CONSULTING GROUP, LTD.

**Address:** 1295 W WASHINGTON, SUITE 108 • TEMPE, ARIZONA 8528

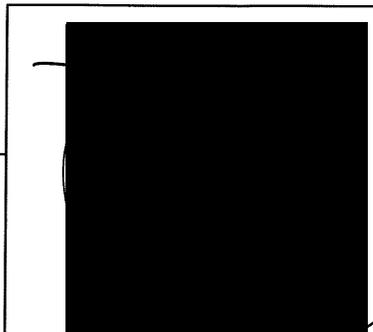
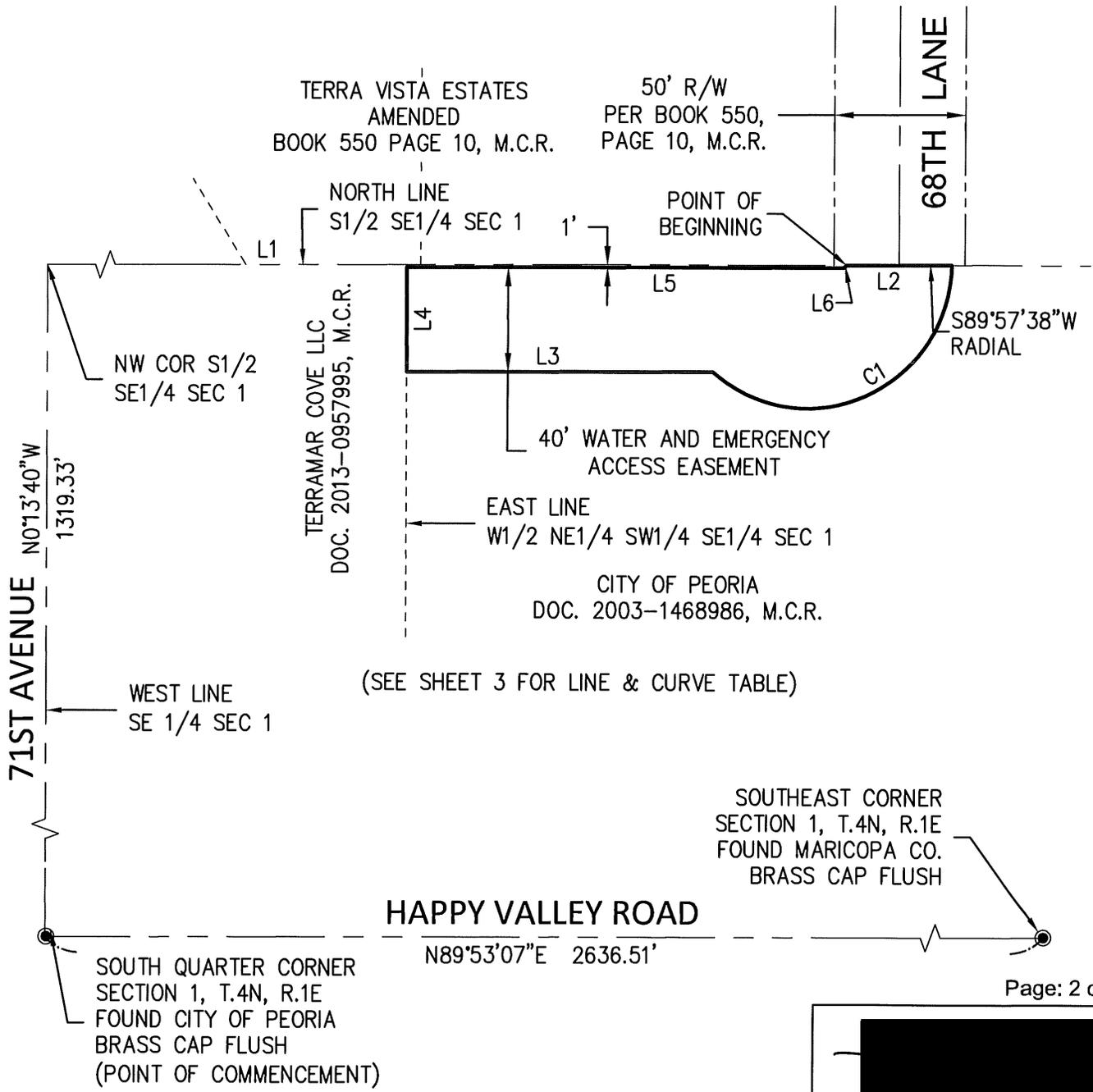
**Phone:** (480) 629-8830

**Fax:** (480) 629-8841





# EXHIBIT A SKETCH



**Title:** TERRAMAR COVE OFFSITE WATER & ACCESS EASEMENT

**Preparing Firm:** BOWMAN CONSULTING GROUP, LTD.

**Address:** 1295 W WASHINGTON, SUITE 108 • TEMPE, ARIZONA 85281

**Phone:**(480) 629-8830      **Fax:**(480) 629-8841



# EXHIBIT A

## SKETCH



LINE TABLE		
LINE #	LENGTH	DIRECTION
L1	1158.08'	N89°52'08"E
L2	40.09'	N89°52'08"E
L3	117.61'	S89°52'08"W
L4	40.00'	N00°13'01"W
L5	168.14'	N89°52'08"E
L6	1.42'	N44°55'39"E

CURVE TABLE			
CURVE #	LENGTH	RADIUS	DELTA
C1	126.30'	55.00'	131°34'21"

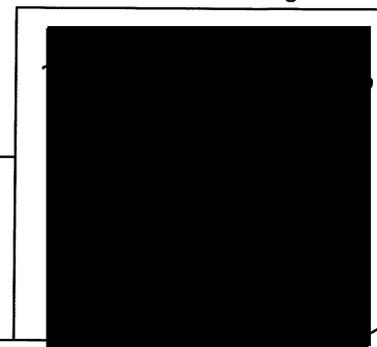
Title: TERRAMAR COVE OFFSITE WATER & ACCESS EASEMENT

Preparing Firm: BOWMAN CONSULTING GROUP, LTD.

Address: 1295 W WASHINGTON, SUITE 108 • TEMPE, ARIZONA 85281

Phone:(480) 629-8830

Fax:(480) 629-8841



**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 22C

Date Prepared: November 12, 2014

Council Meeting Date: December 9, 2014

---

**TO:** Carl Swenson, City Manager

**FROM:** Scott Whyte, Economic Development Services Director

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

**SUBJECT:** Final Plat, Querencia – Phase 2, Lake Pleasant Parkway and Yearling Road (Project No. R140039)

---

**Purpose:**

This is a request for City Council to approve a Final Plat of Querencia – Phase 2, located on Lake Pleasant Parkway and Yearling road, and authorize the Mayor and City Clerk to sign and record the Final Plat with the Maricopa County Recorder’s Office subject to the following stipulations:

1. All civil plans must be approved by the City of Peoria (City) prior to recordation of the Final Plat.
2. An approval of design from the City Engineering Department for the necessary improvements in accordance with the City Subdivision Regulations, as determined by the City Engineer, must be obtained prior to recording the Final Plat.
3. The developer must provide a financial assurance in the amount agreed upon by the City Engineer and an Agreement to Install for construction of the infrastructure improvements in accordance with the City Subdivision Regulations, prior to recordation of the Final Plat.
4. In the event that the Final Plat is not recorded within 60 days of Council approval, the Final Plat will become void. The developer may request re-approval from the City, with the understanding that the City has the option of imposing additional requirements or stipulations.

**Background/Summary:**

The purpose of the Final Plat is to plat a subdivision for residential use. This development is within the City’s water\sewer service area. This final plat creates a total of 46 new lots. All internal roadways are private and will be maintained by the HOA.

**Previous Actions:**

The preliminary plat was reviewed by the City and completed in December 2013 and no changes were made to the proposed Final Plat.

**Options:**

A: The Final Plat has been approved through the Economic Development Services Department. An option would be to not accept the proposed Final Plat; although it should be noted that not approving the Final Plat will prevent the Developer from developing this land.

B: The other option would be to formally approve the Final Plat and allow this parcel to be developed.

**Staff's Recommendation:**

Staff recommends the approval and subsequent recordation of the attached Final Plat.

**Fiscal Analysis:**

There is no direct budgetary impact to the City to approve the Final Plat.

**Narrative:**

The acceptance of this Final Plat by City Council will allow the developer to move forward in developing this property.

**Exhibit(s):**

**Exhibit 1:** Final Plat

**Exhibit 2:** Vicinity Map

**Contact Name and Number:**

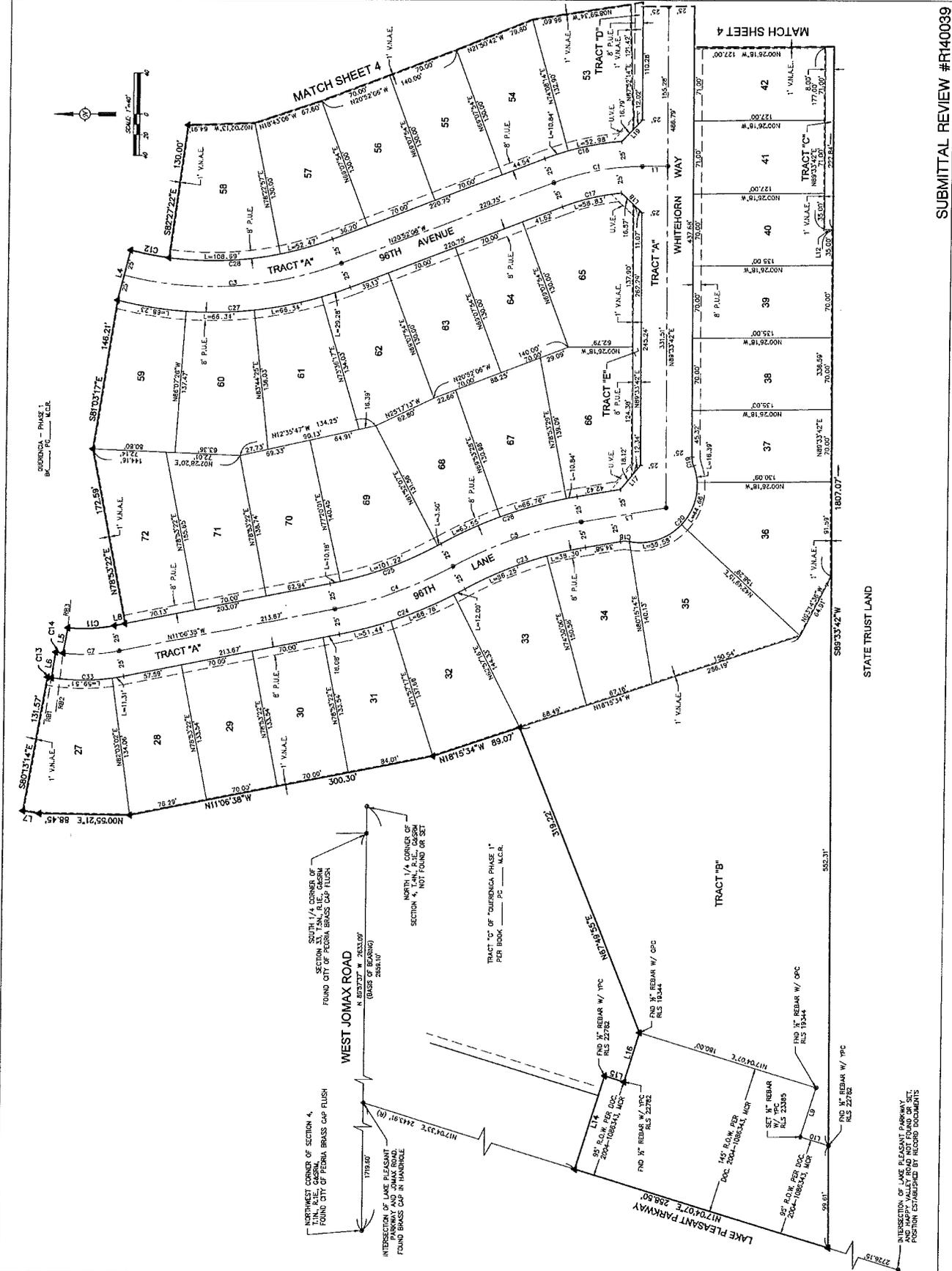
Jodi Breyfogle, PE: 623-773-7577



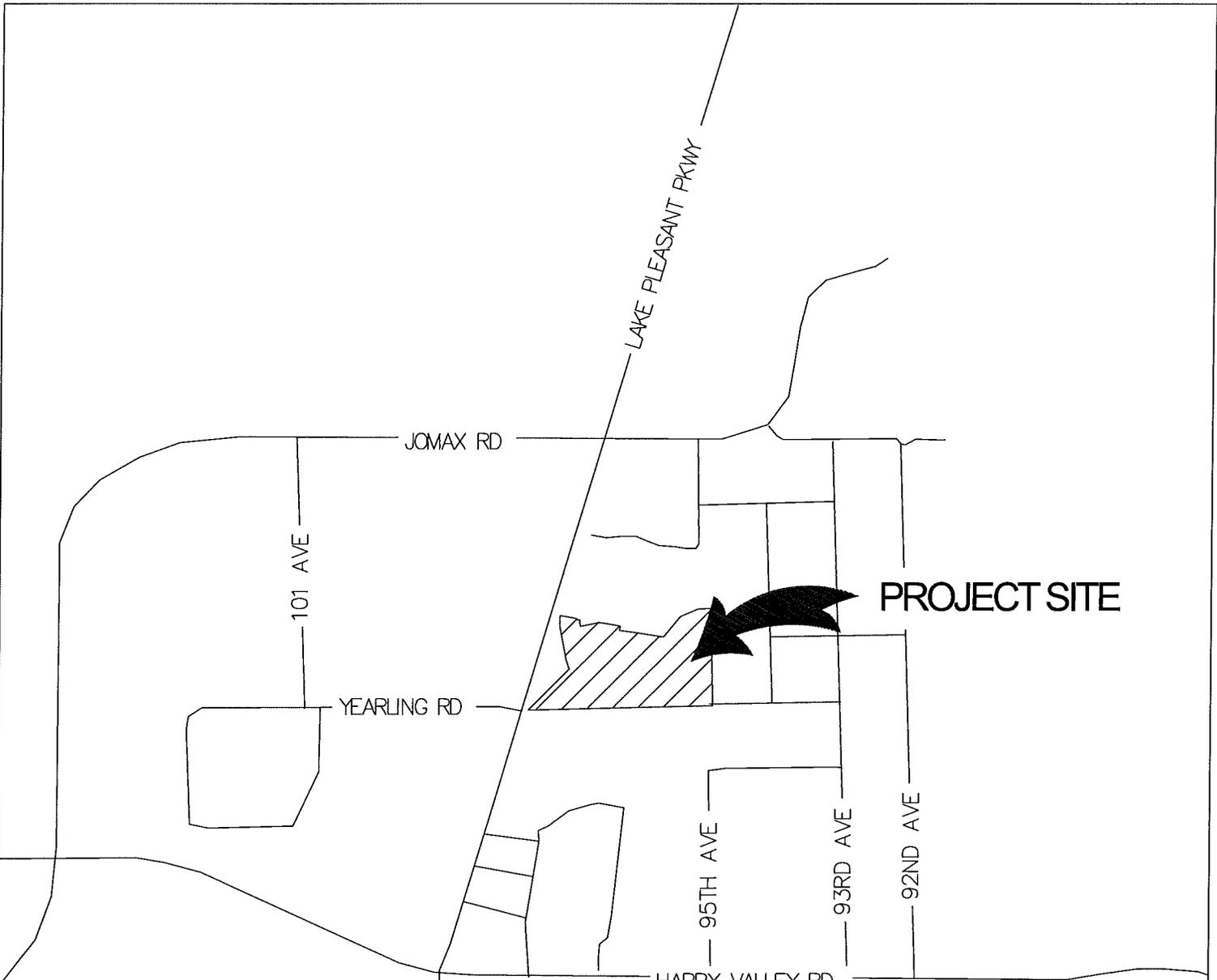


**FINAL PLAT FOR QUERENCIA - PHASE 2**  
 MERITAGE HOMES

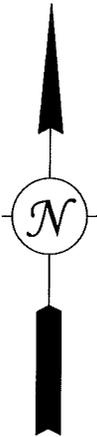
DATE: 1/18/2008  
 DRAWN BY: JCL  
 CHECKED BY: JCL  
 PROJECT # 140000000  
 SHEET TITLE 0452 - PLAT  
 SHEET NUMBER 3 OF 4







PROJECT SITE



NOT TO SCALE



PHOENIX  
 9977 N 90TH ST, STE 150, SCOTTSDALE, AZ 85258  
 TEL: (602) 977-8000 FAX: (602) 977-6099  
 www.cardno.com  
 PLANNERS • ENGINEERS • LANDSCAPE ARCHITECTS • SURVEYORS

VICINITY MAP  
 QUERENCIA

MERITAGE HOMES OF ARIZONA, INC.

PROJECT NO. 413046200  
 DATE: 11-5-2014  
 BY: BMN  
 SCALE: NTS

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 23C

Date Prepared: October 13, 2014

Council Meeting Date: December 9, 2014

---

**TO:** Carl Swenson, City Manager

**FROM:** Scott Whyte, Economic Development Services Director

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

**SUBJECT:** Final Plat, Trilogy West Phase 1 – Parcel C42, Upcountry Way west of Vistancia Boulevard (Project No. R140018)

---

**Purpose:**

This is a request for City Council to approve a Replat of Trilogy West Phase 1 - Parcel C42, located on Upcountry Way west of Vistancia Blvd., and authorize the Mayor and City Clerk to sign and record the Final Plat with the Maricopa County Recorder's Office subject to the following stipulations:

1. All civil plans must be approved by the City of Peoria (City) prior to recordation of the Replat.
2. An approval of design from the City Engineering Department for the necessary improvements in accordance with the City Subdivision Regulations, as determined by the City Engineer, must be obtained prior to recording the Replat.
3. The developer must provide a financial assurance in the amount agreed upon by the City Engineer and an Agreement to Install for construction of the infrastructure improvements in accordance with the City Subdivision Regulations, prior to recordation of the Final Plat.
4. In the event that the Final Plat is not recorded within 60 days of Council approval, the Replat will become void. The developer may request re-approval from the City, with the understanding that the City has the option of imposing additional requirements or stipulations.

**Background/Summary:**

The purpose of the Final Plat is to plat a subdivision for residential use. This development is within the City's water\sewer service area. This final plat creates a total of 49 new lots within

the Trilogy West development. All internal roadways are private and will be maintained by the HOA.

In September 2014, the City Council approved the Master Final Plat for Trilogy West Phase 1, creating all of the individual parcels and the roadways for the master subdivision. The Replats are necessary to further subdivide each parcel into individual lots, tracts, and internal roadways for development.

**Previous Actions:**

The preliminary plat was reviewed by the City and completed in February 2014 and no changes were made to the proposed Final Plat.

The Master Final Plat for Trilogy west Phase 1 was recorded in November 2014.

**Options:**

A: The Final Plat has been approved through the Economic Development Services Department. An option would be to not accept the proposed Final Plat; although it should be noted that not approving the Final Plat will prevent the Developer from developing this land.

B: The other option would be to formally approve the Final Plat and allow this parcel to be developed.

**Staff's Recommendation:**

Staff recommends the approval and subsequent recordation of the attached Final Plat.

**Fiscal Analysis:**

There is no direct budgetary impact to the City to approve the Final Plat.

**Narrative:**

The acceptance of this Final Plat by City Council will allow the developer to move forward in developing this property.

**Exhibit(s):**

**Exhibit 1:** Final Plat

**Exhibit 2:** Vicinity Map

**Contact Name and Number:**

Jodi Breyfogle, PE: 623-773-7577





**COUNTY RECORDER**

**CURVE TABLE**

NO.	RADIUS	ARC	BETA	TANGENT	CHORD	CHORD-BEARING
1	650.81	434.75	0.38716	13.13	215.22	445.34
2	200.00	154.42	0.38716	48.88	358.33	508.06
3	200.00	154.42	0.38716	48.88	358.33	508.06
4	1100.00	532.73	0.28774	78.23	545.93	1027.41
5	400.00	183.88	0.28774	22.22	61.11	120.82
6	200.00	91.94	0.28774	11.11	30.56	60.41
7	200.00	91.94	0.28774	11.11	30.56	60.41
8	200.00	91.94	0.28774	11.11	30.56	60.41
9	200.00	91.94	0.28774	11.11	30.56	60.41
10	200.00	91.94	0.28774	11.11	30.56	60.41
11	400.00	183.88	0.28774	22.22	61.11	120.82
12	400.00	183.88	0.28774	22.22	61.11	120.82
13	1131.35	565.20	0.28774	44.44	287.78	557.31
14	378.50	114.77	0.28774	14.44	57.83	114.77
15	378.50	114.77	0.28774	14.44	57.83	114.77
16	378.50	114.77	0.28774	14.44	57.83	114.77
17	378.50	114.77	0.28774	14.44	57.83	114.77
18	378.50	114.77	0.28774	14.44	57.83	114.77
19	378.50	114.77	0.28774	14.44	57.83	114.77
20	221.50	67.14	0.17214	5.44	33.83	67.14
21	221.50	67.14	0.17214	5.44	33.83	67.14
22	221.50	67.14	0.17214	5.44	33.83	67.14
23	221.50	67.14	0.17214	5.44	33.83	67.14
24	221.50	67.14	0.17214	5.44	33.83	67.14
25	221.50	67.14	0.17214	5.44	33.83	67.14
26	221.50	67.14	0.17214	5.44	33.83	67.14
27	221.50	67.14	0.17214	5.44	33.83	67.14
28	221.50	67.14	0.17214	5.44	33.83	67.14
29	221.50	67.14	0.17214	5.44	33.83	67.14
30	221.50	67.14	0.17214	5.44	33.83	67.14
31	221.50	67.14	0.17214	5.44	33.83	67.14
32	1078.50	333.75	0.17214	14.44	169.17	333.75
33	1078.50	333.75	0.17214	14.44	169.17	333.75
34	1078.50	333.75	0.17214	14.44	169.17	333.75
35	1078.50	333.75	0.17214	14.44	169.17	333.75
36	1078.50	333.75	0.17214	14.44	169.17	333.75
37	1078.50	333.75	0.17214	14.44	169.17	333.75
38	1078.50	333.75	0.17214	14.44	169.17	333.75
39	1078.50	333.75	0.17214	14.44	169.17	333.75
40	1078.50	333.75	0.17214	14.44	169.17	333.75
41	699.00	174.89	0.17214	7.13	87.28	174.89

- LEGEND**
- INDICATES SECTION CORNER - FOUND BRASS CAP (UNLESS OTHERWISE NOTED)
  - INDICATES FOUND BRASS CAP OF PER ADJOINING SECTION SUBSEQUENT UNLESS OTHERWISE NOTED
  - INDICATES CENTERLINE NON-DOCUMENTATION AND FLUSH UPON COMPLETION OF JOB (UNLESS OTHERWISE NOTED)
  - INDICATES CENTERLINE NON-DOCUMENTATION AND FLUSH UPON COMPLETION OF JOB (UNLESS OTHERWISE NOTED)
  - INDICATES FOUND 1" IRON PIPE CAP (UNLESS OTHERWISE NOTED)
  - INDICATES FOUND 1/2" REBAR WITH CAP (UNLESS OTHERWISE NOTED)
  - SET SURVEY MARKER PER M.A.G. STD DET. 00-1. TYPE "C" - INDICATED (UNLESS OTHERWISE NOTED)
  - INDICATES FLOOD ZONE BOUNDARY
  - INDICATES SHEET NUMBER
  - INDICATES UNSTRUCTURED VIEW EASEMENT (07 X 30')
  - INDICATES SEWER EASEMENT
  - INDICATES SECTION LINE

- INDICATES MIDSECTION LINE
- INDICATES BOUNDARY LINE
- INDICATES LDT LINE
- INDICATES CENTERLINE
- INDICATES EASEMENT
- INDICATES PUBLIC UTILITY EASEMENT
- INDICATES SIDEWALK EASEMENT
- INDICATES VEHICULAR NON-ACCESS EASEMENT
- INDICATES REAR YARD TRAIL EASEMENT
- INDICATES ACRES
- INDICATES CURVE NUMBER
- INDICATES POINT OF COMMENCEMENT
- INDICATES TRUE POINT OF BEGINNING
- INDICATES BUILDING SETBACK LINE
- INDICATES MARICOPA COUNTY RECORDER

**LOT SIZE VARIATION BY PERCENTAGE**

PAD LOT SIZE	PAD MIX %	PARCEL C42 LOTS (%)
50' X 100' (11)	15% - 40%	17 (15.7%)
50' X 150' (19)	20% - 50%	37 (33.6%)
50' X 100' (11)	15% - 30%	22 (2.0%)
TOTAL MIX # OF LOTS	1018	76 (7.48%)

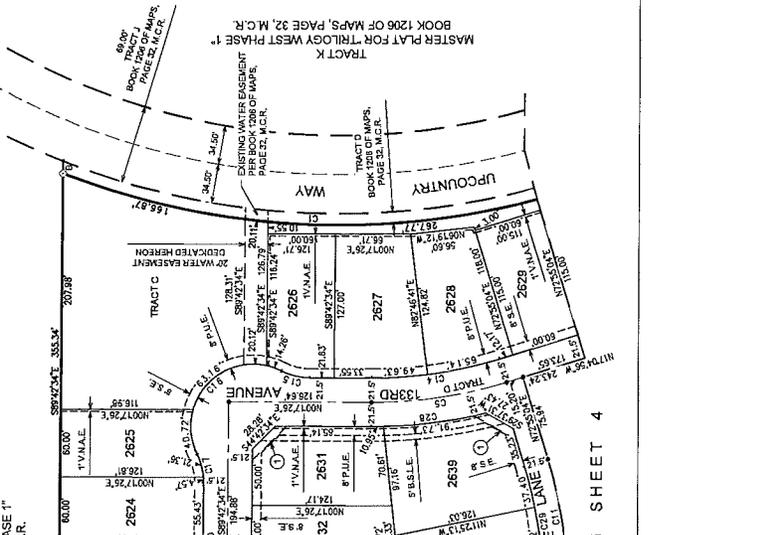
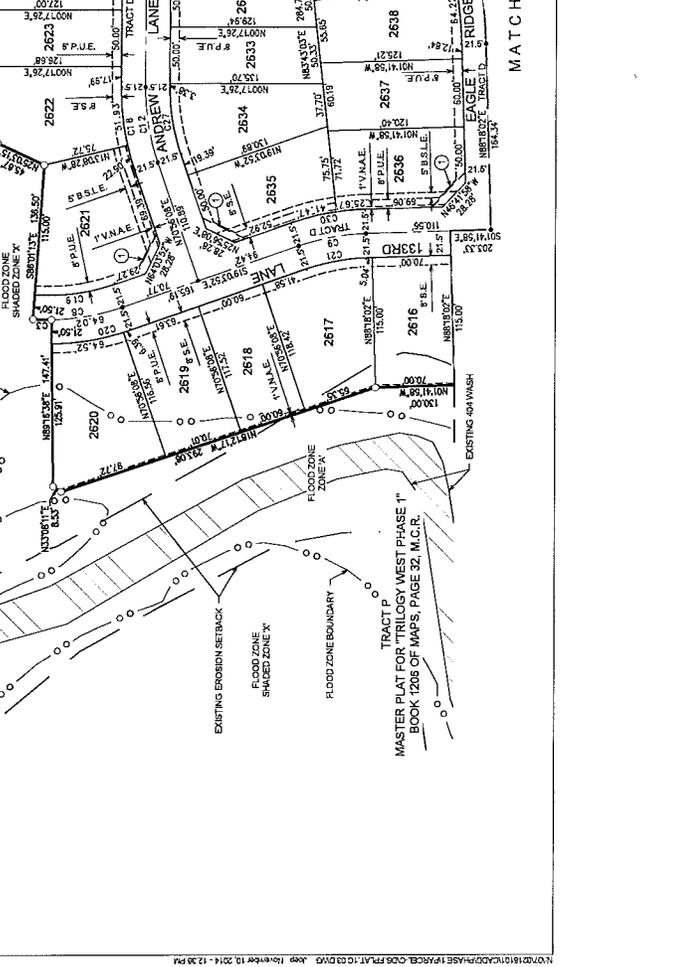
**LAND USE AREAS**

LAND USE AREAS	SQUARE FEET	ACRES
TOTAL NUMBER OF LOTS	14,431	14.831
TOTAL NUMBER OF TRACTS (A-C-E)	120,732	2.469
PRIVATE STREET AREA (TRACT D)	162,363	4.194
TOTAL GROSS AREA	927,639	21.521

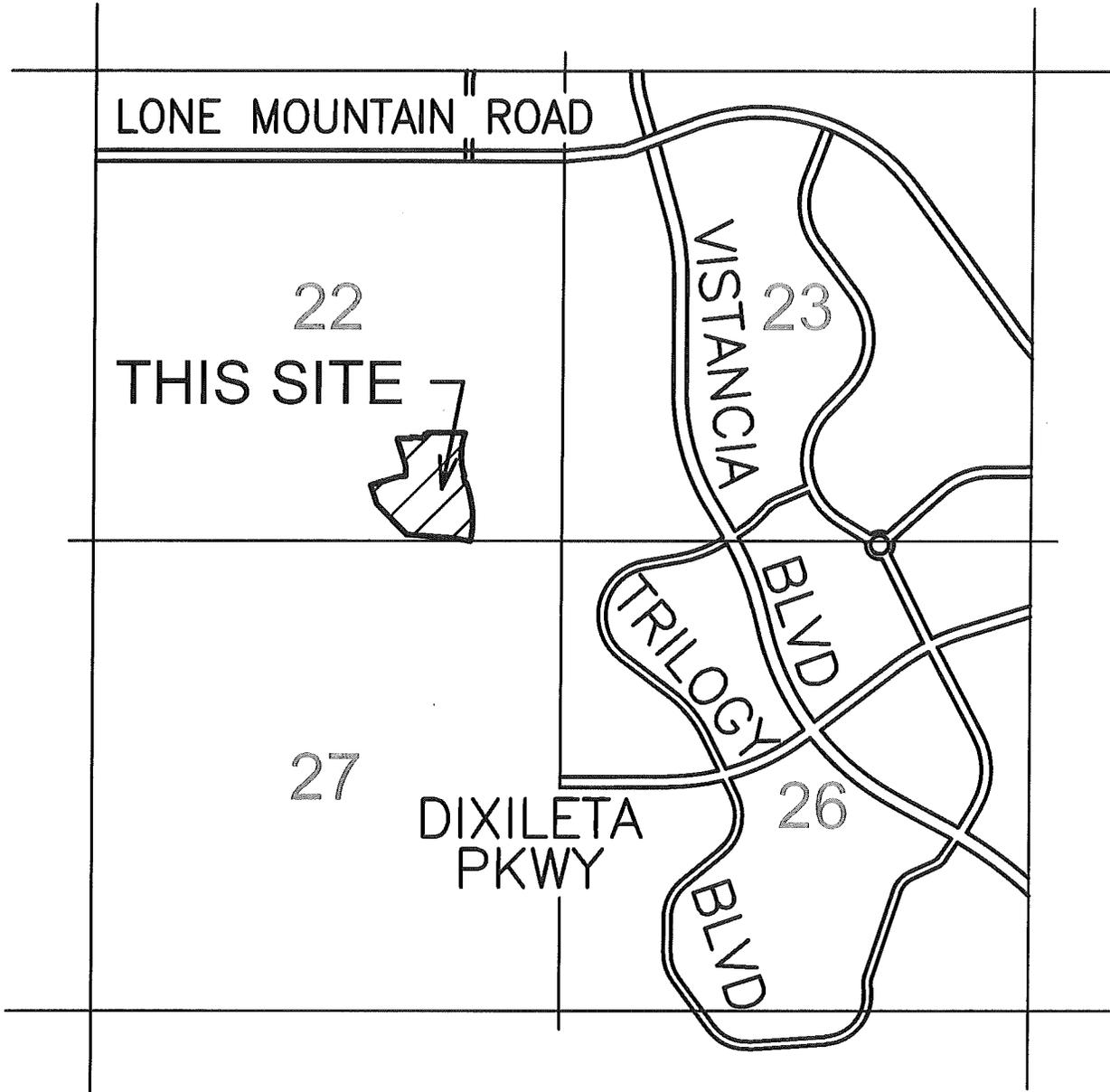
**TOTAL LAND USE**

TOTAL NUMBER OF LOTS	76
TOTAL NUMBER OF TRACTS	5
GROSS RESIDENTIAL DENSITY	3.33 D.U./AC.

**NOTE:**  
 ALL FEMA FLOOD ZONE BOUNDARIES SHOWN HEREON ARE BASED ON FEMA FLOOD ZONE MAPS. ALL FEMA FLOOD ZONE BOUNDARIES SHOWN HEREON SHALL BE SUBJECT TO CHANGE WITHOUT NOTICE. THE TRACT AREAS PROVIDED EXISTING ENGINEER CONTROL SETBACK LIMITS ARE BASED ON THE EXISTING ENGINEER CONTROL SETBACK LIMITS. THE TRACT AREAS PROVIDED EXISTING ENGINEER CONTROL SETBACK LIMITS ARE BASED ON THE EXISTING ENGINEER CONTROL SETBACK LIMITS.







# **VICINITY MAP**

(NOT-TO-SCALE)

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 24C

Date Prepared: October 30, 2014

Council Meeting Date: December 9, 2014

---

**TO:** Carl Swenson, City Manager

**FROM:** Scott Whyte, Economic Development Services Director

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

**SUBJECT:** Final Plat, QuikTrip #436, 67<sup>th</sup> Avenue & Happy Valley Road (Project No. R120018)

---

**Purpose:**

This is a request for City Council to approve a Final Plat of QuikTrip #436, located on 67<sup>th</sup> Avenue and Happy Valley Road, and authorize the Mayor and City Clerk to sign and record the Final Plat with the Maricopa County Recorder's Office subject to the following stipulations:

1. All civil plans must be approved by the City of Peoria (City) prior to recordation of the Final Plat.
2. An approval of design from the City Engineering Department for the necessary improvements in accordance with the City Subdivision Regulations, as determined by the City Engineer, must be obtained prior to recording the Final Plat.
3. The developer must provide a financial assurance in the amount agreed upon by the City Engineer and an Agreement to Install for construction of the infrastructure improvements in accordance with the City Subdivision Regulations, prior to recordation of the Final Plat.
4. In the event that the Final Plat is not recorded within 60 days of Council approval, the Final Plat will become void. The developer may request re-approval from the City, with the understanding that the City has the option of imposing additional requirements or stipulations.

**Background/Summary:**

The purpose of the Final Plat is to plat a two lot commercial subdivision. This development is within the City's water\sewer service area. All necessary rights-of-way and easements are being dedicated with this final plat.

**Previous Actions:**

The site plan was reviewed by the City and completed in December 2011 and no changes were made to the proposed Final Plat.

**Options:**

A: The Final Plat has been approved through the Economic Development Services Department. An option would be to not accept the proposed Final Plat; although it should be noted that not approving the Final Plat will prevent the Developer from developing this land.

B: The other option would be to formally approve the Final Plat and allow this parcel to be developed.

**Staff's Recommendation:**

Staff recommends the approval and subsequent recordation of the attached Final Plat.

**Fiscal Analysis:**

There is no direct budgetary impact to the City to approve the Final Plat.

**Narrative:**

The acceptance of this Final Plat by City Council will allow the developer to move forward in developing this property.

**Exhibit(s):**

**Exhibit 1:** Final Plat

**Exhibit 2:** Vicinity Map

**Contact Name and Number:**

Jodi Breyfogle, PE: 623-773-7577



# FINAL PLAT

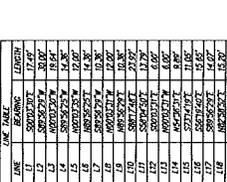
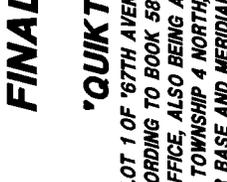
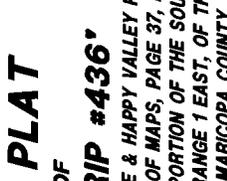
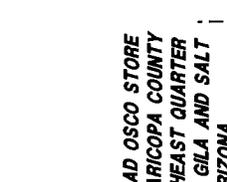
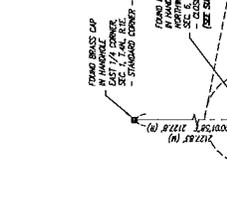
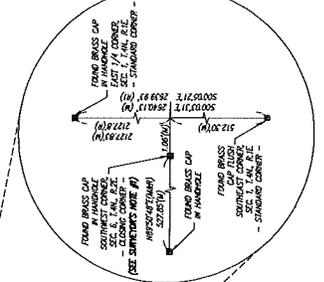
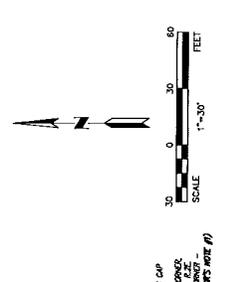
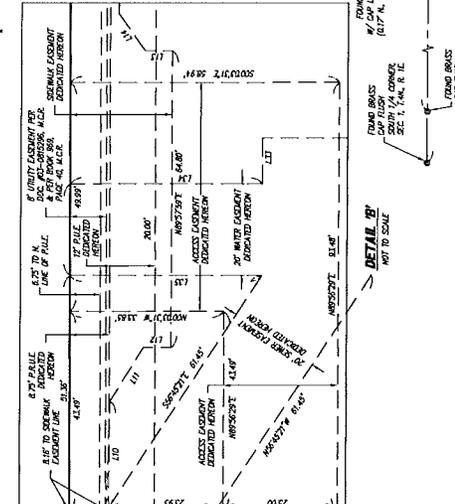
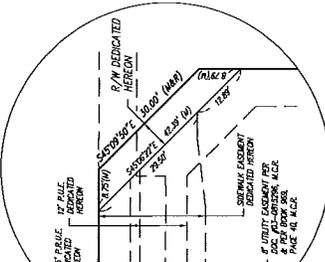
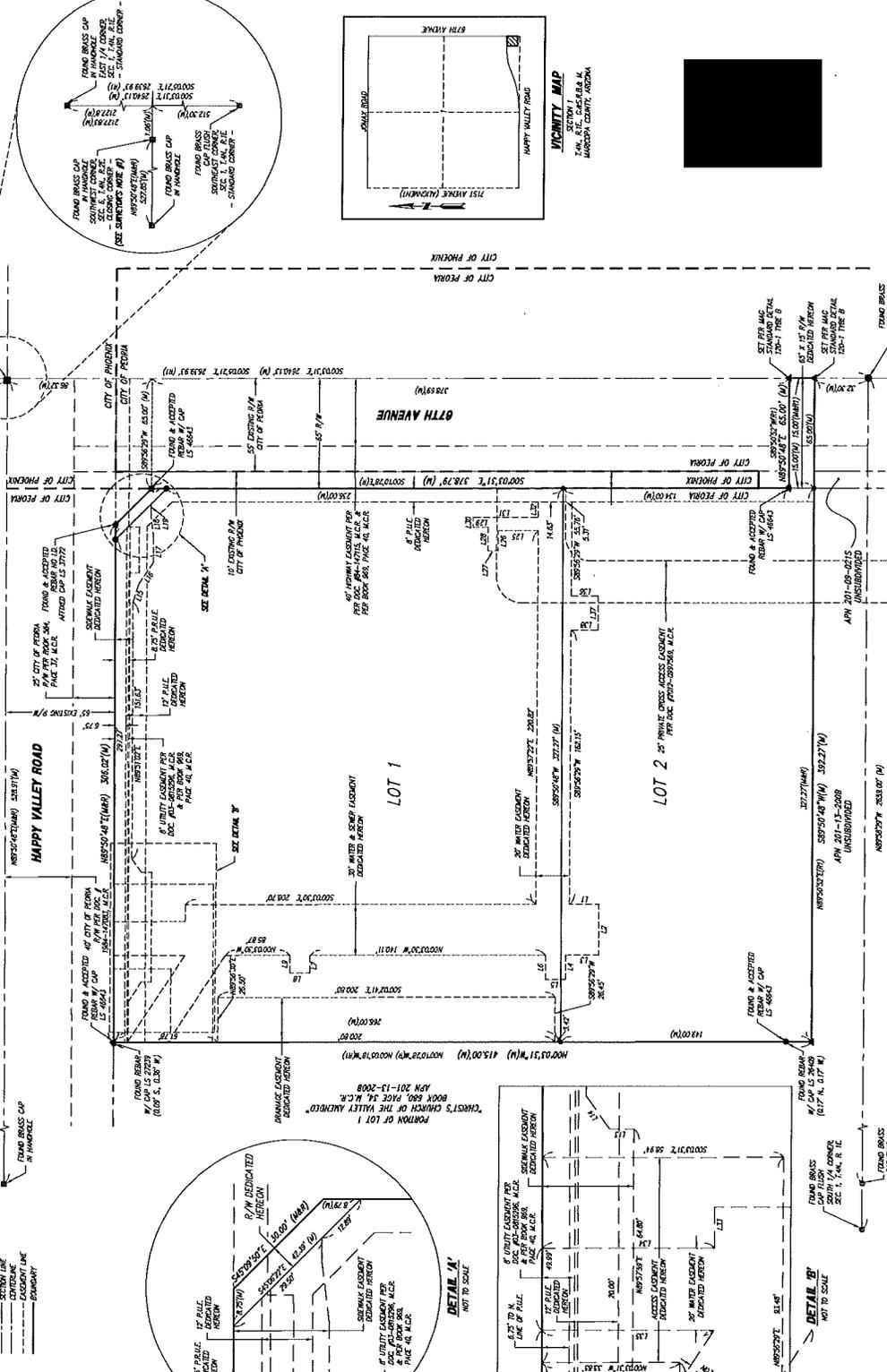
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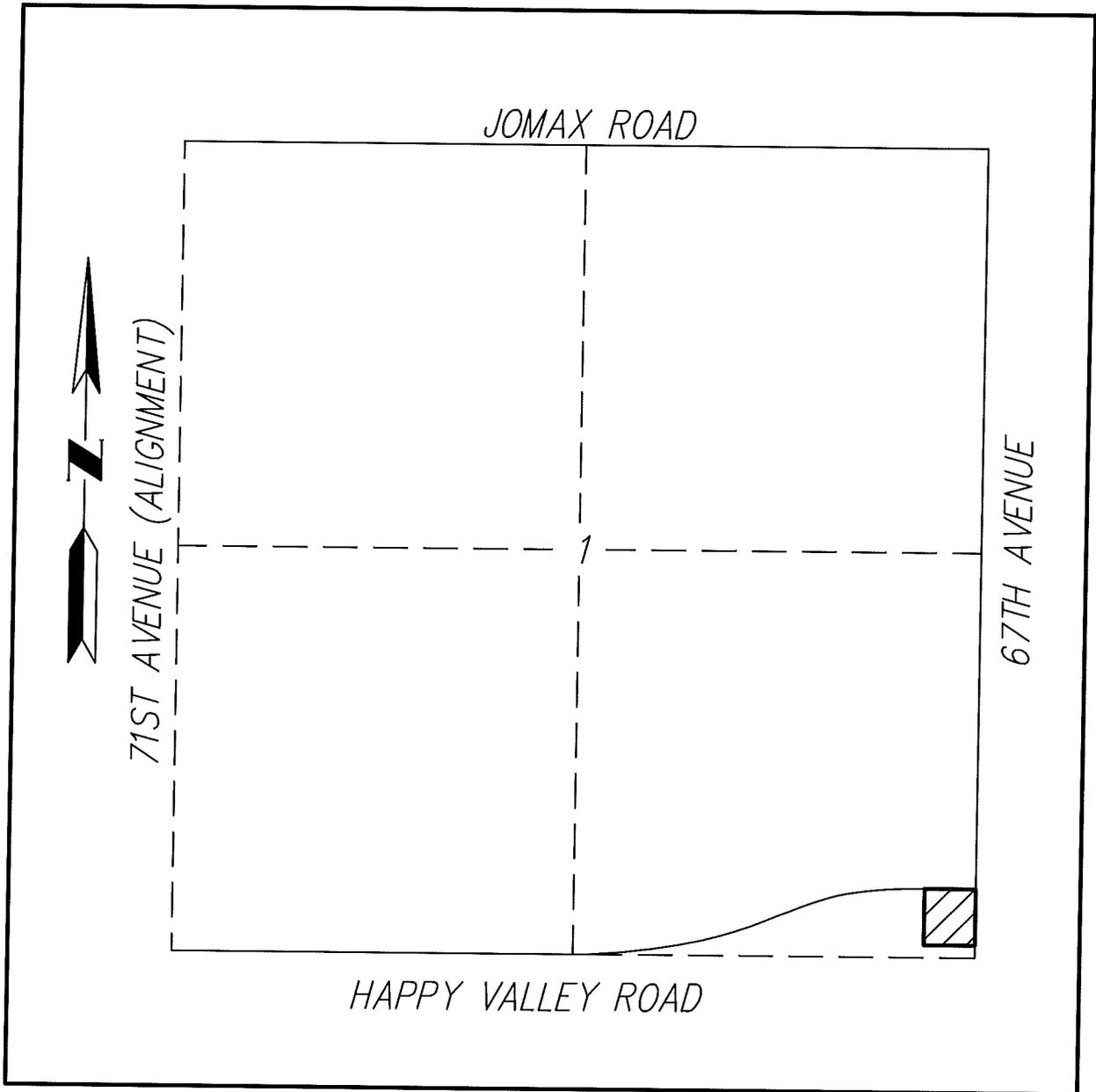
## 'QUIKTRIP #436'

A REPLAT OF LOT 1 OF '67TH AVENUE & HAPPY VALLEY ROAD OSCO STORE NO. 9331', ACCORDING TO BOOK 584 OF MAPS, PAGE 37, MARICOPA COUNTY RECORDER'S OFFICE, ALSO BEING A PORTION OF THE SOUTHEAST QUARTER OF SECTION 1, TOWNSHIP 4 NORTH, RANGE 1 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

**LEGEND**

LINE NUMBER	DESCRIPTION
1	BRASS CAP & HAWKLE
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**VICINITY MAP**

SECTION 1

T.4N., R.1E., G.&S.R.B.& M.  
MARICOPA COUNTY, ARIZONA

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 25R

**Date Prepared: November 12, 2014**

**Council Meeting Date: December 9, 2014**

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**TO:** Carl Swenson, City Manager  
**FROM:** John R. Sefton Jr., Community Services Director  
**THROUGH:** Jeff Tyne, Deputy City Manager  
**SUBJECT:** Expenditure Authority, One Time Special Events

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**Purpose:**

This is a request for City Council to a) authorize expenditures for four unique, city-sponsored special events planned in the spirit and timeline of the NFL's Super Bowl and Pro Bowl this February and b) authorize a budget transfer in the amount of \$70,000 to fund these events.

**Background/Summary:**

During the weeks of January 11 and January 18, at Rio Vista and Pioneer Park, a two-week, six division, 8-person flag football tournament will be held. This tournament will include four team pool play and a single elimination round. A Punt, Pass & Kick competition may be incorporated into the tournament.

On Saturday, January 24, the Fish Bowl event at Pioneer Park will include a partnership with Arizona Game & Fish and Cabela's to heavily stock the lake for a family-friendly, catch-and-keep fishing event.

Super Day Races, another event, to be held on Sunday, February 1 at Rio Vista Park and nearby trail system, will include a Kid's Run, a 5K and a 10K. Participants will be encouraged to wear their favorite team jersey to show team spirit. Community Services Department staff will manage and time the races.

A two-day seminar addressing the issues of sports health and performance will be held at the Rio Vista Recreation Center on January 22-23. The symposium will feature three educational tracks: one for parents, another for coaches or program administrators and finally, one for medical professionals.

Estimated revenue projections will be collected from participant entry fees and sponsorships.

<b>Event Name (Location)</b>	<b>Expenditures</b>	<b>Revenue (est)</b>
Fish Bowl (Pioneer Park)	\$ 18,400	\$ 10,000
Super Day Races (Rio Vista Park)	\$ 8,100	\$ 11,000
Sports Health & Performance Symposium (Rec Center)	\$ 21,000	\$ 37,000
Flag Football Tournament (Rio Vista/Pioneer Park)	\$ 22,500	\$ 14,000
<b>TOTAL</b>	<b>\$ 70,000</b>	<b>\$ 72,000</b>

**Previous Actions:**

There has been no previous Council action on this item.

**Options:**

The following options are possible for the City Council to recommend:

- A. Authorize the expenditures and approve a budget transfer for the various One-Time Special Events outlined above.
- B. Deny the expenditures and budget transfer, and do not provide these specific one-time special events in the City of Peoria.

**Staff’s Recommendation:**

Staff recommends that City Council approve the expenditures and the budget transfer to offer special events in the City of Peoria celebrating “the big game”.

**Fiscal Analysis:**

A budget transfer in the amount of \$70,000 is requested from the General Fund Contingency account (1000-0300-570000) to the following accounts in the Community Services Administration budget:

<b>Account Name</b>	<b>Account Number</b>	<b>Amount</b>
Wages – Part Time	1000-1400-510100	\$ 12,052
Bank Service Charges	1000-1400-520010	\$ 300
Other Professional Services	1000-1400-520099	\$ 7,500
Recreation Programs	1000-1400-522004	\$ 10,370
Advertising	1000-1400-522501	\$ 6,500
Printing & Binding	1000-1400-522503	\$ 2,000
Non-Office Equip/Tool Lease/Rent	1000-1400-524504	\$ 750

Insurance	1000-1400-525501	\$ 5,000
Postage & Shipping	1000-1400-530006	\$ 20
Food Supplies & Catering	1000-1400-530008	\$ 9,300
Wearing Apparel	1000-1400-530009	\$ 8,780
Recreation Supplies	1000-1400-533001	\$ 7,428

Reimbursement for the requested budget transfer will be received when revenues from the aforementioned special events are collected, in participant fees and sponsorships.

**Exhibit(s):** None

**Contact Name and Number:** Brenda Rehnke, 623-773-7131

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 26R

**Date Prepared: November 19, 2014**

**Council Meeting Date: December 09, 2014**

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**TO:** Carl Swenson, City Manager

**FROM:** Brent Mattingly, Finance Director

**THROUGH:** Jeff Tyne, Deputy City Manager

**SUBJECT:** Public Hearing: Proposed Recommendations by the City to the Arizona State Liquor Board for Various Liquor Licenses.

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**Purpose:**

Pursuant to Arizona Law the City must make a recommendation to the State Liquor Board regarding the approval of applications to sell alcoholic beverages in the City. The Standard for the City's recommendation is whether the best interest of the community will be served by the issuance of these licenses and whether the public convenience is served.

**Background/Summary:**

CVS/Pharmacy

The new owners of the CVS/Pharmacy #8952, located at 24865 N. Lake Pleasant Parkway have applied for the transfer of an existing Series 09 Liquor License into their name. The application agent is Jason B. Morris.

A Series 09 liquor store license is a "quota" license available only through the Liquor License Lottery or through purchase on the open market. Once issued, this type of liquor license is transferable from person to person and/or location to location within the same county. It allows for a spirituous liquor store retailer to sell all types of spirituous liquors, only in the original unbroken package, to be taken away from the premises of the retailer and consumed off the premises.

Some of the businesses around CVS/Pharmacy #8952 are Super Target, Chase Bank and a Jack in the Box. The existing CVS/Pharmacy already held the same type of liquor license. There are no staff concerns with either the previous owner or the new owner of the CVS/Pharmacy at this location. The public hearing notices were posted for at least 20 days, and no comments were received during the posting period. The license applications were reviewed according to State law and all Departments gave approvals.

## The Cabin

The Cabin is a new restaurant located at 9868 West Northern Avenue in the Park West mixed use development. The new restaurant is occupying the building that was previously occupied by the, now closed, Sandbar Mexican Grill. The owners of The Cabin restaurants have applied for a new Series 12 Restaurant liquor license. The application agent is Randy D. Nations.

A Series 12 restaurant license is a non-transferable license that allows for the restaurant to sell and serve all types of spirituous liquor solely for consumption on the premises. A Restaurant license requires that at least forty percent (40%) of its gross revenue come from the sale of food. Failure to meet the 40% food requirement may result in revocation of the license.

Some of the businesses around The Cabin Restaurant include Harkins Theater, BJ Brew House, and Toby Keith's. There are no staff concerns with the owner of The Cabin restaurant. The public hearing notices were posted for at least 20 days, and no comments were received during the posting period. The license applications were reviewed according to State law and all Departments gave approvals.

## Elephant Bar

The new owners of the Elephant Bar Restaurant, located at 16160 N. 83<sup>rd</sup> Avenue in Peoria's Entertainment District, have applied for a new Series 12 Restaurant liquor license. The application agent is Randy D. Nations.

A Series 12 restaurant license is a non-transferable license that allows for the restaurant to sell and serve all types of spirituous liquor solely for consumption on the premises. A Restaurant license requires that at least forty percent (40%) of its gross revenue come from the sale of food. Failure to meet the 40% food requirement may result in revocation of the license.

Some of the businesses around Elephant Bar Restaurant are P.F. Chang's China Bistro, The Cheesecake Factory, and Red Robin Gourmet Burgers. The existing Elephant Bar Restaurant already held the same type of liquor license. However, since there are new owners of the restaurant, and the fact that this type of license is non-transferrable, the new restaurant owners are applying for their own liquor license. There are no staff concerns with either the previous owner or the new owner of the Elephant Bar Restaurant. The public hearing notices were posted for at least 20 days, and no comments were received during the posting period. The license applications were reviewed according to State law and all Departments gave approvals.

**Previous Actions:**

In April 2014, the Mayor and Council recommended approval to the Arizona State Liquor Board for CVS/Pharmacy #8952 for a Person and Location Transfer for an Off-Sale All Liquor License (Series 09) located at 24865 N. Lake Pleasant Parkway.

In May 2009, the Mayor and Council recommended approval to the Arizona State Liquor Board for Sandbar Mexican Grill for a Person and Location Transfer for an On-Sale All Liquor License (Series 06) located at 9868 W. Northern Avenue.

In August 2002, the Mayor and Council recommended approval to the Arizona State Liquor Board for Elephant Bar Restaurant for a New Restaurant Liquor License (Series 12) located at 16160 N. 83<sup>rd</sup> Avenue.

**Options:**

**A:** Recommend approval to the Arizona State Liquor Board for a Person Transfer for an Off-Sale All Liquor License (Series 09) for CVS/Pharmacy #8952, located at 24865 N. Lake Pleasant Parkway, Jason B. Morris, Applicant, LL#20011632.

Recommend approval to the Arizona State Liquor Board for a New Restaurant Liquor License (Series 12) for The Cabin, located at 9868 W. Northern Avenue, Randy D. Nations, Applicant, LL#20011637.

Recommend approval to the Arizona State Liquor Board for a New Restaurant Liquor License (Series 12) for Elephant Bar Restaurant, located at 16160 N. 83<sup>rd</sup> Avenue, Randy D. Nations, Applicant, LL#20011622.

**B:** Recommend denial to the Arizona State Liquor Board for a Person Transfer for an Off-Sale All Liquor License (Series 09) for CVS/Pharmacy #8952, located at 24865 N. Lake Pleasant Parkway, Jason B. Morris, Applicant, LL#20011632.

Recommend denial to the Arizona State Liquor Board for a New Restaurant Liquor License (Series 12) for The Cabin, located at 9868 W. Northern Avenue, Randy D. Nations, Applicant, LL#20011637.

Recommend denial to the Arizona State Liquor Board for a New Restaurant Liquor License (Series 12) for Elephant Bar Restaurant, located at 16160 N. 83<sup>rd</sup> Avenue, Randy D. Nations, Applicant, LL#20011622.

**Staff's Recommendation:**

That the Mayor and Council recommend approval to the Arizona State Liquor Board for a Person Transfer for an Off-Sale All Liquor License (Series 09) for CVS/Pharmacy #8952, located at 24865 N. Lake Pleasant Parkway, Jason B. Morris, Applicant, LL#20011632.

That the Mayor and Council recommend approval to the Arizona State Liquor Board for a New Restaurant Liquor License (Series 12) for The Cabin, located at 9868 W. Northern Avenue, Randy D. Nations, Applicant, LL#20011637.

That the Mayor and Council recommend approval to the Arizona State Liquor Board for a New Restaurant Liquor License (Series 12) for The Elephant Bar, located at 16160 N. 83<sup>rd</sup> Avenue, Randy D. Nations, Applicant, LL#20011622.

**Fiscal Analysis:**

The item has no financial implications.

**Narrative:**

The appropriate fees have been paid and the applicants have been advised that a representative needs to be present at the meeting to answer any questions that the Council or public may have.

**Exhibit 1:** New Liquor License Applications

Arizona Department of Liquor Licenses and Control  
 800 West Washington, 5th Floor  
 Phoenix, Arizona 85007  
 www.azliquor.gov  
 602-542-5141

14 OCT 15 09:14 PM 1137

**APPLICATION FOR LIQUOR LICENSE**  
 TYPE OR PRINT WITH BLACK INK

Notice: Effective Nov. 1, 1997, All Owners, Agents, Partners, Stockholders, Officers, or Managers actively involved in the day to day operations of the business must attend a Department approved liquor law training course or provide proof of attendance within the last five years. See page 5 of the Liquor Licensing requirements.

**SECTION 1** This application is for a:

- MORE THAN ONE LICENSE
- INTERIM PERMIT *Complete Section 5*
- NEW LICENSE *Complete Sections 2, 3, 4, 13, 14, 15, 16*
- PERSON TRANSFER (Bars & Liquor Stores ONLY)  
*Complete Sections 2, 3, 4, 11, 13, 15, 16*
- LOCATION TRANSFER (Bars and Liquor Stores ONLY)  
*Complete Sections 2, 3, 4, 12, 13, 15, 16*
- PROBATE/WILL ASSIGNMENT/DIVORCE DECREE  
*Complete Sections 2, 3, 4, 9, 13, 16 (fee not required)*
- GOVERNMENT *Complete Sections 2, 3, 4, 10, 13, 15, 16*

**SECTION 2** Type of ownership:

- J.T.W.R.O.S. *Complete Section 6*
- INDIVIDUAL *Complete Section 6*
- PARTNERSHIP *Complete Section 6*
- CORPORATION *Complete Section 7*
- LIMITED LIABILITY CO. *Complete Section 7*
- CLUB *Complete Section 8*
- GOVERNMENT *Complete Section 10*
- TRUST *Complete Section 6*
- OTHER (Explain)

**SECTION 3** Type of license and fees LICENSE #(s): 09070485

1. Type of License(s): Series 9

2. Total fees attached:

\$ 100. Department Use Only

**APPLICATION FEE AND INTERIM PERMIT FEES (IF APPLICABLE) ARE NOT REFUNDABLE.**  
 The fees allowed under A.R.S. 44-6852 will be charged for all dishonored checks.

**SECTION 4** Applicant

1. Owner/Agent's Name:  Mr. Morris Jason Barclay  
(Insert one name ONLY to appear on license) Last First Middle
2. Corp./Partnership/L.L.C.: ARIZONA CVS STORES, LLC B1035061  
(Exactly as it appears on Articles of Inc. or Articles of Org.)
3. Business Name: CVS/pharmacy #8952  
(Exactly as it appears on the exterior of premises)
4. Principal Street Location 24865 N. Lake Pleasant Parkway Peoria Maricopa 85383  
(Do not use PO Box Number) City County Zip
5. Business Phone: 623-566-1110 Daytime Phone: [REDACTED] Email: [REDACTED]
6. Is the business located within the incorporated limits of the above city or town?  YES  NO
7. Mailing Address: 2525 E Arizona Biltmore Cr. A-212, Phoenix AZ 85016  
City State Zip
8. Price paid for license only bar, beer and wine, or liquor store: Type \$ Type \$

**DEPARTMENT USE ONLY**

Fees: 100 Application Interim Permit Site Inspection Finger Prints \$ 100.  
**TOTAL OF ALL FEES**

Is Arizona Statement of Citizenship & Alien Status For State Benefits complete?  YES  NO

Accepted by: [REDACTED] Date: 10/15/2014 Lic. # 09070485

**SECTION 5 Interim Permit:**

1. If you intend to operate business when your application is pending you will need an Interim Permit pursuant to A.R.S. 4-203.01.
2. There **MUST** be a valid license of the same type you are applying for currently issued to the location.
3. Enter the license number currently at the location. \_\_\_\_\_
4. Is the license currently in use?  YES  NO If no, how long has it been out of use? \_\_\_\_\_

**ATTACH THE LICENSE CURRENTLY ISSUED AT THE LOCATION TO THIS APPLICATION.**

I, \_\_\_\_\_, declare that I am the **CURRENT OWNER, AGENT, CLUB MEMBER, PARTNER,**  
(Print full name)  
**MEMBER, STOCKHOLDER, OR LICENSEE** (circle the title which applies) of the stated license and location.

X \_\_\_\_\_  
(Signature)  
 My commission expires on: \_\_\_\_\_

State of \_\_\_\_\_ County of \_\_\_\_\_  
 The foregoing instrument was acknowledged before me this  
 \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_  
Day Month Year  
 \_\_\_\_\_  
(Signature of NOTARY PUBLIC)

24 OCT 15 11:49 AM '97  
 Lic. #M1137

**SECTION 6 Individual or Partnership Owners:**

**EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND \$22 PROCESSING FEE FOR EACH CARD.**

**1. Individual:**

Last	First	Middle	% Owned	Mailing Address	City State Zip

Partnership Name: (Only the first partner listed will appear on license) \_\_\_\_\_

General-Limited	Last	First	Middle	% Owned	Mailing Address	City State Zip
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) Y R A S S E C E N F I T

2. Is any person, other than the above, going to share in the profits/losses of the business?  YES  NO  
 If Yes, give name, current address and telephone number of the person(s). Use additional sheets if necessary.

Last	First	Middle	Mailing Address	City, State, Zip	Telephone#

**SECTION 7 Corporation/Limited Liability Co.:**

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND \$24 PROCESSING FEE FOR EACH CARD.

- CORPORATION Complete questions 1, 2, 3, 5, 6, 7, and 8.
- L.L.C. Complete 1, 2, 4, 5, 6, 7, and 8.

1. Name of Corporation/L.L.C.: Arizona CVS Stores, L.L.C.  
(Exactly as it appears on Articles of Incorporation or Articles of Organization)
2. Date Incorporated/Organized: 04/21/2005 State where Incorporated/Organized: AZ
3. AZ Corporation Commission File No.: \_\_\_\_\_ Date authorized to do business in AZ: \_\_\_\_\_
4. AZ L.L.C. File No: L-11966420 Date authorized to do business in AZ: 04/21/2005
5. Is Corp./L.L.C. Non-profit?  YES  NO
6. List all directors, officers and members in Corporation/L.L.C.:

Last	First	Middle	Title	Mailing Address	City State Zip
CVS	RS	ARIZONA,	Member	One CVS Dr., Woonsocket, RI 02895	
See Attached - officer list					

(ATTACH ADDITIONAL SHEET IF NECESSARY)

7. List stockholders who are controlling persons or who own 10% or more:

Last	First	Middle	% Owned	Mailing Address	City State Zip
CVS	RS	ARIZONA,	100	One CVS Dr., Woonsocket, RI 02895	
See Attached - officer list					

(ATTACH ADDITIONAL SHEET IF NECESSARY)

8. If the corporation/L.L.C. is owned by another entity, attach a percentage of ownership chart, and a director/officer/member disclosure for the parent entity. Attach additional sheets as needed in order to disclose personal identities of all owners.

**SECTION 8 Club Applicants:**

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND \$24 PROCESSING FEE FOR EACH CARD.

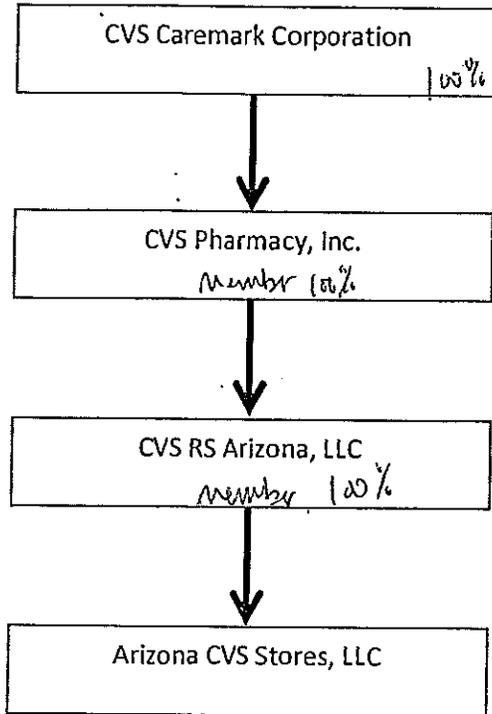
1. Name of Club: \_\_\_\_\_ Date Chartered: \_\_\_\_\_  
(Exactly as it appears on Club Charter or Bylaws) (Attach a copy of Club Charter or Bylaws)
2. Is club non-profit?  YES  NO
3. List officer and directors:

Last	First	Middle	Title	Mailing Address	City State Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)

14 OCT 25 10:14 AM '07

No one person or entity owns 10% or more of CVS Caremark Corporation.



14 OCT 15 14:14 PM 1137

**SECTION 9** Probate, Will Assignment or Divorce Decree of an existing Bar or Liquor Store License:

- 1. Current Licensee's Name: \_\_\_\_\_  
(Exactly as it appears on license) Last First Middle
- 2. Assignee's Name: \_\_\_\_\_  
Last First Middle
- 3. License Type: \_\_\_\_\_ License Number: \_\_\_\_\_ Date of Last Renewal: \_\_\_\_\_
- 4. ATTACH TO THIS APPLICATION A CERTIFIED COPY OF THE WILL, PROBATE DISTRIBUTION INSTRUMENT, OR DIVORCE DECREE THAT SPECIFICALLY DISTRIBUTES THE LIQUOR LICENSE TO THE ASSIGNEE TO THIS APPLICATION.

**SECTION 10** Government: (for cities, towns, or counties only)

- 1. Governmental Entity: \_\_\_\_\_
- 2. Person/designee: \_\_\_\_\_  
Last First Middle Contact Phone Number

**A SEPARATE LICENSE MUST BE OBTAINED FOR EACH PREMISES FROM WHICH SPIRITUOUS LIQUOR IS SERVED.**

**SECTION 11** Person to Person Transfer:

Questions to be completed by CURRENT LICENSEE (Bars and Liquor Stores ONLY-Series 06,07, and 09).

- 1. Current Licensee's Name: Morris Jason Barclay Entity: Agent  
(Exactly as it appears on license) Last First Middle (Indiv., Agent, etc.)
- 2. Corporation/L.L.C. Name: German Dobson CVS, LLC  
(Exactly as it appears on license)
- 3. Current Business Name: CVS/pharmacy #8952  
(Exactly as it appears on license)
- 4. Physical Street Location of Business: Street 24865 N Lake Pleasant Pkwy  
City, State, Zip Peoria, AZ 85383
- 5. License Type: 9 License Number: 09070485
- 6. If more than one license to be transferred: License Type: \_\_\_\_\_ License Number: \_\_\_\_\_
- 7. Current Mailing Address: Street 2525 E Arizona Billmore Cr, A-212  
(Other than business) City, State, Zip Phoenix, AZ 85016

14 OCT 15 11:49 AM 1138

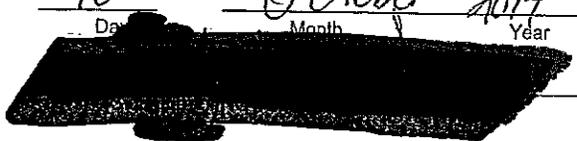
- 8. Have all creditors, lien holders, interest holders, etc. been notified of this transfer?  YES  NO
- 9. Does the applicant intend to operate the business while this application is pending?  YES  NO If yes, complete Section 5 of this application, attach fee, and current license to this application.
- 10. I, Jason Barclay Morris, hereby authorize the department to process this application to transfer the privilege of the license to the applicant, provided that all terms and conditions of sale are met. Based on the fulfillment of these conditions, I certify that the applicant now owns or will own the property rights of the license by the date of issue.

I, Jason Barclay Morris, declare that I am the CURRENT OWNER, AGENT, MEMBER, PARTNER STOCKHOLDER, or LICENSEE of the stated license. I have read the above Section 11 and confirm that all statements are



State of AZ County of Maricopa  
The foregoing instrument was acknowledged before me this 10 October 2014  
Day Month Year

My commission expires 10-12-15



**SECTION 12** Location to Location Transfer: (Bars and Liquor Stores ONLY)  
 APPLICANTS CANNOT OPERATE UNDER A LOCATION TRANSFER UNTIL IT IS APPROVED BY THE STATE

1. Current Business: Name \_\_\_\_\_  
 (Exactly as it appears on license) Address \_\_\_\_\_
2. New Business: Name \_\_\_\_\_  
 (Physical Street Location) Address \_\_\_\_\_
3. License Type: \_\_\_\_\_ License Number: \_\_\_\_\_
4. If more than one license to be transferred: License Type: \_\_\_\_\_ License Number: \_\_\_\_\_
5. What date do you plan to move? \_\_\_\_\_ What date do you plan to open? \_\_\_\_\_

**SECTION 13** Questions for all in-state applicants excluding those applying for government, hotel/motel, and restaurant licenses (series 5, 11, and 12):

A.R.S. § 4-207 (A) and (B) state that no retailer's license shall be issued for any premises which are at the time the license application is received by the director, within three hundred (300) horizontal feet of a church, within three hundred (300) horizontal feet of a public or private school building with kindergarten programs or grades one (1) through (12) or within three hundred (300) horizontal feet of a fenced recreational area adjacent to such school building. The above paragraph DOES NOT apply to:

- a) Restaurant license (§ 4-205.02)
- b) Hotel/motel license (§ 4-205.01)
- c) Government license (§ 4-205.03)
- d) Fenced playing area of a golf course (§ 4-207 (B)(5))

1. Distance to nearest school: 1.87 miles ft. Name of school Zuni Hills Elementary School  
 Address 10851 W. Williams Rd, Sun City, AZ 85373  
 City, State, Zip

2. Distance to nearest church: 3017 ft. Name of church Discovery Pointe Church  
 Address 9812 W. Yearling Rd, Peoria, AZ 85383  
 City, State, Zip

3. I am the:  Lessee  Sublessee  Owner  Purchaser (of premises)

4. If the premises is leased give lessors: Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 City, State, Zip

4a. Monthly rental/lease rate \$ \_\_\_\_\_ What is the remaining length of the lease \_\_\_ yrs. \_\_\_ mos.

4b. What is the penalty if the lease is not fulfilled? \$ \_\_\_\_\_ or other \_\_\_\_\_  
 (give details - attach additional sheet if necessary)

5. What is the total business indebtedness for this license/location excluding the lease? \$ none  
 Please list lenders you owe money to.

Last	First	Middle	Amount Owed	Mailing Address	City State	Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)

6. What type of business will this license be used for (be specific)? retail pharmacy

14 OCT 15 149. Lic. RM1138

**SECTION 13 - continued**

- 7. Has a license or a transfer license for the premises on this application been denied by the state within the past one (1) year?  
 YES  NO If yes, attach explanation.
- 8. Does any spirituous liquor manufacturer, wholesaler, or employee have any interest in your business?  YES  NO
- 9. Is the premises currently licensed with a liquor license?  YES  NO If yes, give license number and licensee's name:  
 License # 09070485 (exactly as it appears on license) Name Jason Barclay Morris

**SECTION 14 Restaurant or hotel/motel license applicants:**

- 1. Is there an existing restaurant or hotel/motel liquor license at the proposed location?  YES  NO  
 If yes, give the name of licensee, Agent or a company name:  
 \_\_\_\_\_ and license #: \_\_\_\_\_  
Last First Middle
- 2. If the answer to Question 1 is YES, you may qualify for an Interim Permit to operate while your application is pending; consult A.R.S. § 4-203.01; and complete SECTION 5 of this application.
- 3. All restaurant and hotel/motel applicants must complete a Restaurant Operation Plan (Form LIC0114) provided by the Department of Liquor Licenses and Control.
- 4. As stated in A.R.S. § 4-205.02.G.2, a restaurant is an establishment which derives at least 40 percent of its gross revenue from the sale of food. Gross revenue is the revenue derived from all sales of food and spirituous liquor on the licensed premises. By applying for this  hotel/motel  restaurant license, I certify that I understand that I must maintain a minimum of 40 percent food sales based on these definitions and have included the Restaurant Hotel/Motel Records Required for Audit (form LIC 1013) with this application.

\_\_\_\_\_  
applicant's signature

As stated in A.R.S § 4-205.02 (B), I understand it is my responsibility to contact the Department of Liquor Licenses and Control to schedule an inspection when all tables and chairs are on site, kitchen equipment, and, if applicable, patio barriers are in place on the licensed premises. With the exception of the patio barriers, these items are not required to be properly installed for this inspection. Failure to schedule an inspection will delay issuance of the license. If you are not ready for your inspection 90 days after filing your application, please request an extension in writing, specify why the extension is necessary, and the new inspection date you are requesting. To schedule your site inspection visit [www.azliquor.gov](http://www.azliquor.gov) and click on the "Information" tab.

\_\_\_\_\_  
applicants initials

**SECTION 15 Diagram of Premises: (Blueprints not accepted, diagram must be on this form)**

- 1. Check ALL boxes that apply to your business:  
 Entrances/Exits     Liquor storage areas    Patio:  Contiguous  
 Service windows     Drive-in windows     Non Contiguous
- 2. Is your licensed premises currently closed due to construction, renovation, or redesign?  YES  NO  
 If yes, what is your estimated opening date? \_\_\_\_\_  
month/day/year
- 3. Restaurants and hotel/motel applicants are required to draw a detailed floor plan of the kitchen and dining areas including the locations of all kitchen equipment and dining furniture. Diagram paper is provided on page 7.
- 4. The diagram (a detailed floor plan) you provide is required to disclose only the area(s) where spirituous liquor is to be sold, served, consumed, dispensed, possessed, or stored on the premises unless it is a restaurant (see #3 above).
- 5. Provide the square footage or outside dimensions of the licensed premises. Please do not include non-licensed premises, such as parking lots, living quarters, etc.

As stated in A.R.S. § 4-207.01(B), I understand it is my responsibility to notify the Department of Liquor Licenses and Control when there are changes to boundaries, entrances, exits, added or deleted doors, windows or service windows, or increase or decrease to the square footage after submitting this initial drawing.

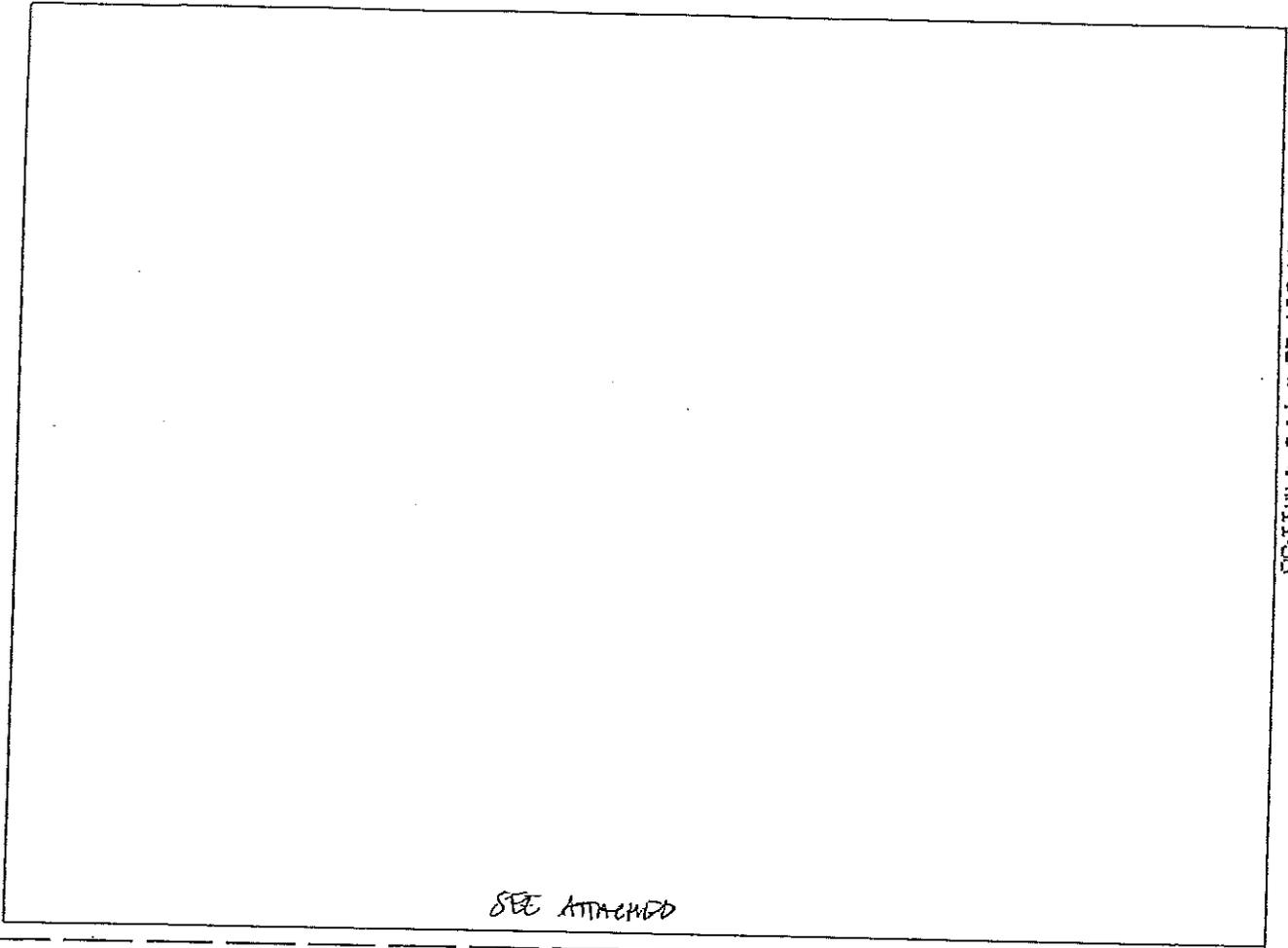
  
applicants initials

Project 15 Lic. Lic #M1138

**SECTION 15** Diagram of Premises

4. In this diagram please show only the area where spirituous liquor is to be sold, served, consumed, dispensed, possessed or stored. It must show all entrances, exits, interior walls, bars, bar stools, hi-top tables, dining tables, dining chairs, the kitchen, dance floor, stage, and game room. Do not include parking lots, living quarters, etc. When completing diagram, North is up ↑.

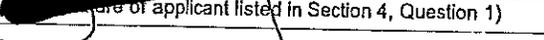
If a legible copy of a rendering or drawing of your diagram of premises is attached to this application, please write the words "diagram attached" in box provided below.

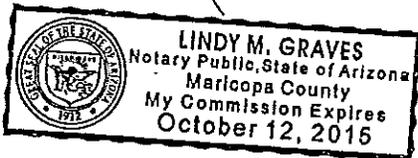


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**SECTION 16** Signature Block

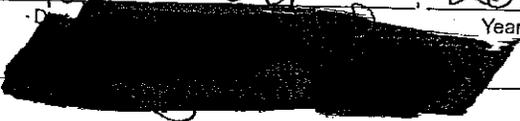
I, Jason Barclay Morris, hereby declare that I am the OWNER/AGENT filing this application as stated in Section 4, Question 1. I have read this application and verify all statements to be true, correct and accurate.

X   
(print full name of applicant)  
  
(name of applicant listed in Section 4, Question 1)



State of AZ County of Maricopa

The foregoing instrument was acknowledged before me this 10 of Oct, 2014 Year



My commission expires on: 12 Oct 15  
Day Month Year



Arizona Department of Liquor Licenses and Control  
 800 West Washington, 5th Floor  
 Phoenix, Arizona 85007  
 www.azliquor.gov  
 602-542-5141

**APPLICATION FOR LIQUOR LICENSE**  
 TYPE OR PRINT WITH BLACK INK

Notice: Effective Nov. 1, 1997, All Owners, Agents, Partners, Stockholders, Officers, or Managers actively involved in the day to day operations of the business must attend a Department approved liquor law training course or provide proof of attendance within the last five years. See page 5 of the Liquor Licensing requirements.

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**SECTION 1** This application is for a:

- MORE THAN ONE LICENSE
- INTERIM PERMIT *Complete Section 5*
- NEW LICENSE *Complete Sections 2, 3, 4, 13, 14, 15, 16*
- PERSON TRANSFER (Bars & Liquor Stores ONLY)  
*Complete Sections 2, 3, 4, 11, 13, 15, 16*
- LOCATION TRANSFER (Bars and Liquor Stores ONLY)  
*Complete Sections 2, 3, 4, 12, 13, 15, 16*
- PROBATE/WILL ASSIGNMENT/DIVORCE DECREE  
*Complete Sections 2, 3, 4, 9, 13, 16 (fee not required)*
- GOVERNMENT *Complete Sections 2, 3, 4, 10, 13, 15, 16*

**SECTION 2** Type of ownership:

- J.T.W.R.O.S. *Complete Section 6*
- INDIVIDUAL *Complete Section 6*
- PARTNERSHIP *Complete Section 6*
- CORPORATION *Complete Section 7*
- LIMITED LIABILITY CO. *Complete Section 7*
- CLUB *Complete Section 8*
- GOVERNMENT *Complete Section 10*
- TRUST *Complete Section 6*
- OTHER (Explain) \_\_\_\_\_

**SECTION 3** Type of license and fees LICENSE #(s): \_\_\_\_\_

1. Type of License(s): Series 12

2. Total fees attached: \_\_\_\_\_

Department Use Only  
 \$ 150.

**APPLICATION FEE AND INTERIM PERMIT FEES (IF APPLICABLE) ARE NOT REFUNDABLE.**  
 The fees allowed under A.R.S. 44-6852 will be charged for all dishonored checks.

**SECTION 4** Applicant

- 1. Owner/Agent's Name:  Mr. Nations Randy D.  
(Insert one name ONLY to appear on license) Last First Middle
- 2. Corp./Partnership/L.L.C.: Cabin Restaurants LLC B1053330  
(Exactly as it appears on Articles of Inc. or Articles of Org.)
- 3. Business Name: The Cabin  
(Exactly as it appears on the exterior of premises)
- 4. Principal Street Location: 9868 W. Northern Ave. Peoria Maricopa 85345  
(Do not use PO Box Number) City County Zip
- 5. Business Phone: Pending Daytime Phone: [REDACTED] Email: [REDACTED]
- 6. Is the business located within the incorporated limits of the above city or town?  YES  NO
- 7. Mailing Address: PO Box 2502 Chandler Arizona 85244  
City State Zip
- 8. Price paid for license only bar, beer and wine, or liquor store: Type \_\_\_\_\_ \$ \_\_\_\_\_ Type \_\_\_\_\_ \$ \_\_\_\_\_

**DEPARTMENT USE ONLY**

Fees: 100 Application    50 Interim Permit    50 Site Inspection    150 Finger Prints    \$ 150  
 TOTAL OF ALL FEES

Is Arizona Statement of Citizenship & Alien Status For State Benefits complete?  YES  NO

Accepted by: [REDACTED] Date: 10/23/2014 Lic. # 1707A075

**SECTION 5 Interim Permit:**

1. If you intend to operate business when your application is pending you will need an Interim Permit pursuant to A.R.S. 4-203.01.
2. There **MUST** be a valid license of the same type you are applying for currently issued to the location.
3. Enter the license number currently at the location. \_\_\_\_\_
4. Is the license currently in use?  YES  NO If no, how long has it been out of use? \_\_\_\_\_

**ATTACH THE LICENSE CURRENTLY ISSUED AT THE LOCATION TO THIS APPLICATION.**

I, \_\_\_\_\_, declare that I am the CURRENT OWNER, AGENT, CLUB MEMBER, PARTNER, MEMBER, STOCKHOLDER, OR LICENSEE (circle the title which applies) of the stated license and location.

(Print full name)

State of \_\_\_\_\_ County of \_\_\_\_\_

X \_\_\_\_\_  
(Signature)

The foregoing instrument was acknowledged before me this \_\_\_\_\_

My commission expires on: \_\_\_\_\_

\_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_  
Day Month Year

\_\_\_\_\_  
(Signature of NOTARY PUBLIC)

14 OCT 23 10:14 PM '34

**SECTION 6 Individual or Partnership Owners:**

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND \$22 PROCESSING FEE FOR EACH CARD.

1. Individual:

Last	First	Middle	% Owned	Mailing Address	City State Zip

Partnership Name: (Only the first partner listed will appear on license) \_\_\_\_\_

General-Limited	Last	First	Middle	% Owned	Mailing Address	City State Zip
<input type="checkbox"/> <input type="checkbox"/>						
<input type="checkbox"/> <input type="checkbox"/>						
<input type="checkbox"/> <input type="checkbox"/>						
<input type="checkbox"/> <input type="checkbox"/>						

) Y R A S S E C E N F I T

2. Is any person, other than the above, going to share in the profits/losses of the business?  YES  NO  
If Yes, give name, current address and telephone number of the person(s). Use additional sheets if necessary.

Last	First	Middle	Mailing Address	City, State, Zip	Telephone#

**SECTION 7 Corporation/Limited Liability Co.:**

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND \$22 PROCESSING FEE FOR EACH CARD.

- CORPORATION Complete questions 1, 2, 3, 5, 6, 7, and 8.
- L.L.C. Complete 1, 2, 4, 5, 6, 7, and 8.

1. Name of Corporation/L.L.C.: CabIn Restaurants LLC  
(Exactly as it appears on Articles of Incorporation or Articles of Organization)
2. Date Incorporated/Organized: 07/17/14 State where Incorporated/Organized: Arizona
3. AZ Corporation Commission File No.: \_\_\_\_\_ Date authorized to do business in AZ: \_\_\_\_\_
4. AZ L.L.C. File No: L-19399743 Date authorized to do business in AZ: 07/21/14
5. Is Corp./L.L.C. Non-profit?  YES  NO
6. List all directors, officers and members in Corporation/L.L.C.:

Last	First	Middle	Title	Mailing Address	City State Zip
			Manager	6151 N. Sunset Blvd. Ste. E-110 Glendale, Arizona	85305

(ATTACH ADDITIONAL SHEET IF NECESSARY)

7. List stockholders who are controlling persons or who own 10% or more:

Last	First	Middle	% Owned	Mailing Address	City State Zip
			100%	6151 N. Sunset Blvd. Ste. E-110 Glendale, Arizona	85305

(ATTACH ADDITIONAL SHEET IF NECESSARY)

8. If the corporation/L.L.C. is owned by another entity, attach a percentage of ownership chart, and a director/officer/member disclosure for the parent entity. Attach additional sheets as needed in order to disclose personal identities of all owners.

**SECTION 8 Club Applicants:**

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND \$22 PROCESSING FEE FOR EACH CARD.

1. Name of Club: \_\_\_\_\_ Date Chartered: \_\_\_\_\_  
(Exactly as it appears on Club Charter or Bylaws) (Attach a copy of Club Charter or Bylaws)
2. Is club non-profit?  YES  NO
3. List officer and directors:

Last	First	Middle	Title	Mailing Address	City State Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)

14 OCT 23 11:49 AM '14

Cabin Restaurants LLC  
6151 N. Sunset Blvd. Ste. E-110 Glendale, Arizona 85305

B1050601

Sound Restaurant Concepts LLC  
Manager  
100%  
6151 N. Sunset Blvd. Ste. E-110 Glendale, Arizona 85305

John Tsailakis  
Member  
100%

14 OCT 23 11:41 AM '15

**SECTION 9** Probate, Will Assignment or Divorce Decree of an existing Bar or Liquor Store License:

1. Current Licensee's Name: \_\_\_\_\_  
(Exactly as it appears on license) Last First Middle
2. Assignee's Name: \_\_\_\_\_  
Last First Middle
3. License Type: \_\_\_\_\_ License Number: \_\_\_\_\_ Date of Last Renewal: \_\_\_\_\_
4. ATTACH TO THIS APPLICATION A CERTIFIED COPY OF THE WILL, PROBATE DISTRIBUTION INSTRUMENT, OR DIVORCE DECREE THAT SPECIFICALLY DISTRIBUTES THE LIQUOR LICENSE TO THE ASSIGNEE TO THIS APPLICATION.

**SECTION 10** Government: (for cities, towns, or counties only)

1. Governmental Entity: \_\_\_\_\_
2. Person/designee: \_\_\_\_\_  
Last First Middle Contact Phone Number

**A SEPARATE LICENSE MUST BE OBTAINED FOR EACH PREMISES FROM WHICH SPIRITUOUS LIQUOR IS SERVED.**

**SECTION 11** Person to Person Transfer:

Questions to be completed by CURRENT LICENSEE (Bars and Liquor Stores ONLY-Series 06,07, and 09).

1. Current Licensee's Name: \_\_\_\_\_ Entity: \_\_\_\_\_  
(Exactly as it appears on license) Last First Middle (Indiv., Agent, etc.)
2. Corporation/L.L.C. Name: \_\_\_\_\_  
(Exactly as it appears on license)
3. Current Business Name: \_\_\_\_\_  
(Exactly as it appears on license)
4. Physical Street Location of Business: Street \_\_\_\_\_  
City, State, Zip \_\_\_\_\_
5. License Type: \_\_\_\_\_ License Number: \_\_\_\_\_
6. If more than one license to be transferred: License Type: \_\_\_\_\_ License Number: \_\_\_\_\_
7. Current Mailing Address: Street \_\_\_\_\_  
(Other than business) City, State, Zip \_\_\_\_\_
8. Have all creditors, lien holders, interest holders, etc. been notified of this transfer?  YES  NO
9. Does the applicant intend to operate the business while this application is pending?  YES  NO If yes, complete Section 5 of this application, attach fee, and current license to this application.

10. I, \_\_\_\_\_, hereby authorize the department to process this application to transfer the  
(print full name)  
privilege of the license to the applicant, provided that all terms and conditions of sale are met. Based on the fulfillment of these conditions, I certify that the applicant now owns or will own the property rights of the license by the date of issue.

I, \_\_\_\_\_, declare that I am the CURRENT OWNER, AGENT, MEMBER, PARTNER  
(print full name)  
STOCKHOLDER, or LICENSEE of the stated license. I have read the above Section 11 and confirm that all statements are true, correct, and complete.

\_\_\_\_\_  
(Signature of CURRENT LICENSEE)

State of \_\_\_\_\_ County of \_\_\_\_\_  
The foregoing instrument was acknowledged before me this

\_\_\_\_\_  
Day Month Year

My commission expires on: \_\_\_\_\_

\_\_\_\_\_  
(Signature of NOTARY PUBLIC)

14 OCT 23 11:41 AM '14

**SECTION 12 Location to Location Transfer: (Bars and Liquor Stores ONLY)**

APPLICANTS CANNOT OPERATE UNDER A LOCATION TRANSFER UNTIL IT IS APPROVED BY THE STATE

1. Current Business: Name \_\_\_\_\_  
(Exactly as it appears on license) Address \_\_\_\_\_
2. New Business: Name \_\_\_\_\_  
(Physical Street Location) Address \_\_\_\_\_
3. License Type: \_\_\_\_\_ License Number: \_\_\_\_\_
4. If more than one license to be transferred: License Type: \_\_\_\_\_ License Number: \_\_\_\_\_
5. What date do you plan to move? \_\_\_\_\_ What date do you plan to open? \_\_\_\_\_

**SECTION 13 Questions for all in-state applicants excluding those applying for government, hotel/motel, and restaurant licenses (series 5, 11, and 12):**

A.R.S. § 4-207 (A) and (B) state that no retailer's license shall be issued for any premises which are at the time the license application is received by the director, within three hundred (300) horizontal feet of a church, within three hundred (300) horizontal feet of a public or private school building with kindergarten programs or grades one (1) through (12) or within three hundred (300) horizontal feet of a fenced recreational area adjacent to such school building. The above paragraph DOES NOT apply to:

- a) Restaurant license (§ 4-205.02)
- b) Hotel/motel license (§ 4-205.01)
- c) Government license (§ 4-205.03)
- d) Fenced playing area of a golf course (§ 4-207 (B)(5))

1. Distance to nearest school: \_\_\_\_\_ ft. Name of school \_\_\_\_\_  
Address \_\_\_\_\_  
City, State, Zip \_\_\_\_\_
2. Distance to nearest church: \_\_\_\_\_ ft. Name of church \_\_\_\_\_  
Address \_\_\_\_\_  
City, State, Zip \_\_\_\_\_

3. I am the:  Lessee  Sublessee  Owner  Purchaser (of premises)

4. If the premises is leased give lessors: Name Howard Hughes Corporation  
Address 9744 W. Northern Ave. Suite 1360 Peoria, Arizona 85345  
City, State, Zip \_\_\_\_\_

4a. Monthly rental/lease rate \$ 13,000.00 What is the remaining length of the lease 5 yrs. 0 mos.

4b. What is the penalty if the lease is not fulfilled? \$ 656,180.00 or other \_\_\_\_\_  
(give details - attach additional sheet if necessary)

5. What is the total business indebtedness for this license/location excluding the lease? \$ 0  
Please list lenders you owe money to.

Last	First	Middle	Amount Owed	Mailing Address	City State	Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)

6. What type of business will this license be used for (be specific)? Restaurant

14 OCT 23 09:14:14 PM 3 45

**SECTION 13 - continued**

- 7. Has a license or a transfer license for the premises on this application been denied by the state within the past one (1) year?  
 YES  NO If yes, attach explanation.
- 8. Does any spirituous liquor manufacturer, wholesaler, or employee have any interest in your business?  YES  NO
- 9. Is the premises currently licensed with a liquor license?  YES  NO If yes, give license number and licensee's name:

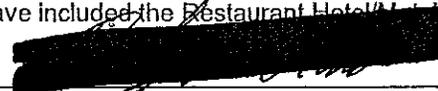
License # \_\_\_\_\_ (exactly as it appears on license) Name \_\_\_\_\_

**SECTION 14 Restaurant or hotel/motel license applicants:**

- 1. Is there an existing restaurant or hotel/motel liquor license at the proposed location?  YES  NO  
 If yes, give the name of licensee, Agent or a company name:

\_\_\_\_\_ and license #: \_\_\_\_\_  
Last First Middle

- 2. If the answer to Question 1 is YES, you may qualify for an Interim Permit to operate while your application is pending; consult A.R.S. § 4-203.01; and complete SECTION 5 of this application.
- 3. All restaurant and hotel/motel applicants must complete a Restaurant Operation Plan (Form LIC0114) provided by the Department of Liquor Licenses and Control.
- 4. As stated in A.R.S. § 4-205.02.G.2, a restaurant is an establishment which derives at least 40 percent of its gross revenue from the sale of food. Gross revenue is the revenue derived from all sales of food and spirituous liquor on the licensed premises. By applying for this  hotel/motel  restaurant license, I certify that I understand that I must maintain a minimum of 40 percent food sales based on these definitions and have included the Restaurant Hotel/Motel Records Required for Audit (form LIC 1013) with this application.



applicant's signature

As stated in A.R.S. § 4-205.02 (B), I understand it is my responsibility to contact the Department of Liquor Licenses and Control to schedule an inspection when all tables and chairs are on site, kitchen equipment, and, if applicable, patio barriers are in place on the licensed premises. With the exception of the patio barriers, these items are not required to be properly installed for this inspection. Failure to schedule an inspection will delay issuance of the license. If you are not ready for your inspection 90 days after filing your application, please request an extension in writing, specify why the extension is necessary, and the new inspection date you are requesting. To schedule your site inspection visit [www.az.gov](http://www.az.gov) and click on the "Information" tab.

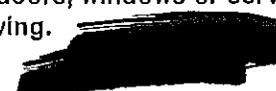


applicant's initials

**SECTION 15 Diagram of Premises: (Blueprints not accepted, diagram must be on this form)**

- 1. Check ALL boxes that apply to your business:  
 Entrances/Exits       Liquor storage areas      Patio:  Contiguous  
 Service windows       Drive-in windows       Non Contiguous
- 2. Is your licensed premises currently closed due to construction, renovation, or redesign?  YES  NO  
 If yes, what is your estimated opening date? 12/01/14  
month/day/year
- 3. Restaurants and hotel/motel applicants are required to draw a detailed floor plan of the kitchen and dining areas including the locations of all kitchen equipment and dining furniture. Diagram paper is provided on page 7.
- 4. The diagram (a detailed floor plan) you provide is required to disclose only the area(s) where spirituous liquor is to be sold, served, consumed, dispensed, possessed, or stored on the premises unless it is a restaurant (see #3 above).
- 5. Provide the square footage or outside dimensions of the licensed premises. Please do not include non-licensed premises, such as parking lots, living quarters, etc.

As stated in A.R.S. § 4-207.01(B), I understand it is my responsibility to notify the Department of Liquor Licenses and Control when there are changes to boundaries, entrances, exits, added or deleted doors, windows or service windows, or increase or decrease to the square footage after submitting this initial drawing.



applicant's initials

14 OCT 23 11:46 AM '14

**SECTION 15** Diagram of Premises.

4. In this diagram please show only the area where spirituous liquor is to be sold, served, consumed, dispensed, possessed or stored. It must show all entrances, exits, interior walls, bars, bar stools, hi-top tables, dining tables, dining chairs, the kitchen, dance floor, stage, and game room. Do not include parking lots, living quarters, etc. When completing diagram, North is up ↑.

If a legible copy of a rendering or drawing of your diagram of premises is attached to this application, please write the words "diagram attached" in box provided below.

Diagram attached

14 OCT 23 11:47 AM '14

**SECTION 16** Signature Block

I, Randy D. Nations, hereby declare that I am the OWNER/AGENT filing this application as stated in Section 4, Question 1. I have read this application and verify all statements to be true, correct and complete.

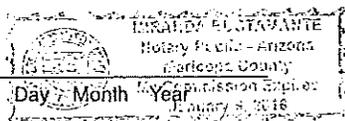
X [Redacted Signature]  
(signature of applicant listed in Section 4, Question 1)

State of Arizona County of Maricopa

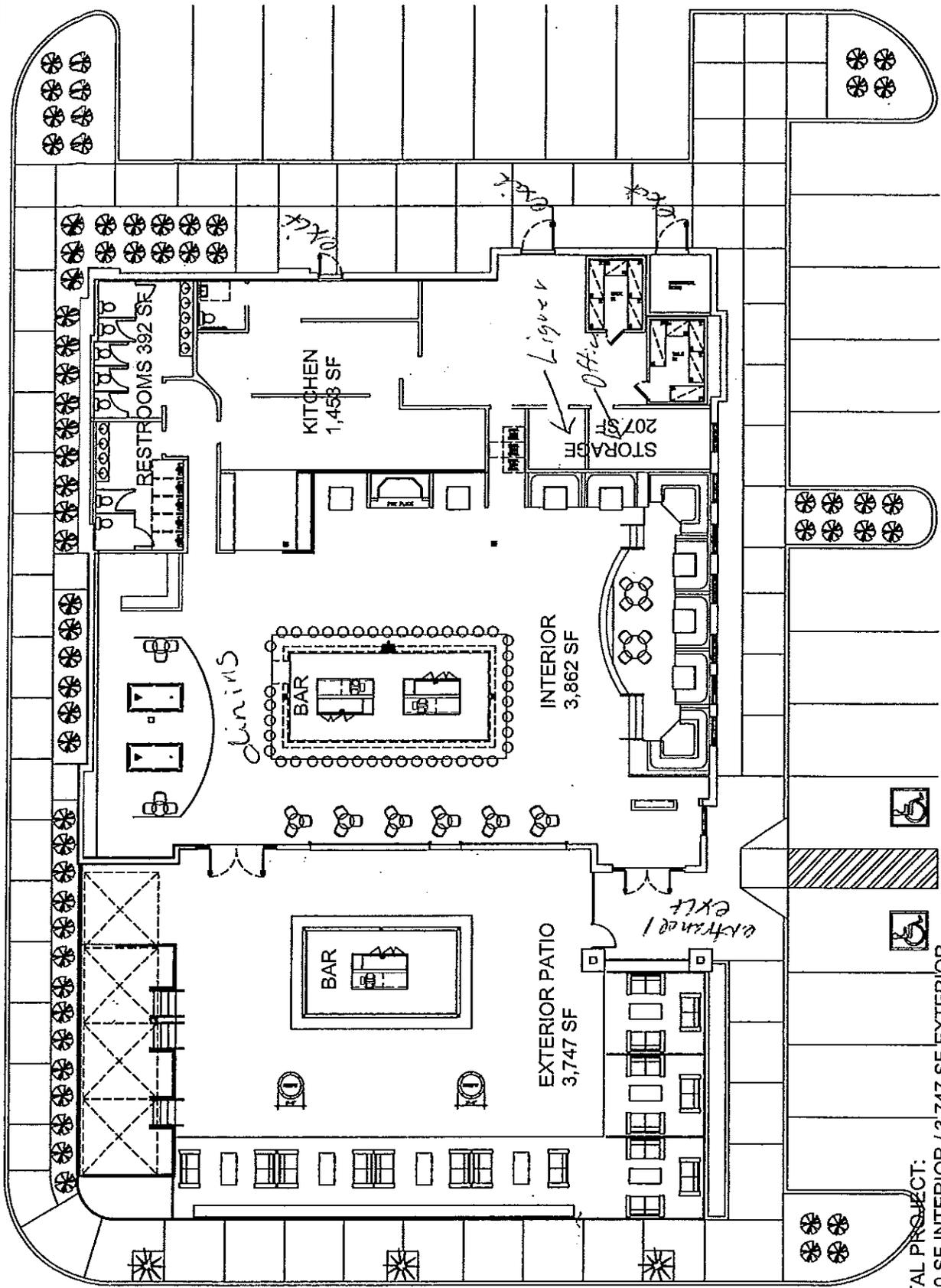
The foregoing Instrument was acknowledged before me this

23rd of October, 2014  
Day Month Year

My commission expires on :



[Redacted Signature]  
signature of NOTARY PUBLIC,



14 OCT 23 11:41 AM '24

BUILDING "L" PARTIAL SITE PLAN  
 SCALE: NTS

- TOTAL PROJECT:
- 6,150 SF INTERIOR / 3,747 SF EXTERIOR
- DINING AREA 2,822 S.F. / 15 = 189
- KITCHEN/SERVICE/ 1,712 S.F. / 200 = 9
- RESTROOM/Common Area/Walkway 690 S.F. / 100 = 7
- BAR/SERVICE AREA 970 S.F. / 200 = 5
- OFFICE 66 S.F. / 200 = 1
- TOTAL OCCUPANT LOAD: 211

Arizona Department of Liquor Licenses and Control  
 800 West Washington, 5th Floor  
 Phoenix, Arizona 85007  
 www.azliquor.gov  
 602-542-5141

**APPLICATION FOR LIQUOR LICENSE**  
 TYPE OR PRINT WITH BLACK INK

Notice: Effective Nov. 1, 1997, All Owners, Agents, Partners, Stockholders, Officers, or Managers actively involved in the day to day operations of the business must attend a Department approved liquor law training course or provide proof of attendance within the last five years. See page 5 of the Liquor Licensing requirements.

**SECTION 1** This application is for a:

- MORE THAN ONE LICENSE
- INTERIM PERMIT *Complete Section 5*
- NEW LICENSE *Complete Sections 2, 3, 4, 13, 14, 15, 16*
- PERSON TRANSFER (Bars & Liquor Stores ONLY)  
*Complete Sections 2, 3, 4, 11, 13, 15, 16*
- LOCATION TRANSFER (Bars and Liquor Stores ONLY)  
*Complete Sections 2, 3, 4, 12, 13, 15, 16*
- PROBATE/WILL ASSIGNMENT/DIVORCE DECREE  
*Complete Sections 2, 3, 4, 9, 13, 16 (fee not required)*
- GOVERNMENT *Complete Sections 2, 3, 4, 10, 13, 15, 16*

**SECTION 2** Type of ownership:

- J.T.W.R.O.S. *Complete Section 6*
- INDIVIDUAL *Complete Section 6*
- PARTNERSHIP *Complete Section 6*
- CORPORATION *Complete Section 7*
- LIMITED LIABILITY CO. *Complete Section 7*
- CLUB *Complete Section 8*
- GOVERNMENT *Complete Section 10*
- TRUST *Complete Section 6*
- OTHER (Explain) \_\_\_\_\_

14 OCT 23 1997 Lic. PM 1:52

**SECTION 3** Type of license and fees

LICENSE #(s): 1207A074

1. Type of License(s): Series 12

2. Total fees attached:

\$ 272.00 Department Use Only

**APPLICATION FEE AND INTERIM PERMIT FEES (IF APPLICABLE) ARE NOT REFUNDABLE.**

The fees allowed under A.R.S. 44-6852 will be charged for all dishonored checks.

**SECTION 4** Applicant

- 1. Owner/Agent's Name:  Mr. Natlons Randy D.  
(Insert one name ONLY to appear on license) Last First Middle
- 2. Corp./Partnership/L.L.C.: CM EBAR LLC  
(Exactly as it appears on Articles of Inc. or Articles of Org.)
- 3. Business Name: Elephant Bar Restaurant  
(Exactly as it appears on the exterior of premises)
- 4. Principal Street Location: 16160 N 83rd Ave Peoria Maricopa 85382  
(Do not use PO Box Number) City County Zip
- 5. Business Phone: 623-776-0100 Daytime Phone: [REDACTED] Email: [REDACTED]
- 6. Is the business located within the incorporated limits of the above city or town?  YES  NO
- 7. Mailing Address: P O Box 2502 Chandler AZ 85244  
City State Zip
- 8. Price paid for license only bar, beer and wine, or liquor store: Type \_\_\_\_\_ \$ \_\_\_\_\_ Type \_\_\_\_\_ \$ \_\_\_\_\_

**DEPARTMENT USE ONLY**

Fees: 100.00 Application    100.00 Interim Permit    50.00 Site Inspection    22.00 Finger Prints    \$ 272.00  
 TOTAL OF ALL FEES

Is Arizona [REDACTED] Citizenship & Alien Status For State Benefits complete?  YES  NO

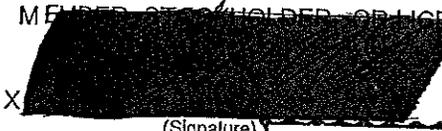
Accepted [REDACTED] Date: 10.23.14 Lic. # 1207A074

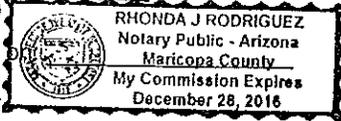
**SECTION 5 Interim Permit:**

1. If you intend to operate business when your application is pending you will need an Interim Permit pursuant to A.R.S. 4-203.01.
2. There **MUST** be a valid license of the same type you are applying for currently issued to the location.
3. Enter the license number currently at the location. 12075218
4. Is the license currently in use?  YES  NO If no, how long has it been out of use? \_\_\_\_\_

ATTACH THE LICENSE CURRENTLY ISSUED AT THE LOCATION TO THIS APPLICATION.

I, Randy D. Nations, declare that I am the CURRENT OWNER, AGENT, CLUB MEMBER, PARTNER,  
(Print full name)  
 MEMBER, ~~OWNER~~ HOLDER OR LICENSEE (circle the title which applies) of the stated license and location.

X   
(Signature)



My commission expires \_\_\_\_\_

State of AZ County of Maricopa  
 The foregoing instrument was acknowledged before me this  
9 day of October, 2014  
 D.   
(Signature)

**SECTION 6 Individual or Partnership Owners:**

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND \$22 PROCESSING FEE FOR EACH CARD.

1. Individual:

Last	First	Middle	% Owned	Mailing Address	City State Zip

Partnership Name: (Only the first partner listed will appear on license) \_\_\_\_\_

General-Limited	Last	First	Middle	% Owned	Mailing Address	City State Zip
<input type="checkbox"/> <input type="checkbox"/>						
<input type="checkbox"/> <input type="checkbox"/>						
<input type="checkbox"/> <input type="checkbox"/>						
<input type="checkbox"/> <input type="checkbox"/>						

) Y R A S S E C E N P T

2. Is any person, other than the above, going to share in the profits/losses of the business?  YES  NO  
 If Yes, give name, current address and telephone number of the person(s). Use additional sheets if necessary.

Last	First	Middle	Mailing Address	City, State, Zip	Telephone#

14-007-23199-114, REV 1-52

STATE OF ARIZONA

DEPARTMENT OF LIQUOR LICENSES  
AND CONTROL  
ALCOHOLIC BEVERAGE LICENSE

License 12075218

Issue Date: 10/21/2002

Expiration Date: 3/31/2015

Restaurant

Issued To:  
RANDY D NATIONS, Agent  
S B RESTAURANT CO OF CA, Owner

Mailing Address:

RANDY D NATIONS  
S B RESTAURANT CO OF CA  
ELEPHANT BAR RESTAURANT  
P O BOX 2502  
CHANDLER, AZ 85244

Location:  
ELEPHANT BAR RESTAURANT  
16160 N 83RD AVE  
PEORIA, AZ 85382

EXP 31/2015



POST THIS LICENSE IN A CONSPICUOUS PLACE

14 OCT 23 14:47:14 PM 152

**SECTION 7 Corporation/Limited Liability Co.:**

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND \$22 PROCESSING FEE FOR EACH CARD.

- CORPORATION Complete questions 1, 2, 3, 5, 6, 7, and 8.
- L.L.C. Complete 1, 2, 4, 5, 6, 7, and 8.

1. Name of Corporation/L.L.C.: CMEBAR LLC  
(Exactly as it appears on Articles of Incorporation or Articles of Organization)

2. Date Incorporated/Organized: 8/25/2014 State where Incorporated/Organized: TX

3. AZ Corporation Commission File No.: \_\_\_\_\_ Date authorized to do business in AZ: \_\_\_\_\_

4. AZ L.L.C. File No: R-1948136-7 Date authorized to do business in AZ: 8/27/2014

5. Is Corp./L.L.C. Non-profit?  YES  NO

6. List all directors, officers and members in Corporation/L.L.C.:

Last	First	Middle	Title	Mailing Address	City State Zip
Bhakta	Akash		Manager	18900 Dallas Parkway Ste 125 Dallas TX 75287	
Parkh	Ronak	Parimal	Manager	18900 Dallas Parkway Ste 125 Dallas TX 75287	
Selas	Jimmy		Manager	18900 Dallas Parkway Ste 125 Dallas TX 75287	
CMEBAR Holdings LLC			Member	18900 Dallas Parkway Ste 125 Dallas TX 75287	

(ATTACH ADDITIONAL SHEET IF NECESSARY)

7. List stockholders who are controlling persons or who own 10% or more:

Last	First	Middle	% Owned	Mailing Address	City State Zip
CM EBAR Holdings LLC			100	18900 Dallas Parkway Ste 125 Dallas TX 75287	

(ATTACH ADDITIONAL SHEET IF NECESSARY)

8. If the corporation/L.L.C. is owned by another entity, attach a percentage of ownership chart, and a director/officer/member disclosure for the parent entity. Attach additional sheets as needed in order to disclose personal identities of all owners.

**SECTION 8 Club Applicants:**

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND \$22 PROCESSING FEE FOR EACH CARD.

1. Name of Club: \_\_\_\_\_ Date Chartered: \_\_\_\_\_  
(Exactly as it appears on Club Charter or Bylaws) (Attach a copy of Club Charter or Bylaws)

2. Is club non-profit?  YES  NO

3. List officer and directors:

Last	First	Middle	Title	Mailing Address	City State Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)

14 OCT 23 11:19. LLC PM 1 52

# CM EBAR, LLC

**CM EBAR, LLC**  
Formed in Texas  
FEIN 47-1579894  
Managers: Akash Bhakta  
Ronak Parikh, Jimmy Salas

**CM EBAR HOLDINGS, LLC** *Member*  
Formed in Texas  
FEIN 47-1579805  
Managers: Akash Bhakta, Ronak Parikh

**Chalak Mitra Capital Partners, Trust**  
Formed in Texas *Member*  
FEIN 46-4101999  
Trustee: Ronak Parikh

**SECTION 9 Probate, Will Assignment or Divorce Decree of an existing Bar or Liquor Store License:**

1. Current Licensee's Name: \_\_\_\_\_  
(Exactly as it appears on license) Last First Middle
2. Assignee's Name: \_\_\_\_\_  
Last First Middle
3. License Type: \_\_\_\_\_ License Number: \_\_\_\_\_ Date of Last Renewal: \_\_\_\_\_
4. ATTACH TO THIS APPLICATION A CERTIFIED COPY OF THE WILL, PROBATE DISTRIBUTION INSTRUMENT, OR DIVORCE DECREE THAT SPECIFICALLY DISTRIBUTES THE LIQUOR LICENSE TO THE ASSIGNEE TO THIS APPLICATION.

**SECTION 10 Government: (for cities, towns, or counties only)**

1. Governmental Entity: \_\_\_\_\_
2. Person/designee: \_\_\_\_\_  
Last First Middle Contact Phone Number

**A SEPARATE LICENSE MUST BE OBTAINED FOR EACH PREMISES FROM WHICH SPIRITUOUS LIQUOR IS SERVED.**

**SECTION 11 Person to Person Transfer:**

Questions to be completed by CURRENT LICENSEE (Bars and Liquor Stores ONLY-Series 06,07, and 09).

1. Current Licensee's Name: \_\_\_\_\_ Entity: \_\_\_\_\_  
(Exactly as it appears on license) Last First Middle (Indiv., Agent, etc.)
2. Corporation/L.L.C. Name: \_\_\_\_\_  
(Exactly as it appears on license)
3. Current Business Name: \_\_\_\_\_  
(Exactly as it appears on license)
4. Physical Street Location of Business: Street \_\_\_\_\_  
City, State, Zip \_\_\_\_\_
5. License Type: \_\_\_\_\_ License Number: \_\_\_\_\_
6. If more than one license to be transferred: License Type: \_\_\_\_\_ License Number: \_\_\_\_\_
7. Current Mailing Address: Street \_\_\_\_\_  
(Other than business) City, State, Zip \_\_\_\_\_
8. Have all creditors, lien holders, interest holders, etc. been notified of this transfer?  YES  NO
9. Does the applicant intend to operate the business while this application is pending?  YES  NO If yes, complete Section 5 of this application, attach fee, and current license to this application.

10. I, \_\_\_\_\_, hereby authorize the department to process this application to transfer the privilege of the license to the applicant, provided that all terms and conditions of sale are met. Based on the fulfillment of these conditions, I certify that the applicant now owns or will own the property rights of the license by the date of issue.

I, \_\_\_\_\_, declare that I am the CURRENT OWNER, AGENT, MEMBER, PARTNER STOCKHOLDER, or LICENSEE of the stated license. I have read the above Section 11 and confirm that all statements are true, correct, and complete.

\_\_\_\_\_  
(Signature of CURRENT LICENSEE)

State of \_\_\_\_\_ County of \_\_\_\_\_  
The foregoing instrument was acknowledged before me this

\_\_\_\_\_  
Day Month Year

\_\_\_\_\_  
(Signature of NOTARY PUBLIC)

My commission expires on: \_\_\_\_\_

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**SECTION 12 Location to Location Transfer: (Bars and Liquor Stores ONLY)**

APPLICANTS CANNOT OPERATE UNDER A LOCATION TRANSFER UNTIL IT IS APPROVED BY THE STATE

1. Current Business: Name \_\_\_\_\_  
(Exactly as it appears on license) Address \_\_\_\_\_
2. New Business: Name \_\_\_\_\_  
(Physical Street Location) Address \_\_\_\_\_
3. License Type: \_\_\_\_\_ License Number: \_\_\_\_\_
4. If more than one license to be transferred: License Type: \_\_\_\_\_ License Number: \_\_\_\_\_
5. What date do you plan to move? \_\_\_\_\_ What date do you plan to open? \_\_\_\_\_

**SECTION 13 Questions for all in-state applicants excluding those applying for government, hotel/motel, and restaurant licenses (series 5, 11, and 12):**

A.R.S. § 4-207 (A) and (B) state that no retailer's license shall be issued for any premises which are at the time the license application is received by the director, within three hundred (300) horizontal feet of a church, within three hundred (300) horizontal feet of a public or private school building with kindergarten programs or grades one (1) through (12) or within three hundred (300) horizontal feet of a fenced recreational area adjacent to such school building. The above paragraph DOES NOT apply to:

- a) Restaurant license (§ 4-205.02)
- b) Hotel/motel license (§ 4-205.01)
- c) Government license (§ 4-205.03)
- d) Fenced playing area of a golf course (§ 4-207 (B)(5))

1. Distance to nearest school: \_\_\_\_\_ ft. Name of school \_\_\_\_\_  
Address \_\_\_\_\_  
City, State, Zip \_\_\_\_\_

2. Distance to nearest church: \_\_\_\_\_ ft. Name of church \_\_\_\_\_  
Address \_\_\_\_\_  
City, State, Zip \_\_\_\_\_

3. I am the:  Lessee  Sublessee  Owner  Purchaser (of premises)

4. If the premises is leased give lessors: Name Propcor II Assoc C/o Westcor Partners  
Address 11411 N Tatum Blvd Phoenix AZ 85028  
City, State, Zip \_\_\_\_\_

4a. Monthly rental/lease rate \$ 10,833.00 What is the remaining length of the lease 6 yrs. \_\_\_\_\_ mos.

4b. What is the penalty if the lease is not fulfilled? \$ \_\_\_\_\_ or other Still Owe Term  
(give details - attach additional sheet if necessary)

5. What is the total **business** indebtedness for this license/location excluding the lease? \$ 0  
Please list lenders you owe money to.

Last	First	Middle	Amount Owed	Mailing Address	City State	Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)

6. What type of business will this license be used for (be specific)? Restaurant

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**SECTION 13 - continued**

- 7. Has ~~a~~ license or a transfer license for the premises on this application been denied by the state within the past one (1) year?  
 YES  NO If yes, attach explanation.
- 8. Do ~~e~~ any spirituous liquor manufacturer, wholesaler, or employee have any interest in your business?  YES  NO
- 9. Is th ~~e~~ premises currently licensed with a liquor license?  YES  NO If yes, give license number and licensee's name:  
 License # 12075218 (exactly as it appears on license) Name Randy D. Nations

**SECTION 14 Restaurant or hotel/motel license applicants:**

- 1. Is ~~there~~ an existing restaurant or hotel/motel liquor license at the proposed location?  YES  NO  
 If yes, give the name of licensee, Agent or a company name:  

<u>Nations</u>	<u>Randy</u>	<u>D.</u>		
Last	First	Middle		

 and license #: 12075218
- 2. If ~~the~~ answer to Question 1 is YES, you may qualify for an Interim Permit to operate while your application is pending; consult A.R.S. §4-203.01; and complete SECTION 5 of this application.
- 3. All restaurant and hotel/motel applicants must complete a Restaurant Operation Plan (Form LIC0114) provided by the Department of Liquor Licenses and Control.
- 4. As stated in A.R.S. § 4-205.02.G.2, a restaurant is an establishment which derives at least 40 percent of its gross revenue from the sale of food. Gross revenue is the revenue derived from all sales of food and spirituous liquor on the licensed premises. By applying for this  hotel/motel  restaurant license, I certify that I understand that I must maintain a minimum of 40 percent food sales based on these definitions and have included the Restaurant Hotel/Motel Records Required for Audit (form LIC 1013) with this application.



As stated in A.R.S. § 4-205.02 (B), I understand it is my responsibility to contact the Department of Liquor Licenses and Control to schedule an inspection when all tables and chairs are on site, kitchen equipment, and, if applicable, patio barriers are in place on the licensed premises. With the exception of the patio barriers, these items are not required to be properly installed for this inspection. Failure to schedule an inspection will delay issuance of the license. If you are not ready for your inspection 90 days after filing your application, please request an extension in writing, specify why the extension is necessary, and the new inspection date you are requesting. To schedule your site inspection, visit [www.azliquor.gov](http://www.azliquor.gov) and click on the "Information" tab.



**SECTION 15 Diagram of Premises: (Blueprints not accepted, diagram must be on this form)**

- 1. Check ALL boxes that apply to your business:
 

<input checked="" type="checkbox"/> Entrances/Exits	<input checked="" type="checkbox"/> Liquor storage areas	Patio: <input checked="" type="checkbox"/> Contiguous
<input type="checkbox"/> Service windows	<input type="checkbox"/> Drive-in windows	<input type="checkbox"/> Non Contiguous
- 2. Is your licensed premises currently closed due to construction, renovation, or redesign?  YES  NO  
 If yes, what is your estimated opening date? \_\_\_\_\_  
 month/day/year
- 3. Restaurants and hotel/motel applicants are required to draw a detailed floor plan of the kitchen and dining areas including the locations of all kitchen equipment and dining furniture. Diagram paper is provided on page 7.
- 4. The diagram (a detailed floor plan) you provide is required to disclose only the area(s) where spiritous liquor is to be sold, served, consumed, dispensed, possessed, or stored on the premises unless it is a restaurant (see #3 above).
- 5. Provide the square footage or outside dimensions of the licensed premises. Please do not include non-licensed premises, such as parking lots, living quarters, etc.

As stated in A.R.S. § 4-207.01(B), I understand it is my responsibility to notify the Department of Liquor Licenses and Control when there are changes to boundaries, entrances, exits, added or deleted doors, windows or service windows, or increase or decrease to the square footage after submitting this initial drawing.



applicants initials

AZ LIQUOR LIC. RM 153

**SECTION 15** Diagram of Premises

4. In this diagram please show only the area where spirituous liquor is to be sold, served, consumed, dispensed, possessed or stored. It must show all entrances, exits, interior walls, bars, bar stools, hi-top tables, dining tables, dining chairs, the kitchen, dance floor, stage, and game room. Do not include parking lots, living quarters, etc. When completing diagram, North is up ↑.

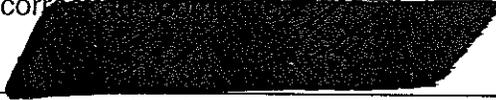
If a legible copy of a rendering or drawing of your diagram of premises is attached to this application, please write the words "diagram attached" in box provided below.

Diagram Attached

14 OCT 23 11:49 AM 153

**SECTION 16** Signature Block

I, Randy D. Nations, hereby declare that I am the OWNER/AGENT filing this application as stated in Section 4, Question 1. I have read this application and verify all statements to be true, correct and complete.

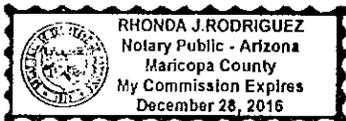
X   
(signature of applicant listed in Section 4, Question 1)

State of Ariz County of Maricopa

The foregoing instrument was acknowledged before me this

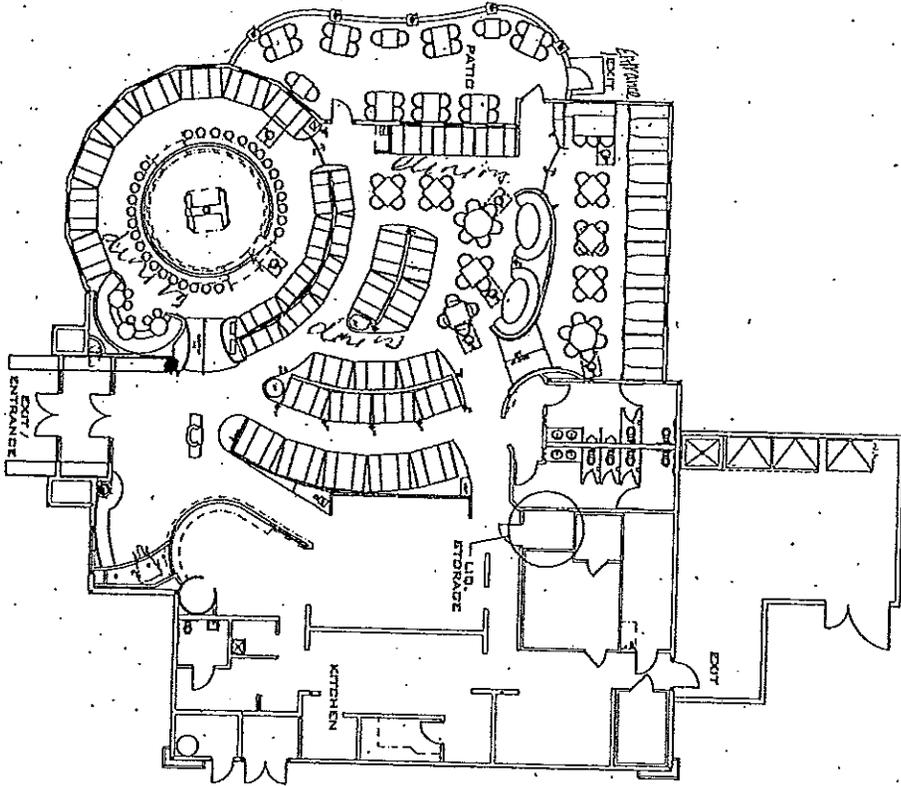
9 of October, 2014

Day 



My commission expires on: \_\_\_\_\_  
Day Month Year

ELEPHANT BAR PEORIA  
7,560 SQUARE FEET



14 OCT 23 11:41 PM 1 53

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 27R

**Date Prepared: November 17, 2014**

**Council Meeting Date: December 9, 2014**

---

**TO:** Carl Swenson, City Manager

**FROM:** Chris Jacques, AICP, Planning & Community Development Director

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

**SUBJECT:** GPA 14-0002 – Amend the Land Use Element and Plan Administration  
Section of General Plan

---

**Purpose:**

This is a request for the City Council to approve a City-initiated application to amend the Land Use Element and Plan Administration section of the Peoria General Plan.

**Background/Summary:**

The General Plan is comprised of fourteen chapters, each of which pertains to a unique focus area such as Land Use, Economic Development, Environmental Resources and Plan Administration. Chapter 2 Land Use Element pertains to establishing the framework for shaping the City's development pattern. Included in this chapter is how the City of Peoria anticipates addressing future population and employment growth while promoting a development pattern that promotes a pedestrian-friendly environment and integrates natural and manmade features in a manner consistent with the vision for the City of Peoria. Chapter 14 Plan Administration examines the various components within the General Plan in detail and provides guidelines for ensuring that it is implemented, amended when necessary and regularly updated. Included in this section is the implementation program along with outlining the process and statutory requirements for amending the Plan.

This amendment serves as an ongoing revision to the Peoria General Plan in an effort to maintain a document that adequately responds to changing social, economic, and other demographic trends, as well as development pressures which impact land use, traffic patterns, socio-economic conditions, and provision of City services among others. More specifically, the amendment includes the following revisions:

- Section 2. Land Use Element:
  - Reorganization of content with better delineation of subsections;
  - Land use category descriptions updated to better define anticipated densities, uses and development patterns;
  - Realignment of applicable tables with Residential Target Density text;
  - Clarification of intent and function of the General Plan Land Use/Zoning table;

- Recognition of other factors used to determine General Plan Conformity;
  - Update to conformity criteria list; and
  - Elimination of outdated references within the Section “Calculation of Dwelling Units and Population Density.
- Section 14. Plan Administration:
    - Public participation process description separated from notification requirements;
    - Timeframe for neighborhood meeting aligned with established requirements identified in the Zoning Ordinance;
    - Notification requirements for privately-initiated and city-initiated amendments clearly delineated;
    - Notification methodologies for city-initiated amendments updated to reflect size of amendment and target audience; and
    - Modification to Table 14.3 to eliminate selection of zoning district categories from amendment criteria.

Primarily the proposed modifications within the Land Use Element are intended to clarify the intent and practical application of the “Residential Target Density” concept, and to better define the relationship between land use descriptions and zoning districts. Additionally, the criteria for evaluating conformity to the General Plan and appropriateness of exceeding residential target density have not been updated since the Plan’s last comprehensive rewrite. To maintained relevance with changing development conditions and advancements in planning methods, this amendment updates the criteria to better define possible areas of consideration. Nonetheless, the City Council will continue to make the final decisions regarding the appropriateness of a zoning designation or proposed residential density based on the merits of the proposed development.

The purpose of the proposed adjustments to the document’s organization, such as the layout, headers and structure within each section is to increase readability, and provide a better nexus between the descriptions and associated tables where applicable. Lastly, proposed alterations to Table 14.3 are intended to eliminate the conflict and bring it into conformance with the stated intent of Section 2. Land Use Element.

**Previous Actions:**

The GPA amendment has been subject to the City’s annual Major General Plan Amendment process which includes:

- Public Posting on the City of Peoria Website (June 16, 2014 – December 9, 2014)
- Planning & Zoning Commission Public Hearing #1 (October 16, 2014)
- Planning & Zoning Commission Public Hearing #2 (November 13, 2014). The Commission unanimously forwarded a recommendation of approval (6-0) for Case GPA 14-0002 to the City Council for adoption.

**Options:**

- A:** Approve as recommended by Staff and the Planning & Zoning Commission; or
- B:** Approve with modifications; or
- C:** Deny; or
- D:** Continue action to a date certain or indefinitely; or
- E:** Remand to the Planning & Zoning Commission for further consideration.

*Per ARS 9-461.06.H, the adoption of a major amendment to the general plan requires the affirmative vote of at least two-thirds (5 of 7) of the City Council.*

**Staff's Recommendation:**

Concur with the Planning & Zoning Commission's November 13, 2014 recommendation to approve Case GPA 14-0002.

**Fiscal Analysis:**

This request is not expected to have immediate budgetary impacts to the City.

**Narrative:**

No further action would be necessary should the City Council take action to approve this application.

**Exhibit(s):**

**Exhibit 1:** November 13, 2014 Planning & Zoning Commission Staff Report with Exhibits

**Exhibit 2:** Resolution

**Contact Name and Number:**

Lorie Dever, Planner, x5168





# **MAJOR GENERAL PLAN AMENDMENT**

## **REPORT TO THE PLANNING AND ZONING COMMISSION**

---

**CASE NUMBER:** GPA 14-0002  
**DATE:** November 13, 2014  
**AGENDA ITEM:** 7R

---

**Applicant:** City of Peoria  
**Request:** Amend the Land Use Element and Plan Administration section of the Peoria General Plan.  
**Location / Acreage:** Not Applicable. This is a citywide amendment to the General Plan.  
**Support / Opposition:** Staff has received and addressed written comments from the Arizona Department of Water Resources and Arizona State Land Department.  
**Recommendation:** Recommend approval to the City Council.

---

*Changes to this report since the October 16, 2014 Planning and Zoning Commission Hearing are indicated in **bold text**.*

### **BACKGROUND**

1. The Peoria General Plan is essentially the City's blueprint for policy and land development. It is the primary tool used in evaluating proposed developments, providing recommendations, revising development regulations and identifying capital improvements needed to meet the objectives of the plan. Although the General Plan is most commonly used for making land use decisions, it is also a key component in guiding policy creation involving such efforts as water conservation, public services planning, economic development, neighborhood revitalization and open space preservation.
2. It has been the City's desire to maintain the General Plan as a "living document" and to encourage changes when necessary. While some of the previous amendments have been site specific pertaining to a particular development, many were larger in scope and addressed policies such as updating land use

designation standards, updating portions of the Circulation Element or the addition of new Plan elements in response to changing State legislation.

3. This year, the City is processing a comprehensive Major General Plan Amendment affecting text within *Section 2. Land Use Element* and *Section 14. Plan Administration*. With this amendment, it was the City's intent to make adjustments where necessary to maintain relevancy and to reflect the City's vision of building a healthy, safe and sustainable community.

## **DISCUSSION / ANALYSIS**

4. This amendment serves as an ongoing revision to the Peoria General Plan in an effort to maintain a document that adequately responds to changing social, economic, and other demographic trends, as well as development pressures which impact land use, traffic patterns, socio-economic conditions, and provision of City services among others. More specifically, the amendment includes the following revisions:
  - Section 2. Land Use Element:
    - Reorganization of content with better delineation of subsections;
    - Land use category descriptions updated to better define anticipated densities, uses and development patterns;
    - Realignment of applicable tables with Residential Target Density text;
    - Clarification of intent and function of the General Plan Land Use/Zoning table;
    - Recognition of other factors used to determine General Plan Conformity;
    - Update to conformity criteria list; and
    - Elimination of outdated references within the Section "Calculation of Dwelling Units and Population Density.
  - Section 14. Plan Administration:
    - Public participation process description separated from notification requirements;
    - Timeframe for neighborhood meeting aligned with established requirements identified in the Zoning Ordinance;
    - Notification requirements for privately-initiated and city-initiated amendments clearly delineated;
    - Notification methodologies for city-initiated amendments updated to reflect size of amendment and target audience; and
    - Modification to Table 14.3 to eliminate selection of zoning district categories from amendment criteria.

5. Primarily, the proposed modifications within the Land Use Element are intended to clarify the intent and practical application of the “Residential Target Density” concept, and to better define the relationship between land use descriptions and zoning districts.
6. Development conditions and proposals have evolved since the Plan’s last comprehensive rewrite; however, the criteria for evaluating conformity to the General Plan and appropriateness of exceeding residential target density have not. To maintain relevance with development conditions and keep pace with more advanced planning methods, staff has routinely considered a more robust list of factors when evaluating proposals. Accordingly, the conformity criteria within Section 2c are being revised to reflect this practice. While it is staff’s intent to bring the criteria up to date and better define possible areas of consideration, the list is not meant to be all encompassing. Further, City Council will make the final decisions regarding the appropriateness of a zoning designation or proposed residential density based on the merits of the proposed development.
7. The purpose of the proposed adjustments to the document’s organization, such as the layout, headers and structure within each section is to increase readability, and provide a better nexus between the descriptions and associated tables where applicable.
8. The stated criterion within Section 14.g and Table 14.3 implies a general plan amendment is automatically required unless the project is zoned or rezoned to one of the districts listed. This language directly conflicts with the stated intent and methods outlined within Section 2, which allows a development to potentially consider a different zoning district if they can demonstrate conformity to the General Plan using criteria specified. Proposed alterations to this section of the text and table are intended to eliminate the conflict and bring it into conformance with the stated intent of Section 2. Land Use Element.

***Planning & Zoning Commission Discussion from October 16, 2014 Hearing***

9. **The Planning & Zoning Commission held the first of two hearings for the annual Major General Plan Amendment process on October 16<sup>th</sup> of this year. This hearing was an opportunity for staff to present the amendment and for the Commission and the public to give testimony.**
10. **Previously on September 18, 2014, staff provided the Commission with a project update and sought comment and direction on specific changes to Section 2. Land Use Elements. The Commission asked staff to examine whether an additional criterion recognizing a significant contribution in**

**completing off-site infrastructure or a CIP project should be added to the Conformity Determination list.**

11. **During the October 16th hearing, staff provided an overview of the proposed changes for both sections of the text. The Commission asked staff to elaborate upon their reasoning for not including the off-site infrastructure in the Conformity Determination list. Staff indicated the list was intended to act as guidance on what may be considered if a project wanted to exceed the target density. The area of impacts for each project would be considered, and the developer is responsible for completing the necessary improvements to serve the property. If those impacts are more regional in nature, projects will typically receive impact fee credits if they are within an infrastructure improvement plan. Staff believes the recognition of those regional improvements is consequently recognized through existing mechanisms.**

## **CIVIC ENGAGEMENT & NOTIFICATION**

### *Citizen Participation*

12. Information regarding the proposed revisions was made available for citizens to download and comment on from the City's website. To date, we have not received any citizen comments regarding the proposed amendment.

### *General Public Awareness*

13. This amendment was notified in accordance with ARS § 9-461.06 and routed to adjacent governments and reviewing agencies for a 60-day review period. In addition to the 60-day routing, any neighborhood meetings and the published advertisement for the public hearings, additional information regarding each of this year's Major General Plan Amendments, including the draft amendments and a summary document, were provided on the City's main website and again on the City's Planning Division website.
14. It should also be noted that all external routing materials were limited to a summary letter that outlined the proposed amendment and directed all reviewers to a website where the complete document could be reviewed and comments could be issued entirely online.
15. Staff received a letter from the Arizona Department of Water Resources (ADWR) advising that agricultural/farm uses identified within Estate Density Residential land use description (Section 2c) are subject to provisions of Arizona Revised

Statutes. In addition, ADWR staff suggested clarifying the reference within Article 14.e Public Participation Process from Department of Water Resources to more accurately it is the *Arizona* Department of Water Resources. This request was incorporated into the proposed modifications.

16. Shortly after the review period, staff received a letter from the Arizona State Land Department (ASLD) suggesting modifications to the Section 2D title “Publically Held Lands”. The intent of this section is to provide a brief synopsis, including mission and vision statements of the various agencies overseeing publicly held lands within the City. ASLD suggested the header be modified to “Publically Held Lands *and State Trust Lands*” to more accurately reflect there are differences between their mission and that of agencies overseeing Federal public lands. This request was incorporated into the proposed modifications.

#### *Public Notice*

17. Public notice was provided in the manner prescribed under Section 14.D of the General Plan. Due to this amendment being City-initiated and not pertaining to a specific land use change, the amendment was only required to be published in the Peoria Times at least fifteen (15) days prior to Planning and Zoning Commission.

#### *School District Notification*

18. Peoria Unified and Deer Valley School Districts received written notification of this amendment for the 60-day review period. No comments were received.

#### *Support/Opposition*

19. As of this writing, the City has received no stated support or opposition pertaining to this amendment.

## **FINDINGS AND RECOMMENDATION**

20. Based on the following findings:
  - The amendment constitutes an overall improvement to the City’s General Plan and is not solely for the good or benefit of a particular landowner or owners at a particular point in time; and
  - The proposed amendment improves the usability of the General Plan by:
    - i. Reorganizes portions of the text to improve ease of use,

- ii. Further defines the correlation between the general plan and zoning districts and when other districts may be considered,
  - iii. Updates conformance criteria to better define factors that may be considered in exceeding target density, and
  - iv. Aligns public outreach timeframes with those established within the Zoning Ordinance, and
  - v. Modifies public outreach methodologies to better reflect type of amendment and target audience; and
- The amendment is in conformance with the Goals, Objectives, and Policies of the Peoria General Plan.

It is recommended that the Planning and Zoning Commission take the following actions:

**Recommend to the City Council approval of Case GPA 14-0002.**

Attachments:

- Exhibit A: Revised Section 2 Land Use Element Text
- Exhibit B: Revised Section 14 Public Administration Text
- Exhibit C: Comment Letter from Arizona Department of Water Resources
- Exhibit D: Comment Letter from Arizona State Land Department

Prepared by: Lorie Dever  
Planner



## 2. LAND USE ELEMENT

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*The Land Use Element establishes the primary framework for shaping the City’s development pattern. Because it directly affects every aspect of the City’s form and function, it is paramount to clearly define and communicate each of the goals and strategies of the Land Use Element and present them as they relate to the past, present, and future of Peoria. The Land Use Element is the long-range planning tool used in conjunction with the other General Plan elements to guide future growth, revitalization, and preservation efforts in the City. The Land Use Element also illustrates how the City of Peoria anticipates addressing future population and employment growth while promoting a development pattern that promotes a pedestrian-friendly environment and integrates natural and manmade features in a manner consistent with the vision for the City of Peoria.*

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The Land Use Element is organized in the following manner:

- 2.a Introduction
- 2.b. Goals, Objectives and Policies
- 2.c Land Use Plan
- 2.d Publicly Held Lands [and State Trust Lands](#)
- 2.e Specific Study Areas, Land Use Overlays, and Approved Master Plans

### 2.A INTRODUCTION

Explosive population growth over the last 40 years has transitioned a former small agricultural city of approximately 2,500 in 1970 to a large city currently exceeding 155,000. High sustained growth rates during this relatively short time span produce many challenges including traffic volumes, type and intensity of development, the protection of natural resources and the provision of essential public services. Fortunately, to aid in its efforts to address the quantitative and qualitative impacts associated with rapid, sustained growth, the City has adopted several new tools and plans. These efforts are summarized below.

#### **LAKE PLEASANT AREA PLANNING EFFORTS**

In 1996 and 1999, the City extended its municipal boundary to include Lake Pleasant Regional Park and the surrounding public and private lands. These lands, which contain dramatic scenery as well as a wealth of natural and cultural resources, were annexed allowing the City to exercise its land use authority around Lake Pleasant Regional Park for the long-range benefit of its citizens and the Park’s visitors. Additionally, the Lake Pleasant/North Peoria Area Plan outlines specific implementation policies to preserve and protect the natural beauty of the northern part of the City around Lake Pleasant.

#### **UPDATED IMPACT FEES**

In 2008 the City adopted an updated impact fee schedule through the acceptance of the *Red Oak Impact Fee Study* requiring developers to pay their share of costs to provide the utilities, infrastructure, and City services necessary to support new development. These updated impact fees are intended to encourage growth near available infrastructure.

#### **LOOP 303 SPECIFIC AREA PLAN**

Recognizing the enormous potential of the emerging Loop 303 corridor as a center for employment and community activity, the City adopted *The Loop 303 Specific Area Plan*. *The Loop 303 Specific Area Plan*

identifies land uses and circulation objectives for the Loop 303 corridor, the Lake Pleasant Parkway corridor, Carefree Highway and SR 74 south of Lake Pleasant.

### **OPEN SPACE, CONSERVATION AND RECREATION**

In 1999, the City adopted three major open space plans - the *Peoria Desert Lands Conservation Master Plan* and the *Peoria Rivers and Peoria Trails Master Plans*. *The Peoria Desert Lands Conservation Master Plan* identifies sensitive lands and native plant communities in the northern reaches of the City. Additionally, it provides policy guidance for the acquisition, preservation and administration of open space areas. Elements of the plan were incorporated into the General Plan to establish the proper relationship needed between the Master Plan and General Plan.

*The Rivers and Trails Master Plans* are separate complementary documents that identify a comprehensive system of trails throughout Peoria. *The Rivers Master Plan* provides guidance and recommendations for development along Peoria's three river corridors and identifies them as the "recreational spines" of the City since they contain the potential to provide trail access and recreational opportunities.

In 2006, the City adopted the *Parks, Recreation, Open Space and Trails (PROST) Master Plan* which essentially consolidated the efforts of the Peoria Desert Lands Conservation Master Plan, Rivers Master Plan and Trails Master Plan into a single document. All four master plans provide direction as to where and how the City's open space resources shall be used. The PROST Master Plan establishes in greater detail the types of amenities to be located in each form of open space and describes the connections and crossings between open spaces.

The General Plan also respects federal lands and other publicly-owned lands such as Maricopa County's Lake Pleasant Regional Park. Large federal land holdings of the Bureau of Land Management (BLM) and Bureau of Reclamation (BOR) are shown as Park/Open Space. While Growing Smarter Plus legislation guarantees a development right of one dwelling unit per acre for Park/Open Space designated lands, it is the desire of the federal agencies and the City to limit development on these lands.

### **OLD TOWN REVITALIZATION**

Peoria has also taken steps to enhance development in its city center by adopting the *Downtown Peoria Redevelopment Plan* in 1997, then the *Central Peoria Revitalization Plan* in 2000 and most recently the *Old Town Revitalization Plan* in 2009. These plans provide specific action plans for future development of the historic core area that supports new and existing businesses and economic growth; pedestrian-friendly urban design; integrating new residential development while preserving existing residential neighborhoods.

### **PEORIA SPORTS COMPLEX AREA**

In 2010, the City developed adopted a multi-dimensional plan and implementation program for the 570-acre area around the Peoria Sports Complex. Although the area has been largely successful, the purpose of the Plan is to identify the conditions, regulatory framework and implementation strategies to enhance the area as a cohesive, pedestrian-friendly mixed-use destination and position the area for a successful evolution.

### **COMMUNITY APPEARANCE**

The City adopted its first *Design Review Manual* in 1997 that set forth standards for improving the quality of development in the City. A major overhaul of this document was completed early in 2008 in response to input from our residents, the development community and recognized changes in building design in the decade since the original Manual was adopted.

### **INTEGRATION INTO THE GENERAL PLAN**

The combined effect of these planning efforts has been to establish an extensive body of community development, resource management and land use planning policies and programs. This General Plan recognizes, supports, and incorporates the key features of the recently adopted plans and policies that have given direction to the development of the City in recent years and provides direction for future informed planning and development decision-making.

While the City's recent planning efforts have provided excellent guidance for specific areas of the City, resolving key issues, the City still must address several challenges. Within the unincorporated General Plan Study Area, development projects approved by Maricopa County affect Peoria's land use pattern and transportation system. By addressing currently unincorporated land in this General Plan, the City intends to coordinate its planning efforts with those of the County.

### **COMMERCE AND EMPLOYMENT-GENERATING DEVELOPMENT**

The nature of commercial development has changed dramatically in the last 30 years. In many instances, services vacated the traditional core for more lucrative locations along major transportation corridors with better access and visibility. Traditional family-oriented businesses have been replaced with "big box" retail establishments promoting economies-of-scale.

Peoria is recapturing the experiences associated with a thriving and vibrant, pedestrian-scale City through downtown revitalization efforts and promoting new commercial nodes that employ progressive development strategies. These actions, along with limiting strip-style development and promoting mixed-use developments with office and housing components, will provide more dynamic and successful centers of commerce which will move Peoria towards its long-term goal of reaching equilibrium between housing and employment.

### **TRANSPORTATION LINKAGES**

The General Plan addresses the relationship between land use and transportation. It incorporates the future arterial roadway network identified in the Northwest Valley Transportation Study (Maricopa County Department of Transportation, 2000), including Loop 303. Existing major transportation corridors such as Loop 101, Lake Pleasant Parkway, State Route 74, Grand Avenue, and Bell Road are also key elements of the General Plan because of the connections and continuity they provide through the Northwest Valley and the Phoenix Metropolitan Area. Loop 101 provides direct access to commercial centers, industrial parks and high-density residential development. Lake Pleasant Parkway / State Route 74 provides access to key commercial nodes and recreation amenities. Land use designations along Grand Avenue reflect those adopted in the *Old Town Peoria Revitalization Plan*. These include plans for future mixed-use centers, cluster housing, a transit center and an attractive warehouse center. Bell Road continues to serve the regional commercial shopping district, including the Peoria Sports Complex and supporting business community.

The inventory and analysis of existing conditions, historic development pattern and input from community involvement efforts have helped guide the development of an overall vision and supporting goals, objectives, and policies that will ensure that future City of Peoria decision-making is consistent with the interests of the community.

### **INTENT OF THE LAND USE ELEMENT**

The Land Use Element, guided by its supportive goals, objectives, and policies, describes the desired land uses and development densities and intensities for future development in Peoria. The Land Use Element is the guide for implementation of the Zoning Ordinance and Official Zoning Map, two legal planning tools used to enforce the General Plan. The Land Use Element does not change or alter the

existing zoning or approved development rights, although Growing Smarter Plus requires that future zoning changes conform to the General Plan Land Use designations.

The adopted land use policies, land use plan, and implementation measures will assist the Peoria Planning and Zoning Commission and City Council in their review and consideration of development proposals and rezoning requests. The Land Use Element also assists in programming public facilities and utilities needed by the dynamic growing and changing City.

## 2.B. GOALS, OBJECTIVES AND POLICIES

The following goals, objectives and policies are developed to define the essential components of the Land Use Element. They are listed under the following categories: Smart Growth, Residential Communities, Employment Related Development, Mixed-Use Development, Infill Development, Resort Development, and Amendments to the General Plan.

<b>GOAL1:</b>	<b>PROVIDE A BALANCE OF LAND USES THAT WILL PRESERVE AND ENHANCE NEIGHBORHOODS, PROMOTE ECONOMIC DEVELOPMENT AND ENCOURAGE REDEVELOPMENT AT APPROPRIATE LOCATIONS.</b>
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### SMART GROWTH

#### Objective 1.A:

**Manage and control development to facilitate orderly growth and an efficient urban form.**

##### Policy 1.A.1:

**Promote planned developments where resources and infrastructure are in place to facilitate orderly and efficient growth .Policy 1.A.2:**

Establish and monitor an orderly plan to phase the extension of public utilities and streets within the City limits.

##### Policy 1.A.3:

Encourage development to occur as master planned communities with an appropriate mix of land use types in areas where infrastructure is or will be planned.

##### Policy 1.A.4:

Partner with Maricopa County to ensure that development and infrastructure located within Peoria’s planning area is compatible with the City of Peoria’s development and utility standards.

##### Policy 1.A.5:

Consider only those areas that are consistent with the criteria contained within the adopted Annexation Policy as suitable for annexation.

#### Objective 1.B:

**Maintain a supportive relationship between established commercial proprietors and the City’s business retention and expansion efforts.**

##### Policy 1.B.1:

Work to enhance commercial activity by attracting, retaining, and expanding those developments, which improve economic conditions in Peoria.

**Objective 1.C:**

**Encourage sustainable business practices through the rehabilitation and repurposing of existing and / or underutilized development.**

**Policy 1.C.1:**

Promote the revitalization of underutilized buildings through site rehabilitation and / or adaptive reuse.

**Policy 1.C.2:**

Provide assistance to promote private and public-sector improvement programs for underutilized employment centers.

**Policy 1.C.3:**

Utilize performance standards and site design elements to reduce compatibility conflicts with adjacent uses.

**Objective 1.D:**

**Foster commercial, industrial and business park employment centers that are compatible with Peoria's economic needs.**

**Policy 1.D.1:**

Maintain and market an employment zone profile listing that includes a summary of parcels, location, existing zoning, infrastructure, and site characteristics.

**Objective 1.E:**

**Support the preservation of Luke Air Force Base.**

**Policy 1.E.1:**

Support state and regional organizations which are established to protect the military mission of Luke Air Force Base and are compatible with City policies.

**Policy 1.E.2:**

Support the formation of a preservation zone around the Luke Air Force Base perimeter.

**Policy 1.E.3:**

Monitor and coordinate airport feasibility efforts with Luke Air Force Base officials.

**Policy 1.E.4:**

Observe Luke Air Force base AICUZ and JLUS maps and departure and approach routes when considering developments that could potentially interfere with the Luke Air Force Base mission.

**Policy 1.E.5:**

Attend pertinent planning coordination meetings regarding Luke Air Force Base activities and missions.

**MIXED-USE DEVELOPMENT**

**Objective 1.F:**

**Promote sustainable developments that elevate community identity and convenience, reduce vehicular trips, minimize infrastructure needs, improve air quality and provide a diversity of uses.**

**Policy 1.F.1:**

Develop a mixed-use zoning district consistent with the land use designation framework.

**Policy 1.F.2:**

Develop guidelines that establish criteria to determine optimal locations for mixed-use and / or infill development.

**Policy 1.F.3:**

Develop a residential density bonus program for mixed-use projects that includes specific performance criteria.

**Policy 1.F.4:**

Encourage compact mixed-use developments using vertical orientation with connections to multi-modal transportation centers.

**Policy 1.F.5:**

Maximize compatibility between mixed use developments and existing neighborhoods through building orientation, buffering, outdoor activity concentration and site access.

**Objective 1.G:**

**Promote mixed-use development templates to advance the City's sustainability efforts.**

**Policy 1.G.1:**

Identify opportunities for mixed-use and neighborhood-centric core areas throughout the City.

**Policy 1.G.2**

Integrate 'place making' design principles such as streetscape and building orientation, public spaces, multi-modal transportation options, walkability and overall community appearance in all mixed-use developments.

**Policy 1.G.3**

Adjust the Zoning Ordinance as necessary to allow opportunities for mixed-use development at varying levels of intensities.

**INFILL DEVELOPMENT**

**Objective 1.H**

**Encourage the development or redevelopment of vacant or underutilized infill sites within the City.**

**Policy 1.H.1**

Develop infill strategies to promote reinvestment in the community.

**Policy 1.H.2**

Identify open space and recreational opportunities in infill areas

**Policy 1.H.3:**

Encourage infill residential development that takes advantage of existing municipal services, utilities, transportation facilities, schools, and shopping areas.

**RESORT DEVELOPMENT**

**Objective 1.I:**

**Promote resort development that provides tourism opportunities within the City.**

**Policy 1.I.1:**

Identify and designate resort development sites that have direct access to significant recreational corridors and open space areas.

**Policy 1.I.2:**

Identify recreational corridors with future access points to resort areas and visitor access that encourage tourism and visitor activity.

**Objective 1.J:**

**Promote the provision of convenient housing and support infrastructure for resort development service employees.**

**Policy 1.J.1:**

Promote the development of affordable housing options for service employees near major resort and commercial areas.

**Policy 1.J.2:**

Require adequate road, transit, utility, and water service infrastructure in conjunction with resort development.

**Objective 1.K:**

**Establish incentives to attract appropriately-scaled resort developments integrating a mix of land uses.**

**Policy 1.K.1:**

Develop a marketing and incentive program to attract large resort developments in appropriate locations.

**Objective 1.L:**

**Utilize mixed-use development templates to create specialty resort commercial developments including residential and employment components.**

**Policy 1.L.1:**

Encourage mixed-use developments in coordination with resort developments to attract specialty retail consumers and increased tax revenues for the City.

**RESIDENTIAL COMMUNITIES**

**Objective 1.M:**

**Provide a diversity of housing types to meet the needs of persons of all income levels and ages.**

**Policy 1.M.1:**

Accommodate an adequate supply and mix of developable residential land to accommodate future housing needs.

**Objective 1.N:**

**Support healthy residential environments that provide for safe and convenient access , open space and recreational opportunities, access to public schools and services and protection from incompatible land uses.**

**Policy 1.N.1:**

Require adequate buffering to protect residential neighborhoods from intrusion by incompatible land uses.

**Policy 1.N.2:**

Ensure that high-density residential developments have direct access to arterial streets without traversing existing or proposed lower density residential areas.

**Policy 1.N.3:**

Locate housing developments in areas that can be adequately served by police, fire and ambulance services.

**Policy 1.N.4:**

Require adequate provision of open space or direct access to open space in housing developments and, in particular, medium- and high-density multiple-family housing developments.

**Policy 1.N.5:**

Require new residential developments to provide pedestrian linkages to parks, schools and other appropriate public facilities.

**Policy 1.N.6:**

Encourage the development of master planned communities where large land holdings can be designed to provide a wealth of amenities to City residents.

**Policy 1.N.8:**

Support and facilitate convenient access to schools.

**Policy 1.N.9:**

Partner with local school districts to coordinate the timely development schools and neighborhoods.

**Objective 1.O:**

**Support well-designed, high-quality multifamily residential development in appropriate areas which maintains compatibility between adjacent developments.**

**Policy 1.O.1:**

Support alternate forms of housing, such as attached and detached townhouses and condominiums in appropriate locations.

**Policy 1.O.3:**

Encourage multi-family housing units adjacent to community level parks and public open space areas.

**Policy 1.O.4:**

Regularly assess the effectiveness of the Design Review Principles and Guidelines to ensure the highest level of design quality.

**Policy 1.O.5:**

Focus the development of multifamily housing proximate to current and planned transit facilities, employment centers and activity hubs.

**Policy 1.O.6:**

Maximize active community open space and recreation amenities throughout multifamily developments.

**EMPLOYMENT RELATED DEVELOPMENT**

**Objective 1.P:**

**Support appropriate commercial, business park, industrial, and mixed-use employment centers within large-scale master planned areas.**

**Policy 1.P.1:**

Encourage adequate and proximate commercial and employment opportunities within large scale development master plans.

**AMENDMENTS TO THE GENERAL PLAN**

**Objective 1.Q:**

**Consider periodic amendments to the General Plan Land Use Map to ensure relevancy.**

**Policy 1.Q.1:**

Evaluate and adopt General Plan text and map amendments on an annual basis.

**Policy 1.Q.2:**

Periodically re-evaluate land-use designations to ensure consistency and coordination between the land use and transportation elements.

**GOAL 2:**

**ENCOURAGE TRANSIT ORIENTED DEVELOPMENT (TOD) APPROPRIATE TO THE SCALE AND INTENSITY OF THE SURROUNDING COMMUNITY.**

**Objective 2.A:**

**Reduce dependence on the automobile for daily trips and activities by promoting mixed-use development types within Old Town and the Sports Complex District**

**Policy 2.A.1:**

Develop land use and design regulations governing land close to transit centers and light rail stations, to maximize the potential for ridership.

**Policy 2.A.2:**

Promote compact, mixed uses, and pedestrian-oriented land development adjacent to transit stations.

**Policy 2.A.3:**

Promote development standards that encourage pedestrian environments and activity.

**GOAL 3:**

**PROTECT AND PRESERVE THE SONORAN DESERT IN ITS NATURAL STATE**

**Objective 3.A:**

**Develop programs that encourage the clustering of development in exchange for preserved natural open space area.**

**Policy 3.A.1:**

Open space preservation and planning is equally as important to the City as all other components of development review when considering the appropriateness of development proposals.

**Policy 3.A.2:**

Encourage creative development patterns to ensure preservation of open spaces.

**GOAL 4:****PROMOTE COMPATIBLE LAND USES IN AREAS OF CLOSE PROXIMITY TO EXISTING OR PLANNED AGGREGATE / MINERAL MINING LOCATIONS****Objective 4.A:**

Provide equal protection for residential development and aggregate mining operations.

**Policy 4.A.1:**

Discourage new residential development where future residences would be adjacent to an existing or planned aggregate / mineral mining operation.

**Policy 4.A.2:**

Discourage new mining operations adjacent to or in close proximity to existing residential development, schools, or existing or planned City recreation areas.

**Policy 4.A.3:**

Promote non-residential development such as business park and industrial uses adjacent to existing mining operations.

## 2.C LAND USE PLAN

The Land Use Plan assigns land within the Study Area in accordance with a diverse arrangement of land use designations. These designations are spatially depicted in Figure 2-1, Land Use Plan, and described below. Each descriptor includes an indication of targeted density or intensity, as well as the types of uses anticipated under the designation.

### DESCRIPTIONS OF LAND USE DESIGNATIONS

#### ESTATE DENSITY RESIDENTIAL (EDR)

~~(0-2.0 DU/AC, TARGET DENSITY = 1.0 DU/AC):~~

~~Denotes areas where large lot single family residential development is desirable or areas of maximized open spaces are sought. The density range (0-2.0 dwelling units per gross acre) is intended to provide sufficient open space and lots that create an open environment. Building envelopes are encouraged to minimize disturbance. This category also denotes transitional areas between natural open spaces and residential development.~~  
Denotes areas where low-density and large lot single-family neighborhoods are desirable. These areas support a semi-rural character that may include agricultural related activities or low-density resort uses. Residences are typically large, detached estate or executive-type homes which are one or two stories. In the hillside development area, emphasis is placed on preservation of open space and vistas, conservation of vegetation in common areas or individual lots is encouraged, and minimization of development impacts through clustering, preserving washes and natural drainage corridors, and low-profile structures. Density is usually one house per one or more acres of land. Other compatible uses may include places of worship, parks, equestrian and pedestrian trails, open spaces, working farms, and public facilities.

#### LOW DENSITY RESIDENTIAL (LDR)

~~(2.0-5.0 DU/AC, TARGET DENSITY = 3.0 DU/AC):~~

~~Denotes areas where detached, moderately-sized lot, single-family residential neighborhoods are development is desirable. The density range (2.0-5.0 dwelling units per gross acre) is intended to provide for~~  
These areas support a suburban lifestyle with areas of increased density while maintaining a

detached single family residential character. Low Density Residential parcels should be located either adjacent to, or in close proximity to neighborhood amenities such as joint-use schools/parks, trails, open space, or recreational facilities. Places of worship, parks, trails, open spaces, and public facilities are also compatible with this category. Suitability is determined on the basis of location, access, availability of existing or proposed public facilities and utilities, existing and future land use patterns and natural or man-made constraints, as stated in the goals, objectives, and policies of the General Plan text.

**MEDIUM DENSITY RESIDENTIAL (MDR)**

{5.0-8.0 DU/AC, TARGET DENSITY = 6.0 DU/AC}:

Denotes areas where family residential homes are desirable intended to fulfill the need for small lot or attached single-family, and multi-family residences which are compatible with abutting single-family residential districts. The density range (5.0-8.0 dwelling units per gross acre) is intended to provide areas suitable for single family, town home, patio home and multi-family type units. This category supports a suburban lifestyle and provides an appropriate transition between less intense residential areas, more urban neighborhoods and non-residential uses. Significant open space for recreational amenities is encouraged to promote resident interaction. Parcels with this category should have adequate circulation and have relatively flat or gently sloping terrain to accommodate this density. Suitability is determined on the basis of location, access, availability of existing or proposed public facilities and utilities, existing land use patterns and natural or man-made constraints, as stated in the goals, objectives, and policies of the General Plan text.

**MEDIUM-HIGH DENSITY RESIDENTIAL (MHDR)**

{8.0-15.0 DU/AC, TARGET DENSITY = 12.0 DU/AC}:

Denotes areas where multi-family residential development is appropriate. The density range (8.0-15.0 dwelling units per gross acre) is where densely attached single-family residential and multi-family residential development is desirable. This category is intended to provide for appropriate for residential and other compatible uses on parcels which have a high level of access, are located near services or employment centers, or have other characteristics that make a medium-high density suitable. areas of attached single-family homes, apartments, condominiums and townhouses. In general, residences may have limited private outdoor space and rely on shared or common open space for visual relief, and recreational amenities to serve the residents. Parcels with this designation may be part of a mixed-use development or master planned community, and have direct access to open space, transit or other multi-modal amenities. Suitability is determined on the basis of location, access and availability of existing or proposed public facilities and utilities and existing and future land use patterns.

**HIGH DENSITY RESIDENTIAL (HDR)**

{15.0+ DU/AC, TARGET DENSITY = 18.0 DU/AC}:

Denotes areas where the highest multi-family residential density development is appropriate either as a stand alone development or as part of a mixed-use project. The density range (15.0+ dwelling units per gross acre) is intended to provide for multi-story apartments, condominiums, and townhouses close to employment and service areas. This category is traditionally located along transportation corridors, rivers, and to serves to buffer lower density residential areas from non-residential areas. Substantial common open space, recreational amenities and on-site support facilities serve the residents. Suitability is determined on the basis of location, access and availability of existing or proposed public facilities and utilities and existing and future land use patterns.

~~**TRANSIT ORIENTED DEVELOPMENT/ TRANSIT CORRIDOR RESIDENTIAL (18-35 DU/AC, TARGET DENSITY =30 DU/AC):**~~

~~Denotes areas along designate major transportation corridors such as Grand Avenue, Bell Road, Loop 101, Loop 303, Northern Avenue and Commercial Core areas along Lake Pleasant Parkway. Developments in this category shall provide a retail and / or office component in proportion to the entire project and shall integrate into the project enhanced public transit facilities. These developments provide dedicated and enhanced pedestrian access to adjacent paths, trails, open space and commercial development.~~

**RESORT DEVELOPMENT GUIDELINES (RD):**

Resort developments are projects that integrate a combination of destination hotels, casitas, timeshares, active or passive recreational amenities and ancillary commercial opportunities in areas of exceptional scenic and environmental quality.

All resort proposals shall substantially exhibit or demonstrate the following characteristics:

- The proposal is compatible with the scale and character of surrounding land uses; and
- The proposal will not result in excessive traffic volumes on the surrounding circulation system; and
- The proposal provides for adequate infrastructure needs; and
- The proposal adequately includes measures to protect the natural and scenic qualities of the area.

**OFFICE (O):**

The designation of Office supports low-intensity commercial development consisting of [a variety of](#) office uses that provide services directly to residential neighborhoods in residentially scaled buildings. Developments in this Land Use Designation are intended to be small to moderate in scale with an emphasis on creating a pedestrian environment. Buildings are compatible with adjacent residential areas with respect to architectural style and proximity of buildings. Office buildings have a more proximate relationship to the street, presenting a pedestrian environment adjacent to street right-of-way. Small lot or small-scale business sites may be located in areas with this designation.

Areas given the land use designation of Office are intended for low-intensity non-residential development that is compatible with nearby residential areas. Areas designated for office are often located in areas unsuited for more intense development due to the potential for negative impacts on adjacent residential uses. As the least intense non-residential designation, these areas often serve as buffers between residential land uses and other more intense uses, while providing employment opportunities and services for the neighborhood.

**NEIGHBORHOOD COMMERCIAL (NC):**

Neighborhood Commercial areas consist of offices and commercial centers which provide services and goods that support the day-to-day needs of the surrounding neighborhood. Retail centers are significantly smaller in scale and scope than those found in areas designated Community Commercial or Regional Commercial ~~and are typically located on sites of less than 10 acres~~. Buildings and uses generally relate to adjacent residential neighborhoods with respect to architectural style and scale. Uses are contained within buildings. This designation also denotes areas where small lot or small-scale business sites may be located. In an effort to create quality neighborhoods in Peoria, retail and service

commercial and office uses will be permitted as part of the neighborhood form. Neighborhood Commercial areas typically consist of limited, convenience-oriented establishments that serve the immediate neighborhood. Developments in Neighborhood Commercial areas are to be designed in a manner, particularly in terms of their size and scale, which will not detrimentally affect adjacent residential neighborhoods. ~~To this end, the following guidelines will influence the siting of Neighborhood Commercial uses.~~

~~Sites will be located with access to collector or arterial streets~~

~~Neighborhood Commercial sites should not exceed 10 acres of non-residential uses.~~

~~Neighborhood Commercial areas are not intended to be located at all four corners of an intersection.~~

~~No single retail use may exceed 100,000 square feet gross floor area.~~

**COMMUNITY COMMERCIAL (CC):**

Denotes areas where commercial development that is more intense than that of neighborhood commercial areas may take place in the form of large-scale retail buildings and shopping centers ~~having less than 500,000 square feet aggregate of indoor commercial shopping or office space that serve a market radius of generally 3 - 5 miles.~~ Community Commercial areas rely on larger trade areas and typically have a wider variety of goods and services than neighborhood shopping areas ~~and Community Commercial centers~~ should be located with adequate controlled access to arterial streets. Community Commercial centers should coincide with adequate affordable housing accessible to the center to supply housing for employees.

**REGIONAL COMMERCIAL (RC):**

Denotes areas where the most intense retail and office activity takes place. Typical Regional Commercial developments have uses with a market radius of more than 5 miles ~~and are located adjacent to, and have access to major roadways, and contain more than 500,000 square feet of gross floor area.~~ ~~Uses include anchor stores, regional malls and, power centers and automobile dealerships.~~ Regional Commercial areas should be integrated by site and architectural design with internal or adjacent high density residential housing development. Residential uses are encouraged to develop in conjunction with Regional Commercial uses subject to the Residential High Density (15+ du/ac) or the Transit Oriented Development / Transit Corridor (18+ du/ac) category provisions. ~~Uses include regional malls and power centers and automobile dealerships. Regional Commercial areas should be integrated by site and architectural design with internal or adjacent high density residential housing development.~~

**BUSINESS PARK (BP):**

Denotes areas where major employment centers and uses may be located. Business Park areas generally consist of uses such as professional offices, research and development, and light manufacturing within wholly enclosed buildings and ancillary eating and retail establishments. In particular, Business Park areas shall be designed such that the least intense uses (i.e., back office, business park) shall be located along arterial streets, where visibility to the public is likely. Adherence to landscape standards, setbacks, and adequate transition of intense uses ensures compatibility with adjacent properties and enhances the visual quality of the community.

**BUSINESS PARK / INDUSTRIAL (BP/I):**

Denotes areas where major employment centers and uses may take place. Business Park/Industrial areas generally consist of uses such as professional offices, research and development, wholesale and storage warehouses, utility centers, the manufacturing, processing, repairing and packaging of goods

and ancillary eating and retail establishments. In particular, Business Park/Industrial areas shall be designed such that the least intense uses (i.e. back office, business park) shall be located along arterial streets, where visibility to the public is likely. Adherence to landscape standards, setbacks, and adequate transition of intense uses ensures compatibility with adjacent properties and enhances the visual quality of the community.

**INDUSTRIAL (IND):**

Denotes areas where general industrial business activity takes place, including warehouse uses, and manufacturing, processing, repairing and packaging of goods and ancillary eating and retail establishments. Manufacturing uses are capital intensive and occur within enclosed or partially enclosed buildings. Industrial uses shall be designed such that landscaped areas and least intense uses shall be located adjacent to arterial and collector streets, where visibility to the public is likely. Industrial developments shall be designed to buffer adjacent residential uses from impacts associated with industrial activity.

**MIXED USE (MU):**

Denotes areas where a horizontally or vertically integrated mixture of land use types is promoted. Such developments exhibit functional, physical and thematic integration in the context of a pedestrian-oriented streetscape. The mixed-use designation is intended to minimize the impacts traditionally associated with growth by providing housing, shopping and employment opportunities together in the same area.

Mixed-use developments are more compact than conventional developments and can therefore accommodate efficient future growth by using less land and facilitating complementary activities such as shared parking, access and multi-modal facilities to manage overall impacts to the community. Mixed-use developments can also serve as key points of orientation for designing the transportation system, including transit services.

The functional, physical and thematic integration of uses within a pedestrian-oriented development template distinguishes mixed-use development from other more conventional projects. Such developments occur in both vertical (floor area-intensive) and horizontally (land area-intensive) integrated formats. The guidelines should balance necessary structure to facilitate such developments while allowing the flexibility to achieve a successful synergistic composition.

To this end, all mixed-use developments shall substantially demonstrate or exhibit the following characteristics:

- The residential component shall be limited to a range of approximately 30-60% of the overall gross floor area (GFA) or total net site area, whichever is greater; and
- Functional, physical and spatial integration of land uses and project components; and
- Pedestrian-oriented scale and design with a full range of amenities to promote and support pedestrian and multi-modal activity; and
- Architectural and thematic integration of project components.

**NEIGHBORHOOD COMMERCIAL MIXED USE (NCMU):**

Denotes areas suitable for a mixture of commercial and residential uses near the intersection of two arterial streets. Residential uses may be vertically and/or horizontally integrated. Vertical integration of

residential uses over commercial and pedestrian office uses is encouraged in a contextual urban form. Residential uses shall not exceed 12 du/ac.

**COMMUNITY COMMERCIAL MIXED USE (CCMU):**

Denotes areas suitable for a mixture of commercial and residential uses proximate to a community-scale commercial center. Residential uses may be vertically and/or horizontally integrated where horizontally-integrated residential uses occupy visual locations that are secondary to commercial uses. Non-residential uses occupy the majority of the development area. Residential uses shall not exceed 18 du/ac.

**REGIONAL COMMERCIAL MIXED USE (RCMU):**

Denotes areas suitable for a mixture of regional-scale commercial and residential uses located near major transportation corridors. Residential uses may be vertically and/or horizontally integrated where horizontally-integrated residential uses occupy visual locations that are secondary to commercial uses. Non-residential uses occupy the majority of the development area. Residential uses shall not exceed 25 du/ac.

**BUSINESS PARK MIXED USE (BPMU):**

Denotes areas suitable for a mixture of employment center, ancillary commercial services and supporting residential uses located in appropriate locations on or near major transportation corridors. Residential uses may be vertically and/or horizontally integrated where horizontally-integrated residential uses occupy visual locations that are secondary to non-residential uses. Non-residential uses occupy the majority of the development area. Residential uses shall not exceed 25 du/ac.

**SPORTS COMPLEX MIXED USE (SCMU):**

Denotes areas suitable for a mixture of pedestrian-oriented employment, commercial/retail services, recreational/tourism uses and residential uses within the designated Peoria Sports Complex Area. Residential uses are encouraged to be vertically integrated and support a pedestrian oriented mixed use environment. Horizontally-integrated residential uses shall occupy visual locations that are secondary to non-residential uses and occur sparingly. All uses should provide clear pedestrian links and facilitate the development of a mixed use urban village. The characteristics of this designation are more specifically described within the *Peoria Sports Complex Area Urban Design Plan*.

**TRANSIT ORIENTED DEVELOPMENT (TOD)**

**18-35 DU/AC, TARGET DENSITY = 30 DU/AC**

This category has been established by the City to further reduce household driving, lower regional congestion, expand mobility choices that reduce dependence on the automobile, and accommodate more healthy and active lifestyles. Denotes areas along designated major transportation corridors such as Grand Avenue, Bell Road, Loop 101, Loop 303, Northern Avenue, and along Commercial Core. This category accommodates a full range of urban development that includes a mixture of housing, office, retail and/or other amenities that are integrated into a walkable neighborhood and located within close proximity to quality public transportation. Developments are required to provide a retail and / or office component in proportion to the entire project and dedicate enhanced pedestrian access to adjacent paths, trails, open space and commercial development. Projects shall be reasonable scale to the surrounding neighborhood, proportionate ratios for each use, and encouragement of alternative modes of transportation (such as bicycling or walking) and a well-conceived plan with access to and integration of transit facilities.

**PARK / OPEN SPACE (P/OS):**

~~Denotes areas that are intended for~~The Park/Open Space category accommodates the full range of public, private and semi-private passive and/or active park/open space and recreational opportunities. There are generally four types of Park/Open Space Land Uses: Developed Open Space, Natural Open Space, Water and State Land. The Land Use Map illustrates Park / Open Space areas, however due to the general nature of the Map, these areas may be subject to interpretation on a case-by-case basis at the time of first development activity. State Trust Lands or privately held lands identified as Park / Open Space may be developed at a maximum density of one dwelling unit per acre per state legislative requirements.

Developed Open Space includes public or private recreation areas including, but not limited to, parks, playfields, paths, plazas, retention basins and golf courses. Developed Open Space areas should be integrated into the community and are intended to provide connectivity between neighborhoods and employment centers. Recreational amenities within this type of Park/Open Space serve both residents and visitors and enhance the community's quality of life and overall public health. Typically, Park / Open Space areas

Natural Open Space applies to locations set aside to preserve natural, scenic and/or significant environmental or cultural sites. It is intended that lands within this category remain as permanent open space and often are the result of rezoning actions where developers have agreed to conserve part of a property in return for placing an agreed-upon intensity in a less environmentally sensitive area. Low-impact recreational activities, such as hiking, equestrian riding, or mountain bicycling trails may be suitable for these sensitive areas.

Water areas identified on the land use map as Park/Open Space include water that can be used for outdoor recreation, events, preservations of natural resources, or for quality of life and public health. This category includes private and public lakes and canals, the Agua Fria River and New River. include areas exhibiting hillside conditions (10% slope or greater), overhead utility corridors, public and private parks and open spaces, and/or areas with natural significance such as primary washes and riparian areas.

State Trust Lands or (and privately held lands identified as Park / Open Space) may be developed at a maximum density of one dwelling unit per acre per state legislative requirements.

**PUBLIC / QUASI-PUBLIC (P/QP):**

Denotes areas primarily utilized for civic use, intended for a variety of public and private facilities and educational uses. The two types are generally described below.

including non-profit, religious and philanthropic institutions, police and fire stations, public buildings, recreational facilities, public and private schools, colleges, hospital medical campus, libraries, post office facilities, cultural centers and similar uses. This category also includes traditional utility service uses such as wastewater treatment plants, water treatment plants, storage reservoirs and tanks, well sites, electric substation sites and electric generating / receiving stations. Civic Use is land primarily related to conducting civic business, providing municipal services, or advancing recreational or cultural activities. The buildings may be city owned, or operated by quasi-public or non-profit entities. Civic business includes City government facilities, and police and fire stations. Municipal services include, but are not limited to, water, wastewater and reclamation facilities, well sites, substations, and other public facilities. Recreational uses include both recreational and cultural uses. Specifically, land is primarily

used for active or passive recreation or cultural activities; however, it does not necessarily qualify as open space due to significant site infrastructure. For example, this would include the libraries, the Center for the Performing Arts, museums and similar uses. This category is reflective of the land uses and not determined on the basis of land ownership, as there may be instances where government-owned properties are utilized for recreation or residences, and likewise, government services provided from leased private property.

Educational Uses includes lands utilized for primary, secondary or graduate education, including public and private facilities and their associated uses, such as playgrounds, ball-fields, gymnasiums, etc.

**RESIDENTIAL TARGET DENSITIES**

The City of Peoria has established a residential density range and target densities for each of the land use designations shown below in Table 2-1. The proposed target density within each range is generally considered the maximum allowable density for those projects meeting the minimum City requirements. Projects may be permitted to exceed the target, up to the maximum density specified below. Refer to Conformity Determination for additional information.

**TABLE 2-1 -- Land Use Designations and Target Density**

<u>Land Use Designation</u>	<u>Density Range</u>	<u>Target Density</u>
<u>Estate Density Residential</u>	<u>0.0 - 2.0 du/ac</u>	<u>1 du/ac</u>
<u>Low Density Residential</u>	<u>2.0 - 5.0 du/ac</u>	<u>3 du/ac</u>
<u>Medium Density Residential</u>	<u>5.0 - 8.0 du/ac</u>	<u>6 du/ac</u>
<u>Medium-High Density Residential</u>	<u>8.0-15.0 du/ac</u>	<u>12 du/ac</u>
<u>High Density Residential</u>	<u>15+ du/ac</u>	<u>18 du/ac</u>
<u>Transit Oriented Development</u>	<u>18 - 35 du/ac</u>	<u>30 du/ac</u>
<b><u>Residential Components of Mixed Use Areas</u></b>		
<u>Neighborhood Commercial Mixed Use</u>	<u>N/A</u>	<u>12 du/ac</u>
<u>Community Commercial Mixed Use</u>	<u>N/A</u>	<u>18 du/ac</u>
<u>Regional Commercial Mixed Use</u>	<u>N/A</u>	<u>25 du/ac</u>
<u>Business Park Mixed Use</u>	<u>N/A</u>	<u>25 du/ac</u>
<u>Sports Complex Mixed Use</u>	<u>N/A</u>	<u>N/A</u>

**LAND USE DESIGNATION AND ZONING DISTRICT CORRELATION**

Table 2-2 illustrates the correlation between zoning districts and the General Plan Land Use Designations. The City uses this correlation table as a general guide when determining the consistency of rezoning proposal with the Land Use Plan. Other factors such as conformity to the community character, land use compatibility, availability and capacity of public services and facilities, and preservation of environmental features may also be considered in determining if a zoning district is appropriate, which is discussed in more detail later in this Chapter.

**TABLE 2-2 -- General Plan Land Use Designations/ Zoning Correlation**

<u>General Plan Land Use Designation</u>	<u>Density (du/ac)</u>	<u>Existing Zoning Districts (See Note 1)</u>
<u>Estate Density Residential</u>	0-2	<u>AG, SR-43/35, R1-43, R1-35, R1-18</u>
<u>Low Density Residential</u>	2-5	<u>R1-12, R1-10, R1-8</u>
<u>Medium Density Residential</u>	5-8	<u>R1-6, RM-1</u>
<u>Medium High Density Residential</u>	8-15	<u>RM-1</u>
<u>High Density Residential</u>	15+	<u>RM-1</u>

General Plan Land Use Designation	Density (du/ac)	Existing Zoning Districts (See Note 1)
Office	N/A	O-1, C-1
Neighborhood Commercial	N/A	PC-1, C-1, C-2
Community Commercial	N/A	PC-2, C-2, C-3, C-4
Regional Commercial	15+	C-4, C-5
Business Park	N/A	BPI
Business Park / Industrial	N/A	BPI, PI-1, I-1
Industrial	N/A	PI-1, I-1, I-2
Park / Open Space (See Note 2)	0-1	SR-43/35, R1-43, R1-35
<del>TOD / Transit Corridor</del> Transit Oriented Development	18-35	Planned Area Development
Mixed Use (See Note 3)	Variable	CCM, CRM, Planned Area Development
Neighborhood Commercial Mixed Use (See Note 3)	12	Planned Area Development
Community Commercial Mixed Use (See Note 3)	18	Planned Area Development
Regional Commercial Mixed Use (See Note 3)	25	Planned Area Development
Business Park Mixed Use (See Note 3)	25	Planned Area Development
Sports Complex Mixed Use (See Note 4)	N/A	Planned Area Development
Public / Quasi-Public (See Note 3)	N/A	All Zones

Notes:

- 1 A PAD (10-600 acres) or PCD (600+ acres) may be used to implement any of the land use designations identified above.
- 2 Parks and other open space may be located in any zoning district.
- 3 Refer to the relevant sections in the Loop 303 Specific Area Plan, Old Town Revitalization Plan or General Plan Mixed-Use Guidelines (Land Use Element) for the density prescriptions.
- 4 Refer to the relevant section in the Peoria Sports Complex Urban Design Study for the housing and density concepts.

**CONFORMITY DETERMINATION**

The land use designations identified and described previously are meant to clarify the City’s intent and location where those types of uses may be located, while Tables 2-1 and 2-2 establish the target densities and corresponding zoning districts to further define where those types of uses are recommended. The City strongly supports the target density for each residential designation and the corresponding zoning districts, and utilizes them as the benchmark in determining the appropriateness of a development proposal. Development proposals that exceed the target density, or propose another zoning designation, may be considered appropriate if they further Peoria’s desired character and vision, and are comensurate to the overall public benefit.

In such cases where another zoning designation is proposed or target density exceeded, the development proposal should exhibit a superior quality and design and/or which provide amenities, dedications or improvements above and beyond the minimum City standards. These may include, but are not limited to:

- Community character and sense of place:
  - Enhanced entry/gateway monumentation and overall community theming; or
  - Capitalization on a location’s assets to creation destinations within a project;
- Promotion of development diversity by providing substantial variation in product elevations, types or lot sizes;

- Open Space:
  - A sizeable percentage of area set aside as open space, above the minimum required; or
  - Minimum required open space with enhanced amenities must be provided on site; or
  - Meaningfully enhanced landscaping treatments for common areas.
- Preservation and retention of environmentally sensitive areas, such as:
  - Utilization of clustering, flag lots and other design methods to create compact development to reduce overall impact of development to sensitive areas;
  - Dedication and preservation of unique environmental features, including but not limited to hillside peaks, wildlife habitat, and significant wash corridors;
  - Significant preservation and integration of salvaged native desert vegetation into the site design;
  - Restoration of “wildcat” trails and scarred areas back to natural conditions.
- Reduced demand on new or existing infrastructure facilities:
  - Incorporation of significant and measurable water conservation measures, and/or additional renewable water resources in a quantity sufficient to offset demand above the target density;
  - Infilling of vacant areas and/or redevelopment of underdeveloped property;
- Community and Public Facilities (Schools, Public Facilities, Trails and Active Parks):
  - Dedication of land and/or improvements for municipal facilities such as fire or police stations, libraries and City parks;
  - Dedication of land for educational facilities; or
  - Dedicated and improvement of additional trail segments above City requirements;
  - Installation of a community-wide recreational feature or series of upgraded neighborhood amenities.
- A high level of interconnectivity throughout community:
  - Increased pedestrian and multi-modal connectivity by designing trails that connect open spaces. Trails are separated from roadways and enable bicyclists, horse riders and pedestrians to travel throughout the development;
  - Construction of identified pedestrian/bicycle paths and trails where there is a deficiency.

Density increases exceeding the target density may also be granted for development projects located in designated infill areas according to the formula below:

Projects less than 10 acres in total size:

- An increase of up to one (1) dwelling unit per acre above the target for the category.

Projects more than or equal to ten (10) acres in size:

- An increase up to two (2) dwelling units per acre above the target for the category.

City staff will review and provide a recommendation to the Planning and Zoning Commission and City Council. The City Council will make the final determination of appropriate zoning designation and residential density based on the merits of the proposed development.

**CALCULATION OF DWELLING UNITS AND POPULATION DENSITIES**

Residential land use categories and target densities are critical factors in assessing future population capacity. The density ranges and target densities provide the City with the tools to ensure future residential communities are appropriate to the natural and manmade landscape and available infrastructure. The City’s density formula gives credit to and accounts for fully dedicated school sites.

The following formula is used to determine a project’s density:

$$D = du/A-(c+i+n)$$

D = Residential Density	c = Total Commercial Land Area
du = Total Number of Dwelling Units in a Project	i = Total Industrial Land Area
A = Total Site Area (gross acres, including dedicated school sites*)	n = Non-Dedicated School Sites
	* = dedicated school sites included in A

Table 2-3, *Population Density*, provides a general overview of the population densities that relate to the identified target densities. Target densities are used for analysis because they represent the development intensity most desired under the land use designation and serve as an approximate average for analysis purposes. In order to encourage sustainable development that would preserve ecologically sensitive areas, historical sites, open space and other unique characteristics of the land being subdivided, sensitive site design such as cluster development that might reduce the average lot sizes and increase community open space without changing the target density would be encouraged.

For example, a 50-acre piece of land might be subdivided into 50 one-acre parcels, each with a residential dwelling. Under a cluster design, the plan would still call for 50 dwellings, but this time each would be located on half-acre parcels, "clustered" together in groups. This would only use 25 acres of land for residences and would leave 25 acres of open space. Table 2-3 serves as an analytical tool showing population density under traditional layout.

**TABLE 2-3 -- Population Density**

Designation	Target Density	Anticipated Units Per Square Mile	People Per Square Mile**
Estate <a href="#">Density Residential 0-2</a>	1 du/ac	512	1,331
Low <a href="#">Density Residential 2-5</a>	3 du/ac	1536	3,994
Medium <a href="#">Density Residential 5-8</a>	6 du/ac	3072	7,987
Medium-High <a href="#">Density Residential 8-15</a>	12 du/ac	6144	11,674
High <a href="#">Density Residential 15+</a>	18 du/ac	9216	17,510

\*\* The population density (household size) for [Estate Density Residential \(0-2 du/ac\)](#) through [Medium Density Residential \(5-8 du/ac\)](#) is 2.66 persons per unit. The population density (household size) for [Medium-High Density Residential \(8-15 du/ac\)](#) and [High Density Residential \(15+ du/ac\)](#) is 1.9 persons per unit.

Because of the large amount of mountainous areas and pristine Sonoran desert within the City, the predominant residential category by geographic area in the Land Use Plan is Low 2-5. The Low [Density Residential 2-5](#) category also produces the greatest number of dwelling units with over 85,000 units. Also shown in Table 2-4, Net Acreage, Dwelling Units and Population of Residential Lands, is the number of dwelling units and population generated by each category. The mixed-use category requires the integration of a residential component into the development plan. For analysis purposes it is projected that residential densities would likely occur in the high density range as part of an integrated proposal.

**TABLE 2-4 -- Net Acreage, Dwelling Units and Population of Residential Lands**

Land Use Category	Net Acreage	Dwelling Units	Population
Estate <del>0-2</del> <u>Density Residential</u>	23,068	23,068	47,982
Low <u>Density Residential</u> <del>2-5</del>	28,380	85,140	177,092
Medium <u>Density Residential</u> <del>5-8</del>	7,169	43,014	89,475
Medium-High <u>Density Residential</u> <del>8-15</del>	1,311	15,732	23,918
High <u>Density Residential</u> <del>15+</del>	1,252	22,536	34,247
Mixed-Use*	2,328	11,164	53,177
TOTAL	63,509	200,654	425,891

\* Acreage based on assumed 50% commercial and 50% residential land use distribution within each category.

~~Residential population generates vehicular trips which directly impact the road network and the ability of the City to balance mobility and access with the movement of people, goods, and services. Single-family detached homes generate a higher amount of trips than condominium, townhouses or apartments. As shown in Table 2-4, Residential Trip Generation Characteristics, single-family use typically produces 9.6 trips per day as compared to 5.9 trips per day for condominium/townhouse and 6.6 trips per day for apartments.~~

~~TABLE 2-5 -- Residential Trip Generation Characteristics~~

<del>Land Use</del>	<del>Daily Traffic Generation Rates (Average Vehicle Trip Ends per Dwelling Unit)</del>
<del>Single Family Detached (210)</del>	<del>9.57</del>
<del>Condominium/Townhomes (230)</del>	<del>5.86</del>
<del>Apartments (220)</del>	<del>6.72</del>

~~Source: 6<sup>th</sup> Edition, Trip Generation, Institute of Transportation Engineers, 1997.~~

**2.D PUBLICLY HELD LANDS AND STATE TRUST LANDS:**

Throughout the City, there are large areas of publicly held properties (Figure 2.2) that have specified land use designations upon them which are clearly defined by the General Plan. These properties are generally owned and managed by the Arizona State Land Department (ASLD), the Bureau of Land Management (BLM) or the Bureau of Reclamation (BOR). It is important to note that although it is the City’s goal to protect these lands for desired development or preservation in their natural state, the potential does exist for such uses as mineral extraction and sand and gravel operations. For State Constitutional reasons, the City has very limited authority over such uses; however, the City has maintained and will continue to maintain solid relationships with these public entities to promote reasonable operational procedures and site restoration through intergovernmental agreements (IGA) and / or memorandums of understanding (MOU). A brief synopsis, including Mission and Vision Statements for the ASLD, BLM and BOR is provided below.

**ARIZONA STATE LAND DEPARTMENT (ASLD)**

Mission Statement:

*To manage State Trust lands and resources to enhance value and optimize economic return for the Trust beneficiaries, consistent with sound stewardship, conservation, and business management principles supporting socioeconomic goals for citizens here today and generations to come. To manage and provide support for resource conservation programs for the well-being of the public and the State’s natural environment.*

The revenue received through State Land transactions is directed to 13 public Trustees, including public schools, correctional facilities and other publicly funded services. The Common Schools (K-12) are the largest beneficiary owning approximately 87% of the land and receiving close to 90% of the revenue.

### **BUREAU OF LAND MANAGEMENT (BLM)**

#### Mission Statement:

*The BLM is responsible for managing the nation's public lands and resources in a combination of ways which best serve the needs of the American people. The BLM balances recreational, commercial, scientific and cultural interests and strives for long-term protection of renewable and nonrenewable resources, including range, timber, minerals, recreation, watershed, fish and wildlife, wilderness and natural, scenic, scientific and cultural values. It is the mission of the BLM to sustain the health, diversity and productivity of the public lands for the use and enjoyment of present and future generations.*

#### Vision Statement:

The BLM provides for a wide variety of users without compromising the long-term health and diversity of the land and without sacrificing natural, cultural and historical resource values. We are committed to using the best scientific information to make decisions, in collaboration with other agencies, states, tribal governments and the public. We work to understand the needs of rural and urban publics, and we are committed to recovering a fair return for the use of publicly owned resources for the American taxpayers.

#### BLM in Arizona:

BLM Arizona administers 12.2 million surface acres of public lands, along with another 17.5 million subsurface acres within the state. Field Offices throughout the state provide on-the-ground field management: Arizona Strip, Hassayampa, Kingman, Lake Havasu, Lower Sonoran, Safford, Tucson and Yuma. Arizona BLM management, coordination and direction come from the Arizona State Office, which is guided by State Director Jim Kenna.

### **BUREAU OF RECLAMATION (BOR)**

#### Mission Statement:

The mission of the Bureau of Reclamation is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public.

#### Vision Statement:

Through leadership, use of technical expertise, efficient operations, responsive customer service and the creativity of people, Reclamation will seek to protect local economies and preserve natural resources and ecosystems through the effective use of water.

The Commissioner's plan for how Reclamation will attain its vision:

- Directing our leadership and technical expertise in water resources development and in the efficient use of water through initiatives including conservation, reuse, and research.
- Protecting the public and the environment through the adequate maintenance and appropriate operation of Reclamation's facilities.
- Managing Reclamation's facilities to fulfill water user contracts and protect and/or enhance conditions for fish, wildlife, land, and cultural resources.

- Working with Reclamation's customers and stakeholders to achieve mutual objectives.
- Assisting the Secretary in fulfilling Indian Trust responsibilities.
- Implementing innovative, sound business practices with timely and cost-effective, measurable results.
- Promoting a culturally diverse workforce which encourages excellence, creativity, and achievement.

Understanding and striving to attain our vision are critical to effectively implement the Government Performance and Results Act. GPRA was enacted in 1993 to improve public confidence in Federal agency performance by holding agencies accountable for achieving program results; and to improve congressional decision making by clarifying and stating program performance goals, measures, and costs "up front." Basic GPRA requirements include:

- 6-year Strategic Plan
- Annual Performance Plans
- Annual Performance Reports

## **2.E SPECIFIC STUDY AREAS, LAND USE OVERLAYS, AND APPROVED MASTER PLANS**

As the City plans for the future and continually faces new development challenges, specific areas are identified that relate to a desired development opportunity requiring further research. The Aviation Study Area identified in the northeast region of the Land Use Plan delineates an area that may be a potential site for the development of a general aviation airport. Until further studies and funding can substantiate this possibility, the study area serves as a notation to potential developers and residents.

The City has developed several approved specific areas planning overlays that identify goals and implementation measures addressing key issues in defined areas. Five such overlays are delineated on the Land Use Plan. They are as follows:

- Loop 303 Specific Area Plan
- North Peoria Redevelopment Area
- Downtown Peoria Redevelopment Area
- Old Town Specific Area Plan
- Triana Park Specific Area Plan

The Land Use Plan also identifies six approved development plans and their approved uses. They are as follows:

- Camino A Lago Specific Area Plan
- Vistancia North Planned Community
- Lake Pleasant Heights Planned Community
- Saddleback Heights Planned Community
- West Wing Mountain Planned Community
- Vistancia South Planned Community

As future development occurs and as the City develops specific area plan overlays, the Land Use Plan will be updated to reflect these changes. Future studies may address areas for resorts, master planned

communities, college or community college sites, health care campuses, transportation corridors, or transit-oriented development areas.

### **LAKE PLEASANT PARKWAY CORRIDOR**

Lake Pleasant Parkway is a special roadway that serves Sonoran Desert areas of northeastern Peoria. It is planned as the only north/south arterial street that connects Deer Valley Road and SR-74. In 2000 the City adopted the Lake Pleasant Parkway Corridor Specific Area Plan (LPPCSAP) to establish written policy regarding the corridor. The purposes of the plan were to:

- Identify the significant resources in the area of the corridor,
- Identify current and future trends affecting the corridor, and
- Provide planning policies and guidelines to best maximize the Parkway Corridor's environmental and economic potential.

Protection policies for the north Peoria desert areas were originally outlined in the Desert Lands Conservation Master Plan. Policies that should be utilized to guide the formation of development regulations are listed below.

- Provide development standards to protect the scenic views from the roadway and provide a uniform appearance for developments fronting on the corridor,
- Provide planning for the corridor that would limit the development of retail projects to identified nodes and in so doing control strip commercial development and open view corridors,
- Protect the traffic capacity of the parkway by limiting development that would need direct access to an arterial street,
- Protect residential neighborhoods from commercial traffic and encourage cluster or nodal neighborhood development,
- Plan for regional trails, pedestrian and bicycle linkages,
- Protect against noise pollution through sound studies and wall design / placement,
- Protect native plants and conservation features within the corridor, and
- Control outdoor lighting.

These policies and controls have been gradually included in this and other planning documents. Updates to this element, adoption of the Loop 303 Specific Area Plan and regular updates to the Peoria Zoning Ordinance provide much of the protection that the purposes and goals were designed to accomplish. The City has created expanded residential and commercial General Plan categories that are effective in conveying City policy in the location of nodal and cluster type uses. The City of Peoria has also adopted a Desert Lands Conservation Ordinance, a Parks, Recreation and Open Spaces Master Plan and updated the Landscape Ordinance to codify protection policy included in the plan.

In 2005 the City adopted the Loop 303 Corridor Specific Area Plan that makes available planning policy for the Lake Pleasant Parkway from Dixileta Drive to Old Carefree Highway, and for Old Carefree Highway and SR-74 from Lake Pleasant Parkway to the Agua Fria River bridge. This plan superseded the land use and transportation planning of the LPPCSAP for these parts of Lake Pleasant Parkway, the Carefree Highway and SR-74.

### **LAND USE PLANNING FOR THE LAKE PLEASANT PARKWAY CORRIDOR**

Land Use planning for the parkway corridor is designed to be unique. Overall planning is included in this element and the Loop 303 Specific Area Plan. Policies for the corridor encourage nodal and cluster type

development to allow for open spaces between developments to open view corridors where these spaces occur. Small office areas providing essential services to neighborhoods should be located away from major nodal development or as a transition to less intensive uses and near access points to the Lake Pleasant Parkway. Office areas along the corridor are may be supported in the locations shown below.

Intersection	Compatibility Criteria	Uses Allowed
Yearling Road	1. Scale and Architecture 2. Height	Office Only
Pinnacle Peak Road		

Commercial nodes are planned to be located at various intersections along Lake Pleasant Parkway, Old Carefree Highway and SR-74 with a regional employment center located north of Dynamite Boulevard. Planning for these “nodes” is as shown in the table below.

Intersection	LPPCSAP	Peoria General Plan	LOOP 303 SAP
Deer Valley Road	Community Node	Community Commercial	
Happy Valley Road	Community Node	Community Commercial	
Dynamite Boulevard	Community Node		Community Commercial
SR-74	Regional Node		Community Commercial
El Mirage/Castle Hot Springs Rd	Community Node	Community Commercial	
Sarival Avenue	Community Node	Community Commercial	
North of Dynamite Boulevard	Employment Center		Employment Center

Buffer policies first established in the LPPCSAP are effective in changing perceptions of the roadway to evoke a more scenic desert driving experience. Buffers are supplemental distances between the roadway and development that enhance view corridors for observation of additional amenities on the horizon and afford richer desert experiences with Sonoran Desert plants along the roadway. Buffers should continue to be used as shown in the table below.

Urban Section (Rose Garden Ln to Happy Valley Rd)	Suburban Section (Happy Valley Rd to Dynamite Blvd)	Rural Section (North of Dynamite Blvd)
Buffer - 15 feet	Buffer - 30 feet	Buffer - 50 feet

**CIRCULATION**

Circulation policies for Lake Pleasant Parkway are now shown in the Loop 303 SAP and the Circulation Element of the Peoria General Plan. These policies are designed to preserve a desert driving experience along the parkway and internalize circulation occurring in residential neighborhoods. Access to the parkway is limited to mile and half-mile street intersections.

**RESIDENTIAL NEIGHBORHOODS**

Residential development is encouraged adjacent to the parkway. Development guidelines for neighborhoods and individual housing projects are found in the City’s Zoning Ordinance and Design Review Guidelines. Circulation policies should guide subdivision design to limit access to the parkway and intrusion of external traffic into the neighborhood.

Essential to the concept of sustainable neighborhoods is the proximity of shopping and services. Where possible, neighborhoods should be walkable with services, parks, schools, and shopping within reasonable walking distances. Community and regional commercial nodes are limited to designated intersections.

**TRAILS**

Pedestrian, bicycle and multi-use trail policies for this part of Peoria are now contained in this General Plan and the Parks, Recreation, Open Space and Trails Master Plan published by the Community Services Department.

**ENVIRONMENTAL PROTECTION**

Protection of native plants, conservation features, noise pollution and dark skies are currently being implemented through various sections of the City's Zoning Ordinance. Preservation and use of native plants, archaeological sites, washes, rock outcroppings and other unique desert features is the primary function of the Desert Lands Conservation Overlay district. Limitation of artificial lighting in desert areas is also addressed in the Peoria Zoning Ordinance.

**FIGURE 2-1  
LAND USE PLAN / MAP**

**FIGURE 2-2  
PUBLIC LAND OWNERSHIP MAP**



## 14. PLAN ADMINISTRATION

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*The successful preparation of the Peoria General Plan was a prodigious effort requiring months of extensive community involvement, the engagement of all levels of government, the coordinated efforts of numerous City departments, the review and support of adjacent communities, the State Department of Commerce and the local business community. However, much work remains to be done. More specifically, an outstanding plan will do the community little good if relegated to “sitting on the shelf.” To obtain the most out of the Peoria General Plan, a major focus needs to be placed on plan administration.*

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The Plan Administration section is organized in the following manner:

- 14.a. General Plan Implementation
- 14.b. General Plan Update
- 14.c. General Plan Amendments
- 14.d. ~~Official Public Notice~~ Notification Requirements
- 14.e. Public Participation Process
- 14.f. Adoption
- 14.g. Classifying General Plan Amendments
- 14.h. Implementation Program

The purpose of this section is to examine each of these components in detail and to provide guidelines for ensuring that the Peoria General Plan is implemented, amended when necessary and regularly updated. Although each of these components is unique, they have at least one common denominator. To be successful, they must be comprehensive or inclusive in scope. At the local government level, this means that all City departments should understand the plan and use it as a foundation for making decisions. At another level, other units of government should be cognizant of the goals and objectives of the Peoria General Plan and coordinate their efforts to complement the Plan. Finally, the general public and the local business community should understand and support the Plan. When all of these entities are working in concert to achieve the common goals and objectives articulated in the Plan, significant progress can be made and all aspects of the Plan administration will be successful.

### 14.A. GENERAL PLAN IMPLEMENTATION

Although every community’s implementation program should be unique and based upon specific goals, objectives and resources, state legislation provides a common starting point for plan implementation. Recognizing the importance of plan implementation, the Arizona legislature has mandated municipal planning agencies to undertake the following actions to effectuate the plan:

- Investigate and make recommendations to the legislative body upon reasonable and practical means for putting into effect the General Plan in order that it will serve as a pattern and guide for the orderly growth and development of the municipality and as a basis for the efficient expenditure of its funds relating to the subjects of the General Plan. The recommended measures may include plans, regulations, financial reports and capital budgets.
- Render an annual report to the legislative body on the status of the plan and progress in its application.

- Endeavor to promote public interest in and understanding of the General Plan and regulations relating to it.
- Consult and advise with the general public, public officials and agencies, public utility companies, civic, educational, and other organizations to advance the vision and goals of the General Plan.
- Upon adoption of a General Plan, every governmental, judicial and quasi-judicial agency or commission should provide a list of proposed plans for capital improvements or construction within or partially within the City of Peoria. The agency shall list and classify all such recommendations and shall prepare a coordinated program of proposed public works for the ensuing fiscal year. Such coordinated program shall be submitted to the municipal planning agency for review and report to such agency as to conformity with the adopted General Plan.
- All acquisitions and dispositions of real property shall be reported to the Community Development Department to ensure conformity with the General Plan and supporting Specific Area Plans. The planning agency shall render its report as to conformity with such adopted General Plan within forty days after submittal.

Therefore, when preparing Peoria’s implementation program, the foundation of the plan should acknowledge these mandates and insert them into the implementation program as essential starting points.

In many ways, the most important element of the entire planning process is plan implementation. If the planning process is successful, one of the major benefits of preparing a General Plan is engaging and energizing the entire community. If community involvement was comprehensive, and political support from the Mayor, Council and Plan Commission is enthusiastic, the foundation has been laid to successfully implement the goals and objectives of the Peoria General Plan. To accomplish this, an implementation plan or action plan is necessary.

Each Element of the General Plan includes an Implementation Program that includes:

- Implementation Measure** Lists the action necessary to carry out each element of the General Plan.
- Lead Department/Agency** Identifies the responsible City department for accomplishing that particular measure.
- Projected Timeframe** Identifies and prioritizes the timeframe for the measure to be initiated.
- Potential Funding Sources** Lists the potential funding, City staff, volunteer or other community resource necessary to carry out the implementation action.

## 14.B. GENERAL PLAN UPDATE

In accordance with Arizona State Statutes (A.R.S. 9-461.06), the General Plan is effective for a period of ten years, at which time the governing body shall either adopt a new General Plan or re-adopt the existing General Plan. In the interim, the Planning and Zoning Commission, the Community Development Department, and other City departments should review, monitor, and provide recommendations for amendments on an annual basis to ensure that goals, objectives, and policies continue to meet the changing needs of the community, that data is up-to-date, and that the implementation program is functioning properly.

## 14.C. GENERAL PLAN AMENDMENTS

### RATIONALE FOR AMENDING THE GENERAL PLAN

The planning process leading up to the adoption of a General Plan is a rigorous process involving many formal and informal public meetings and public hearings over a considerable period of time. These meetings were supplemented with individual interviews, written surveys, and other methods that were used to determine the community's goals and objectives regarding the development of the City of Peoria. To make changes to the Plan might invalidate the entire process and undermine community confidence. Additionally, a typical amendment to a General Plan usually entails less public scrutiny and is less comprehensive in scope.

Nonetheless, the City must continually reexamine the Plan to respond to the changing social, economic, and other demographic trends associated with dynamic growth within the City and region. Development pressures directly impact land use, traffic patterns, socio-economic conditions, provision of City services, and a host of other factors which must be addressed so that the General Plan remains effective and relevant. Significant changes in any of these factors can trigger a need to amend the Peoria General Plan. Because the General Plan is, by its very nature, general, an in-depth examination of a specific property or area within the community may reveal characteristics that are inconsistent with the policies and details of the Plan. This in no way, however, negates the intent or guidance set forth in the Plan to provide for orderly growth and development within the City or adequate service provision for residents.

The most prudent policy when considering Plan amendments is to carefully evaluate the benefits to the community and consistency with the Plan's guidance and overall intent, and by maintaining a balance between inflexible adherence to the Plan (resulting in few or no amendments) and an over-elastic flexibility (resulting in indiscriminate changes).

### STATUTORY REQUIREMENTS FOR AMENDING THE GENERAL PLAN

The manner of amending the General Plan is set forth in Arizona Revised Statutes, specifically, A.R.S. 9-461.06. The City, public or private agencies, and private individuals may initiate a proposal for a General Plan Amendment. Major Amendments are subject to an annual process whereby all Major Amendment proposals are considered during the same time frame as scheduled by the local government. Major Amendment proposals must be considered for approval during the same calendar year in which they were initiated, and are subject to enhanced requirements for the notification, participation, and adoption processes.

If the City determines that severe hardship could be created for the City, the City Council may direct the initiation of the Plan Amendment process. However, amendments to the Peoria General Plan cannot be enacted as emergency measures and are subject to public referendum.

Local governments must adopt written procedures to provide structured, predictable, and continuous public participation in the development and consideration of amendments to the General Plans from all geographic, ethnic, and economic areas of the City of Peoria. These procedures should provide for the following:

- The broad dissemination of proposals and alternatives.
- The opportunity for written comments.
- Public hearings after effective notice.
- Open discussions, communications programs, and information services.

- Consideration of public comments.
- Consulting with and advising public officials and agencies, the County, school districts, associations of governments, public land management agencies, other appropriate government jurisdictions, public utility companies, civic, educational, professional and other organizations, property owners and citizens to secure maximum coordination of plans and to indicate properly located sites for all public purposes on the General Plan.

The City of Peoria meets and exceeds statutory requirements in an effort to provide a wide dissemination of information related to plan amendments, encourage and support constructive discussion in the community, and ensure that changes to the Plan are supported by the community. Peoria provides notice to the public, public agencies, property owners, and other entities through Official Public Notice and also through a Public Participation Process as outlined below.

#### **14.D. ~~OFFICIAL PUBLIC NOTICE~~ NOTIFICATION REQUIREMENTS**

##### **~~60-DAY NOTICE~~**

~~To ensure adequate scrutiny of proposals for Major Amendments to the General Plan, State Statutes mandate that local governments provide notice of the proposal a minimum of sixty (60) days prior to providing notice of public hearing.~~

~~A minimum of sixty (60) days prior to providing notice of the first public hearing, the local government must transmit the proposal to the Planning and Zoning Commission and City Council and provide review copies to the following entities:~~

- ~~• The planning agency of the county in which the municipality is located.~~
- ~~• Each county or municipality that is contiguous to the corporate limits of the municipality or its area of extraterritorial jurisdiction.~~
- ~~• The regional planning agency within which the municipality is located.~~
- ~~• The department of commerce or any other state agency that is subsequently designated as the General Planning agency for this state.~~
- ~~• The Department of Water Resources~~

~~Any person or entity that requests in writing to receive a copy of the proposal.~~

##### **~~NOTICE OF PUBLIC HEARING~~**

~~For both Major and Minor amendments to the General Plan, the City provides notice of public hearings before the Planning and Zoning Commission and City Council at least fifteen (15) but not more than thirty (30) calendar days prior to the hearing date as follows:~~

~~Publishing at least once in a newspaper of general circulation~~ **PRIVATELY-INITATED AMENDMENTS:**  
Owner/applicant(s) shall notice privately-initiated amendments in the same manner as a rezoning request, as outlined within Article 14-39 of the Zoning Ordinance. In addition to the applicant's notice, city staff will mail a notice of application and notice of hearing to each neighborhood association and home owners associations registered with the City and affiliated with a neighborhood located within one (1) mile of the subject property, along with publish a newspaper ad, in accordance with Article 14-39 of the Zoning Ordinance.

~~FOR LAND USE AMENDMENTS, POSTING WITHIN PUBLIC VIEW WITHIN THE AREA PROPOSED FOR AMENDMENT~~

TABLE 14.1 — PLAN AMENDMENT NOTIFICATION AREA

SIZE OF SUBJECT PROPERTY	Notification Distance/Area
<40 acres	600 ft
≥ 40 acres	1320 ft

**CITY-INITIATED AMENDMENTS:**

City-initiated amendments are initiated by staff and often impact a substantial portion of the City, more so than typically associated with privately-initiated applications. In some instances, the amendment encompasses the entire City. Consequently, the notification procedures listed below allow the City to incorporate an array of communication methods intended to reach a larger audience.

- Property owners within the Notification Area At a minimum, city staff shall notice each real property owner within the impacted area at least once by one of the methods: postcard, water bill inserts, direct mailing or drop flyer.
- Staff Area of City Initiated Land Use Amendments shall also be notified, however the City may elect to use alternative notification methods not otherwise available to non-City applicants (e.g. water bill inserts, City of may supplement notification by utilizing methods such as, but not limited to, social media, websites, posting of notices at recreational or community centers, and Peoria website, Peoria Channel 11, etc.).

**14.E. PUBLIC PARTICIPATION PROCESS**

**60-DAY REVIEW**

To ensure adequate scrutiny of proposals for Major Amendments to the General Plan, State Statutes mandate that local governments provide notice of the proposal a minimum of sixty (60) days prior to providing notice of public hearing. Staff will transmit the proposal to the Planning and Zoning Commission and City Council and provide review copies to the following entities:

- The planning agency of the county in which the municipality is located.
- Each county or municipality that is contiguous to the corporate limits of the municipality or its area of extraterritorial jurisdiction.
- The regional planning agency within which the municipality is located.
- The department of commerce or any other state agency that is subsequently designated as the General Planning agency for this state.
- The Arizona Department of Water Resources
- Any person or entity that requests in writing to receive a copy of the proposal.

All recipients will have the opportunity to submit written comments that will then be transmitted to the Planning and Zoning Commission and the City Council in advance of any briefing, public meeting, or hearing.

**NEIGHBORHOOD MEETING**

For all Major and Minor Amendments to the General Plan, applicants shall provide a Citizen Participation Process report. The purpose of the Public Participation Process is to ensure that the community is informed of proposed changes to the General Plan and provide a forum for public involvement and resolution of concerns prior to the public hearing process. In accordance with State Statutes, the City

must adopt written procedures to provide effective, early, and continuous public participation in the development and amendments of general plans. The Statutes call for the broad dissemination of information and an opportunity for public discussion and comment. Peoria's Public Participation Plan exceeds statutory requirements.

Within ~~thirty forty five (3045)~~ days of filing a Minor General Plan Amendment with the Peoria Planning Division ~~or prior to the conclusion of the 60-Day Notice for Major General Plan Amendments~~, the applicant shall hold a meeting with affected residents as defined in ~~Table 14.1 for Notification. Notification of such meeting(s) shall be provided in the manner described in the "Notice of Public Hearing" section of 14.D Official Public Notice of this chapter~~ Article 14-39-6F of the Zoning Ordinance. Following the meeting, the applicant shall provide a written report to the Planning Division setting forth points discussed, an attendance list with attendee addresses and any modifications to the proposed plan. In the event that substantial revisions are made to the proposed plan, planning staff may, at its discretion, require that the applicant hold additional meetings with the affected residents and provide the respective reports.

In the event that a rezoning application is filed concurrently with the General Plan Amendment application, a single Participation Plan meeting all required criteria shall suffice.

#### 14.F. ADOPTION

Major Amendments are subject to more stringent requirements for adoption than are Minor Amendments. Major Amendments to the General Plan require a minimum of two public hearings, at distinct locations, before the Planning and Zoning Commission, and a third public hearing before the City Council. Minor Amendments require a minimum of one public hearing before the Planning and Zoning Commission. Approval of a Major Amendment requires the affirmative vote of at least two-thirds of the members of the Peoria City Council.

For both Major and Minor Amendments to the General Plan, the City shall find that the proposal substantially demonstrates or exhibits conformance with the following evaluative criteria. Approval of General Plan Amendments is based on the five criteria shown below, with the fifth criterion being applicable only to Major Amendments, which shall be considered in concert to determine the merit of the project in meeting the intent of the General Plan.

- i) The development pattern contained in the Land Use Plan inadequately provides appropriate optional sites for the use or change proposed in the amendment.
- ii) The amendment constitutes an overall improvement to the General Plan and is not solely for the good or benefit of a particular landowner or owners at a particular point in time.
- iii) The amendment will not adversely impact the community as a whole or a portion of the community by:
  - Significantly altering acceptable existing land use patterns,
  - Requiring larger and more expensive improvements to roads, sewer or water delivery systems than are needed to support the prevailing land uses and which, therefore, may impact developments in other areas,
  - Adversely impacting existing uses because of increased traffic on existing systems, or
  - Affecting the livability of the area or the health and safety of the residents.
- iv) That the amendment is consistent with the overall intent of the General Plan and other adopted plans, codes and ordinances.

For Major Amendments to the General Plan, the City shall consider the following evaluative criterion together with the above criteria:

- v) Provides a positive benefit to the community without unduly impacting the City’s water supplies as demonstrated through the application of the economic value per gallon of water measure contained within the City’s adopted Principles of Sound Water Management.

**14.G. CLASSIFYING GENERAL PLAN AMENDMENTS**

A major amendment is triggered when a development proposal submitted for consideration by the City results in a change to the land use plan that would substantially alter the City’s planned mixture or balance of land uses. Proposals that do not meet the substantiality test are either (a) Minor General Plan Amendments; or (b) do not require any General Plan Amendment. The City has identified the following variables to determine whether a development proposal necessitates an amendment and to delineate the type, if applicable.

**MAJOR GENERAL PLAN AMENDMENTS**

**TABLE 14.2 -- Major General Plan Amendments**

Number	Major Amendment Criteria
1.	A change in residential land use designation exceeding 80 acres AND: <ul style="list-style-type: none"> <li>● Two-step change in residential land use category OR</li> <li>● Change to a non-residential or mixed-use land use designation except Park/Open Space and Public/Quasi Public.</li> <li>● Park/Open Space land use designation changes to land use designations other than Residential 0-2 dwelling units per acre or Public/Quasi-Public land use designations.</li> <li>● Changes to Specific Area Plans or other Area Plans that increase the total number of dwelling units or non-residential intensity (GFA or FAR) by more than 10%.</li> </ul>
2.	A change in non-residential or mixed-use land use designation exceeding 80 acres.
3.	Any material alteration, deletion or change to the functional classification of any roadway identified on the Circulation Plan, except that amendments to the Circulation Plan resulting from an amended Specific Area Plan shall be deemed a minor amendment to the General Plan.
4.	Any proposal that in aggregate includes changes in land use designations exceeding 320 acres.
5.	Planning Area Boundary changes.
6.	Text changes to the General Plan that conflict with or alter the intent of any goal, objective or policy as determined by the Community Development Director or designee.

**MINOR GENERAL PLAN AMENDMENTS**

- i) All other changes not expressly classified as a Major General Plan Amendment and/or exempt (“No General Plan Amendment required”).

**NO GENERAL PLAN AMENDMENT REQUIRED**

- i) No amendment is required if the zoning change results in a correlative district within the underlying land use category as [described in more detail within Section 2 Land Use Element, and results in a project density that is within the range](#) illustrated in Table 14.3 (General Plan / Zoning Correlation); and

For example, if a proposal seeks to rezone a site from R1-35 to R1-18, no amendment would be required. Both zoning districts result in a density and character that advances the Residential Estate designation as described in the Land Use Element. Secondly, it should be noted that the Plan encourages a diversity of housing types to meet the needs of all income and age segments.

- ii) Projects requesting a change of land use density from Residential Medium (5-8 du/ac) to Residential Low (2-5 du/ac) or Residential Low (2-5 du/ac) to Residential Estate (0-2 du/ac) may be processed without the requirement for a General Plan amendment and shall be deemed compliant with the Land Use Element of the General Plan; and
- iii) Any minor shift in alignment to any roadway without change in functional classification, as determined by the Engineering Director.

**TABLE 14.3 -- General Plan Land Use Designations / Zoning-Density Correlation**

General Plan Land Use Designation	Density (du/ac)
Residential Estate Density Residential	0.0 - 2.0 du/ac <sup>0-2</sup>
Residential Low Density Residential	2.0 - 5.0 du/ac <sup>2-5</sup>
Residential Medium Density Residential	5.0 - 8.0 du/ac <sup>5-8</sup>
Residential Medium-High Density Residential	8.0-15.0 du/ac <sup>8-15</sup>
Residential High Density Residential	15+ du/ac <sup>15+</sup>
Office Commercial	n/a
Neighborhood Commercial	n/a
Community Commercial	n/a
Regional Commercial	15+
Business Park	n/a
Business Park / Industrial	n/a
Industrial	n/a
Park / Open Space <sup>2</sup>	0-1
Public / Quasi-Public	n/a
Mixed-Use Designations	See Below <sup>3</sup>

**Notes:**

- 1 A PAD (10-600 acres) or PCD (600+ acres) may be used to implement any of the land use designations identified above.
- 2 Parks and other open space may be located in any zoning district.
- 3 Refer to the relevant sections in the Loop 303 Specific Area Plan, Central Peoria Revitalization Plan or General Plan Mixed-Use Guidelines (Land Use Element) for the density prescriptions.

### 14.H. IMPLEMENTATION PROGRAM

The Implementation Program for the City of Peoria General Plan establishes specific measures that will lead to plan achievement. The intent of the Implementation Program is to organize the listing of near-term implementation activities derived from the Goals, Objectives and Policies within each Element and prioritize them for timely completion. The following table contains a series of implementation tasks have been organized in ‘On-going’, ‘Short’, ‘Mid’ and ‘Long’ term priorities. Short-term tasks are intended to be implemented within 1-3 years; Mid-term tasks in 3-6 years; and Long-term tasks in 6-10 years. On-going tasks generally refer to items requiring routine maintenance such as the upkeep of lists or existing programs. Also included in the table is information pertaining to the respective departments responsible for each task.

**TABLE 14.4 -- Implementation Tasks**

Task Number	Task Description	Key Department(s)	Priority
1a	Evaluate the General Plan annually to ensure its effectiveness and provide regular updates to the Plan that further the City's Economic Development strategies.	PCD / EDS	On-going
1b	Evaluate the General Plan annually to ensure conformance with changes to State Law	PCD	On-going
2	Enhance and maintain a sustainability website.	PCD / EDS	On-going
3	Identify existing and future high volume intersections for additional pedestrian refuge areas and safety amenities.	ENG	On-going
4	Identify funding for transportation improvements in identified Growth Areas.	ENG / PW-UT	On-going
5	Implement the recommendations from the Old Town Revitalization and Peoria Sports Complex District Plans	PCD / EDS	On-going
6	Identify and coordinate transportation and infrastructure projects within the 10-year CIP.	PCD / EDS / PW-UT/ CS	On-going
7	Develop a strategic plan and funding strategy to identify and Improve ROW landscaping, lighting, and amenities within mature neighborhoods.	CS / ENG / PW-UT	On-going
8	Continue to update the requirements within the Zoning Ordinance for compliance with special needs housing (i.e. recent legislation, dispersal requirements).	PCD	On-going
9	Establish Northern Peoria Public School Joint Use / Compact (i.e. through Memorandum of Understanding).	CS	On-going
10	Participate in APS/SRP Major Facility Siting Studies.	ENG / PW-UT / PCD / EDS	On-going
11	Update Glendale/ Peoria Area Drainage Master Plan (ADMP)	ENG / PW-UT / City of Glendale / MCFCD / Consultants	On-going
12	Update North Peoria's Area Drainage Master Plan (ADMP)	ENG / PW-UT / MCFCD / Consultants	On-going
13	Identify costs of expansion of City operations and facilities	Finance / Budget	On-going

**14. PLAN ADMINISTRATION**

14	Continuously evaluate and update (as necessary) the Impact Fee Structure	Finance / Budget	On-going
15	Develop a system for monitoring indicators of growth and changes in land use ratios	Finance / Consultant	On-going
16	Incorporate CPTED principles into the Zoning Ordinance and Design Review Manual	PCD / Police Department	On-going
17	Adopt an Old Town Peoria Revitalization Plan	PCD	Short
18	Adopt the Peoria Sports Complex District Specific Area Plan	PCD	Short
19	Identify incentive strategies (i.e. density/FAR bonus, zoning flexibility) for providing “Smart Growth” components (i.e. affordable housing, underground parking, streetscape, pedestrian orientation, open space linkages and preservation).	PCD / EDS	Short
20	Develop a mixed-use development program that addresses regulatory and infrastructure constraints.	PCD / EDS/ Fire Dept / ENG / PW-UT	Short
21	Develop appropriate strategies to encourage sustainable developments such as transit-oriented development (TOD)	PCD / ENG/ EDS	Short
22	Develop a long-range Traffic Management Plan incorporating ITS.	ENG / PW-UT	Short
23	Develop roadway design features that enhance bicycle & pedestrian use & access.	CS / ENG / PCD	Short
24	Develop transit and pedestrian-oriented site design guidelines.	PCD / ENG	Short
25	Develop an Infill Incentive Plan and Delineate Infill Areas / Criteria.	PCD / EDS	Short
26	Prepare an Old Town Transit Station Design Concept Report.	CS / ENG	Short
27	Produce development and design guidelines for the Old Town District as defined by the Old Town Peoria Revitalization Plan	PCD	Short
28	Update the requirements within the Zoning Ordinance to reflect housing-type preference changes and to	PCD	Short

**14. PLAN ADMINISTRATION**

	increase housing-type diversity.		
29	Update the Integrated Utility Infrastructure Master Plan	PCD / PW-UT	Short
30	Develop a conservation strategy to promote sustainability principles	Citywide	Short
31	Develop an Open Space Acquisition and Conservation Plan	PCD	Short
32	Evaluate and implement programs to improve data collection and reporting on water production and water delivered and billed to customers.	PW-UT	Short
33	Continue to develop water conservation programs to achieve permanent reductions in water demands.	PW-UT	Short
34	Permit service area water supply wells as recovery wells.	PW-UT	Short
35	Incorporate new development fee structure for wastewater, potable water and solid waste facilities	Finance / Consultant	Short
36	Update the Emergency Evacuation Plan	Fire Department	Short
37	Update designated truck routes	ENG / PW-UT	Short
38	Develop a Multi-Modal Transportation Plan for the purposes of expanding transit opportunities	ENG / PCD / CS / PW-UT	Short
39	Develop incentives promoting private development in Growth Areas.	PCD / EDS	Mid
40	Identify funding resources for the expansion of bicycle facilities and transit related improvements	ENG	Mid
41	Develop an adaptive reuse strategy to revitalize vacant and underutilized buildings.	PCD / EDS	Mid
42	Update and expand the Historic Resources Survey.	PCD	Mid
43	Develop a Zoning District that promotes Transit Oriented Development (TOD)	PCD	Mid
44	Develop a rehabilitation and revitalization plan for mature neighborhoods.	PCD / CS / ENG / PW-UT	Mid
45	Update City Integrated Utility Infrastructure Master Plan	PW-UT	Mid

**14. PLAN ADMINISTRATION**

46	Evaluate the Zoning Ordinance for techniques promoting housing affordability (i.e. reduce on-site parking requirements, incentives to increase family size units).	PCD	Long
47	Continue the groundwater quantity and quality monitoring program initiated in the earlier strategy.	PW-UT	Long
48	If they become available, evaluate the feasibility or purchase of low priority CAP supplies.	PW-UT	Long
49	Evaluate participation in Arizona Water Banking Authority (AWBA) and CAP groundwater recovery programs.	PW-UT	Long
50	Assess whether the CAP-SRP interconnect capacity (10 cfs) is necessary to meet City water supply goals.	PW-UT	Long
51	Develop infrastructure that is compatible with the available water resources and location of water demands.	PW-UT	Long
52	Continue evaluation of the need for WTPs to serve the needs of the northern areas of the City that lack groundwater availability.	PW-UT	Long
53	Use groundwater credits for recovery pumping, in lieu of CAGRDR replenishment obligation to meet Designation of Assured Water Supply requirements	PW-UT	Extended
54	Develop the recharge capacity and reuse opportunities for the reclaimed water that are produced from the Butler, Beardsley, and Jomax Water Reclamation Plants.	PW-UT	Extended
55	Evaluate need for imported water.	PW-UT	Extended
56	Continue evaluation of need for WTPs to serve the northern areas of the City that lack groundwater availability.	PW-UT	Extended
57	Participate in development and implementation of CAP wheeling policies.	PW-UT	Extended
58	Participate in the development of additional groundwater management rules and regulations.	PW-UT	Extended
59	Continue the groundwater quantity and quality monitoring program initiated in the earlier strategy.	PW-UT	Extended

**14. PLAN ADMINISTRATION**

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60	Continue the groundwater quantity and quality monitoring program.	PW-UT	Extended
61	Recharge CAP water at the Agua Fria and Hieroglyphic Mountain recharge facilities in order to maintain a reserve of groundwater credits.	PW-UT	Extended
62	Continue to recharge and directly use effluent to develop groundwater credits and extend usefulness of other water supplies.	PW-UT	Extended

PCD – Planning & Community Development Department

EDS – Economic Development Services Department

ENG – Engineering Department

PW-UT – Public Works / Utilities Department

CS – Community Services Department

MCFCDD – Maricopa County Flood Control District





JANICE K. BREWER  
Governor

MICHAEL J. LACEY  
Director

**ARIZONA DEPARTMENT of WATER RESOURCES**  
3550 North Central Avenue, Second Floor  
Phoenix, Arizona 85012-2105  
602.771.8500  
azwater.gov

August 15, 2014

City of Peoria, Planning Division  
Attn: Lorie Dever  
9875 N. 85th Avenue  
Peoria, Arizona 85345

SENT VIA E-MAIL

RE: 2014 Peoria Major General Plan Amendment

Dear Ms. Dever:

Thank you for the opportunity to comment on the 2014 Peoria General Plan Amendment. The Arizona Department of Water Resources (Department) has reviewed the amendment document and offers the following comments:

- Section 2 – Land Use  
Under Section 2.C Land Use Plan / Descriptions of Land Use Designations / Estate Density Residential (Page 2-10), reference is made to agricultural-related activities and working farms. Please note that agricultural/farm uses are subject to the provisions of Arizona Revised Statutes (A.R.S.) §§ 45-402 and 45-452. Irrigation of two or more acres of land for growing plants, or parts of plants, for human or animal consumption (i.e. crops or pasture) would be limited to land containing an Irrigation Grandfathered Groundwater Right.
- Section 14 – Plan Administration  
Under Section 14.E Public Participation Process / 60-Day Review (Page 14-5), suggest clarifying as Arizona Department of Water Resources.

We appreciate the opportunity to provide comments. Please feel free to contact me at 602-771-8424 if you have any questions or need any additional information.

Sincerely,

  
Jeff Tannler  
Active Management Area Director

cc: Michelle Moreno, ADWR Public Information Officer



## Lorie Dever

---

**From:** Gordon Taylor [REDACTED]  
**Sent:** Tuesday, August 26, 2014 3:44 PM  
**To:** Lorie Dever  
**Cc:** Mark Edelman  
**Subject:** GPA 14 -0002

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Hi Lori, my apologies for this later response. I just completed a cursory review of GPA 14-0002 and would like to add a single comment. The ASLD appreciates the references included in the City's General Plan and recognition of the Department's mission. Section 2D page 2-21 of the Plans' Land Use element is titled "Publically Held Lands". The Arizona State Land Department is a public agency however State Trust lands are not public lands but are held in Trust for the State beneficiaries a distinction which separates these lands from lands managed by the Bureau of Land Management and Bureau of Reclamation. ASLD would like the passage to relabeled from "Publically Held Lands" to Publically Held Lands and State Trust lands.

Similar to other Trusts that exist for the sole benefit of the Trust beneficiary the State Trust lands are managed by the Department to "enhance the value and optimize the economic return to the State Beneficiaries". This purpose is consistent with any private Trust and for that reason State Trust lands should be identified as separate from Federal public lands .

Thank you for your consideration of this request.

*Gordon Taylor  
Planner IV  
Arizona State Land Department  
Real Estate / Planning Section*

[REDACTED]

### NOTICE to CUSTOMERS

The Department will be initiating a document scanning project in July, 2014 and it is expected to last nearly a year. During this timeframe some of our documents will be off-site for approximately two weeks at a time. We ask for your patience during this time. If your request must meet a legal deadline we will do our best to retrieve the information for you. We apologize in advance for any inconvenience this may cause. Through this process, we hope to make our records more readily and efficiently accessible and at the same time protect and preserve irreplaceable documents. Thank you for your cooperation.



RESOLUTION NO. 2014-174

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, MARICOPA COUNTY, ARIZONA AMENDING THE LAND USE ELEMENT AND PLAN ADMINISTRATION SECTION OF THE PEORIA GENERAL PLAN FOR THE CITY OF PEORIA, ARIZONA; AND PROVIDING FOR SEPARABILITY AND AN EFFECTIVE DATE.

WHEREAS, the General Plan heretofore adopted by the City of Peoria, Arizona provides for periodic review and amendment;

WHEREAS, the City of Peoria is required to follow the procedures of A.R.S. 9-461.06 in adopting any amendments to the General Plan; and

WHEREAS, the Peoria Planning and Zoning Commission, after due and proper notice as required by law, held public hearings regarding amendment number GPA 14-0002, on October 16, 2014 and November 13, 2014; and

WHEREAS, after such public hearing and consideration of GPA 14-0002, the Peoria Planning and Zoning Commission recommended adoption of GPA 14-0002 on November 13, 2014, a copy of which recommendation is on file with the City Clerk of the City of Peoria, Arizona, and which said case number GPA 14-0002 was transmitted to the Mayor and Council of the City of Peoria prior to the meeting of December 9, 2014; and

WHEREAS, after notice in the manner and form provided by law, a public hearing regarding case number GPA 14-0002 was held by the City Council on December 9, 2014, as required by A.R.S. 9-461.06; and

WHEREAS, after due and proper consideration of such GPA 14-0002, the Mayor and Council of the City of Peoria, Arizona have found that GPA 14-0002 will properly aid in the orderly growth and development of the City of Peoria, Arizona.

NOW, THEREFORE BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, ARIZONA AS FOLLOWS:

SECTION 1. Amendments to the Peoria General Plan

The City Council of the City of Peoria, Arizona, does hereby accept and adopt amendment number GPA 14-0002 amending text of the Land Use Element and Plan Administration section of the Peoria General Plan.

SECTION 2. Separability.

In the event any part, portion or paragraph of this Resolution is found to be invalid by any court of competent jurisdiction, the invalidity of such part, portion, or paragraph shall not affect any other valid part, portion, or paragraph of this Resolution and effectiveness thereof;

SECTION 3. This Resolution shall become effective in the manner provided by law.

PASSED AND ADOPTED by the Mayor and Council of the City of Peoria, Maricopa County, Arizona this 9<sup>th</sup> day of December, 2014.

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

Date Signed \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Rhonda Germinsky, City Clerk

APPROVED AS TO FORM:

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

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 28R

**Date Prepared: December 1, 2014**

**Council Meeting Date: December 9, 2014**

---

**TO:** Carl Swenson, City Manager

**FROM:** Julie Ayers, Human Resources Director

**SUBJECT:** American Federation of State, County and Municipal Employees Memorandum of Understanding, July 2015 through June 2018

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**Purpose:**

This is a request for City Council to consider a Memorandum of Understanding (MOU) for the American Federation of State, County and Municipal Employees for the period July 2015 through June 2018 establishing wages, hours and conditions of work.

**Background/Summary:**

Pursuant to City Code Chapter 19, the meet and confer process began on October 16, 2014 and concluded on November 26, 2014. This MOU has been ratified by the membership of AFSCME.

The major components of this new MOU are as follows:

- \*The agreement is for a three year period, beginning July 1, 2015 to June 30, 2018.
- \*Establishes merit increases of 4%, 2.5% and 2.5% for eligible employees over three years.
- \*Establishes one-time payments of \$1500, \$1700, and \$2080 for employees who are at the maximum of their salary range over three years.
- \*Increases shift differential pay incrementally over three years to \$0.50/hour (second shift) and \$1.00/hour (third shift).
- \*2<sup>nd</sup> year, re-establishes a longevity pay program for employees who have completed 10 or more years of continuous City service.
- \*3<sup>rd</sup> year, increases annual Vacation leave cash out limit to 80 hours.

**Options:**

**A:** Approve the AFSCME MOU in total for the period July 2015 through June 2018.

**B:** Do not approve the AFSCME MOU in total for the period July 2015 through June 2018 and return for re-negotiation with specific direction.

**Staff's Recommendation:**

It is recommended that the Mayor and Council approve the AFSCME MOU in total for the period July 2015 through June 2018.

**Fiscal Analysis:**

The cost of the three year AFSCME MOU would be \$1,260,000 in on-going costs and \$1,111,000 in one-time costs.

**Exhibit(s):** Memorandum of Understanding, July 1, 2015 – June 30, 2018

**Contact Name and Number:** Julie Ayers, Human Resources Director, x7580

MEMORANDUM OF UNDERSTANDING

July 1, 2015 – June 30, 2018

CITY OF PEORIA

AND

AMERICAN FEDERATION OF STATE, COUNTY

AND

MUNICIPAL EMPLOYEES

LOCAL 3282

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## PREAMBLE

Whereas, the well-being and morale of the employees of the City are benefited by providing employees an opportunity to participate in the formal process of meeting and conferring concerning wages, hours, and working conditions of their employment, and

Whereas, the parties hereby acknowledge that the provisions of the Memorandum of Understanding (hereinafter MOU) are not intended to abrogate the authority and responsibility of City government provided for under the statutes of the State of Arizona or the Charter or ordinances of the City of Peoria.

Whereas, the parties through their designated representative met and conferred in good faith pursuant to Ordinance #87-57 in order to reach agreement concerning wages, hours and working conditions of employees comprising the Unit, hereinafter referred to as the "Unit", of the City of Peoria.

Now therefore, the City of Peoria, hereinafter referred to as the "City", and Local 3282, as an affiliate of the American Federation of State, County and Municipal Employees, AFL-CIO, hereinafter referred to as the "Association", having reached this complete agreement concerning wages, hours, and working condition for the term specified, the parties submit this Memorandum to the City Council of the City of Peoria with their joint recommendation that the City Council resolve to adopt its terms and provisions.

### **Article 1: Recognition**

1. The City recognizes the Association as the sole and exclusive Meet and Confer agent, pursuant to Ordinance #87-57, for the purpose of representation regarding wages, hours, and working conditions of employment for all Unit Employees.
2. The City and the Association agree that the primary objective of the City is to provide good faith, fair treatment, and quality service to the citizens of Peoria in the most efficient manner. To achieve this objective requires the united efforts and teamwork of the City, its employees, and AFSCME.

### **Article 2: Gender**

Whenever any words used herein are in the masculine, feminine or neuter, they will be construed as though they were also used in another gender in all cases they would so apply.

### **Article 3: Employee Rights and Responsibilities**

1. All Unit employees will have the right to have the Association serve as their "Meet and Confer" representatives as set forth in Ordinance #87-57, without discrimination based on membership or non-membership in the Association.
2. Management and AFSCME agree not to interfere with the right of employees to become or not become members of AFSCME and further, that there will be no discrimination or coercion against any employee because of AFSCME membership or non-membership.

3. Management will not take disciplinary action or punitive action against an employee that impedes or interferes with that employee's exercise of any right granted under the law or under this MOU.
4. All AFSCME eligible employees will have the right to be represented by the Association in grievances (as defined in Article 6) alleging violation of the specific terms of this Agreement. AFSCME representation for the purpose of discipline and grievances meetings may include up to three (3) City employees and one (1) non-City AFSCME representative. If AFSCME leadership believes there are circumstances with a discipline or grievance meeting that necessitate more representatives being present, they may request an exception to increase the total number of representatives. For other meetings, representatives will be determined mutually on a case-by-case basis.
5. All employees have the right to present their own grievances in person alleging violation of the specific terms of this agreement with or without representation, provided the Association is notified of the pending grievance. No resolution will be reached with any Unit employee which conflicts with the purpose and intent of the negotiated terms of this agreement.
6. Any employee covered hereunder or his representative designated in written form signed by the employee and witnessed, will on request and by appointment, be permitted to examine his/her Personnel Files.
7. No employee will have any adverse comments entered into his/her Personnel Files without receiving a copy of the adverse comment. Employees must acknowledge receipt by signing the document presented.
8. Employees may, at their discretion, attach a statement of rebuttal of specific reference to any material, past or present, contained in their Personnel File which may be adverse in nature.
9. A letter of reprimand, or documented reprimand which does not contain a notice of suspension or demotion, will be active in an employee's personnel file for not longer than one (1) year provided there are no subsequent disciplinary actions of any kind.

A notice of suspension or demotion will be active in an employee's personnel file for a period of not longer than three (3) years provided there are no subsequent disciplinary actions of any kind.

A change in status of said letter(s) or notices from an employee's personnel file after the prescribed time frame would require the employee to submit a written request through their appropriate chain of command to the Human Resources Department, which will make the final determination as to whether the above criteria has been met in order to change the status of the letter or notice. If it has been determined that the criteria has been met, the letter will be removed from the personnel file and will not be used for any subsequent disciplinary actions. If required by law, the City may retain the letter outside of the personnel file or remove it according to the law.

10. Employees are expected to adhere to the following standards:
  - a. Employees will follow City departmental rules and procedures.
  - b. Employees will demonstrate an attitude and willingness to accomplish all of their assigned duties to the best of their abilities.

- c. Employees will conduct themselves on the job and off the job with the goal of bringing honor to the City and public service.

#### **Article 4: Union Rights**

1. The Association, as the authorized representative, has the exclusive right to serve as the Meet and Confer representative of all employees in the Unit as determined by the Peoria City Council in Ordinance #87-57.
2. The City agrees that when orientation sessions are conducted by the Human Resources Department with new Unit employees, the Association will be invited to participate in the process. The purpose of this Association participation is to share information with new employees regarding AFSCME membership and benefits and to distribute enrollment forms. To facilitate these meetings AFSCME membership will receive a list of new employees prior to the meeting date.
3. Certain specified shift representatives of the Association have the right to paid release time under the Grievance Procedure herein as follows:
  - a. A shift representative may, when the Association is designated in writing by a grievant as his/her representative, attend mutually scheduled grievance meetings and hearings with department representatives without loss of pay or benefits.
  - b. The employee and the employee's designated representative will be afforded the opportunity to use a reasonable amount of work time in conferring and preparing or presenting the grievance. Department managers will determine what is a reasonable amount of work time to be granted to the grieving employee and employee representative.
  - c. The Association representative is required to request and obtain permission of his/her immediate supervisor to absent himself from his/her duties to attend scheduled grievance meetings. A representative wishing to enter a work area for the purpose of investigating a formal grievance must first request and obtain the permission of the work area supervisor. Permission will not be unreasonably withheld, giving proper consideration to essential work of the department and the occupational safety of the shift representative.

#### **4. Union Representatives**

- a. The Association may designate representatives as follows:
  - Seven (7) Executive Board Members
  - Eleven (11) Stewards
  - One (1) Chief Steward
- b. All Stewards will be appointed by the President or his/her designee. No more than three (3) of the twelve (12) total designated Stewards will be employed in any single department. Probationary employees will not be eligible for designation as a representative. The Association will use its best efforts to have a designated Steward from among employees regularly at a service area.

- c. The Association will appoint one (1) of the twelve (12) Stewards as Chief Steward. No Steward will be recognized as Chief Steward until 48 hours after written notice to the City's Human Resources Director of his/her appointment. The Chief Steward or his/her designee is responsible for assigning Stewards as needed to meet representational needs.
  - d. If the Chief Steward needs to leave his/her area of service for a reasonable period of time to assist another Steward for the purpose of working on an unresolved grievance appeal/hearing of a grievance, or a matter of discipline, he/she will request and obtain permission from his/her immediate supervisor. If leave cannot be granted, due consideration will be given to a request that an alternate Steward be permitted such leave as "acting Chief Steward".
  - e. It is agreed that a Steward will not log compensatory time, overtime, or any other premium pay for the time spent performing any function of a Steward.
5. In July and January of each year covered by this Agreement, the Association will provide the City with a complete list of current Association Representatives (Executive Board Members and Stewards). The Association will provide names of newly appointed Association Representatives (Executive Board Members and Stewards) and the name of any employee no longer serving as a representative within five (5) days of such change in designation.
6. Paid Release Time for Union Business

For each individual fiscal year (July 1 through June 30) during the term of this MOU, the Association will, subject to operational and scheduling requirements, be allowed release time with pay up to a maximum of one thousand (1000) hours per MOU year for elected officers, trustees, executive board members, representatives, and members appointed by the President to attend Association business and Executive Board meetings or to attend Association seminars and conventions.

Notice of events and names of employees and their alternates attending should be submitted as soon as such information is available and must be submitted to the Department Director or designee by the Association not later than forty-eight (48) hours in advance of the release time. An alternate may be substituted for the original selection with notification twelve (12) hours in advance.

7. Upon request, in July and January of each year covered by this Agreement, the City will provide the Association a list of Unit personnel on City payroll deduction in July and January during the term of this Agreement indicating name, and job assignment. The Association agrees to use this list solely for purposes of communicating with Unit personnel and will not share this information with other individuals or organizations.
8. During the life of this Agreement, the City agrees to deduct bi-weekly membership dues levied by the Association from the pay of each employee who completes an AFSCME dues authorization form. The City assumes no liability on account of any action taken pursuant to this paragraph.
9. The employer agrees that non-employee officers and representatives of the Association will have reasonable access to the premises of the Employer during working hours with advance notice to the appropriate employer representative. Such visitations will be for the reasons of the administration of this Agreement. The Unit agrees that such activities will not interfere

with the normal work duties of employees. The City will provide the Association, upon request, non-confidential and readily available information concerning the Unit that is necessary to Association representatives for negotiation, and is not otherwise available to the Association, such as personnel census, employee benefit data, and survey information. Such requests will be made through the City Manager or his designee.

#### 10. Facilities and Services

The Association, through its designated representatives, may distribute materials on the City premises (buildings and grounds) before and after scheduled working hours or in non-work areas during scheduled work hours provided that both the employee distributing and the employee receiving such materials are on non-work periods.

- a. The City will provide the Association with up to nine (9) accessible bulletin boards for its use in communicating with its members, in worker assembly areas or other non-work locations. The City will grant sole and exclusive use of such bulletin boards to the Association.
  - b. The Union may grieve arbitrary obstruction by the City to Association posting or distributing of official Association literature.
  - c. The parties agree that this Article does not authorize or approve the posting or authorization for distribution of material that is political in nature, abusive of any person or organization, or disruptive of City department operations.
11. The City agrees that AFSCME will have the opportunity to hold luncheon/orientation meetings on City property. These meetings will be used for the purpose of member benefits orientation. The meetings will be arranged in advance between the Association and the City.
12. When possible, the City will provide forty-eight (48) hours notice for meetings in which Association representative is party to the meeting.

#### **Article 5: Management Rights**

1. The Association recognizes that the City has and will continue to retain, whether exercised or not, the unilateral and exclusive right to operate, administer and manage its municipal services and work force performing those services.
2. The City Manager and the respective Department Director or designee have exclusive decision-making authority on matters not expressly modified by specific provisions of this Memorandum. Such decision-making will not in any way, directly or indirectly, be subject to the grievance procedure contained herein.
3. The exclusive rights of the City will include the right to determine the organization of City government and the purpose and mission of its constituent agencies, to set standards of service to be offered to the public, and through its management officials to exercise controls and discretion over its organization and operations, to establish and effect administrative regulations and employment rules consistent with law and the specific provisions of this Memorandum, to direct its employees, to take disciplinary action for proper cause, to relieve its employees from duty because of lack of work or other legitimate reasons, to determine the methods, means and personnel by which the City's services are to be provided, including the

right to schedule and assign work and overtime, and to otherwise act in the interests of efficient service to the community. Nothing herein will be construed to diminish the right of the City under Ordinance #87-57.

4. To adopt and to manage its budget, provide for the funding of certain levels of service, to add, delete, modify, or suspend certain programs, functions, divisions, and departments as the City Council determines in the exercise of its legislative authority to create and manage the City's budget as necessary and appropriate.
5. The Association will provide the City with the names of new Stewards, department employed and names of previous Stewards within five (5) days of appointment.
6. The enumeration of the above rights is illustrative only and is not to be construed as being all inclusive.

## **Article 6: Grievance Procedure**

### **1. Definition of Grievance**

A "grievance" is a written allegation by an employee, submitted as herein specified, claiming violation(s) of the specified express terms of the Memorandum of Understanding.

A grievance is defined as a dispute or difference of opinion between an employee covered by this Agreement and the City, involving the meaning, or application of the expressed provision of this Agreement. In the event of such dispute, the matter will be treated as a grievance and be settled by the grievant and the City in accordance with the procedures defined in this Article.

- a. Grievant, as used in this Procedure, will mean an individual employee, a group of employees, or AFSCME.
- b. Employees filing a grievance may request AFSCME representation throughout all steps of the grievance procedure.

### **2. Informal Resolution**

Employees who believe that they have a complaint concerning a violation of the Agreement should promptly inform and discuss it with their immediate supervisor. The purpose of this discussion is to clarify the matter and attempt to resolve the problem at the employee-immediate supervisor level. An employee may request the assistance of another person, of the employee's own choosing, in preparing and presenting a grievance through all grievance steps. The employee must bring the matter to the supervisor's attention within ten (10) working days (excluding City holidays) of the event that led to the complaint.

If such informal discussion does not resolve the problem to the Unit employee's satisfaction, and if the complaint constitutes a grievance as defined in Section 1, above, the Unit employee may file a formal grievance in accordance with the following procedure. Failure to complete and file a grievance form will automatically terminate the complaint.

### **3. Time Limits**

- a. Failure of the grievant to comply with the time limits in this Article will constitute abandonment of the grievance.
- b. Failure of departmental representatives to comply with time limits specified in Step 1, Step 2, and Step 3 will entitle the grievant to appeal to the next level of review. Any failure to meet time limits by departmental representatives will be considered as a factor in the review at the next level of the process.
- c. Department Director or designee may extend time limits by notifying the grievant and the Unit in advance and designating an alternate time limit. An extension will be granted to accommodate absences or other lack of availability.

#### 4. Formal Grievance Procedure

In processing a formal grievance, the following procedure will apply:

##### Step 1: Written Grievance

The Unit employee will reduce his grievance to writing by signing and completing all parts of the grievance form provided by the City, and submit it to his/her immediate supervisor as designated by the City, within ten (10) working days (excluding City holidays) of the informal resolution meeting with the supervisor. The grievance must specify the express terms (including Article number) of the Agreement which has been violated. A copy of all grievances will be sent by the Association President to the Human Resources Director. Once the grievance is submitted in writing, it will not be materially changed throughout the grievance procedure.

Either party will then request that a meeting be held concerning the grievance, or they may mutually agree that no meeting be held. Either party may involve the unit manager (where such position exists) in the meeting. Such meeting will be scheduled to occur within ten (10) working days (excluding City holidays) from the date of the written grievance. Such timeline will be extended to accommodate scheduled absences of the parties.

Following the meeting, if the matter is not resolved, the supervisor will submit a written response to the grievant and the grievant's representative, if any, within ten (10) working days (excluding City holidays) of the meeting.

##### Step 2: Appeal to the Department Director and Subsequent Review and Response

If the response of the first level of review does not result in resolution of the grievance, the grievant may appeal the grievance by signing and completing the form and presenting it to the Department Director or designee within ten (10) working days (excluding City holidays) of the grievant's, or his/her representative's receipt of the level one response.

Either party will request that a meeting be held concerning the grievance or may mutually agree that no meeting be held. Such meeting will be scheduled to occur within ten (10) working days (excluding City holidays) from the date of the written appeal. Such timeline will be extended to accommodate scheduled absences of the parties.

Following the meeting, if the matter is not resolved, or upon the receipt of the appeal, the Department Director or designee will submit a written response to the grievant and the

grievant's representative, if any, within ten (10) working days (excluding City holidays) of the meeting.

Step 3: Appeal to the Grievance Committee and Subsequent Review and Response or Recommendation

If the response of the Department Director or designee does not result in resolution of the grievance, the grievant and the Association may submit the grievance to the Grievance Committee for review and recommendation within ten (10) working days (excluding City holidays) of the receipt by the grievant or his/her representative of the Step 2 response. The Grievance Committee will consist of two (2) representatives of Local 3282 who were on the negotiating committee and two (2) representatives of the City Manager who were on the negotiating committee.

These four (4) individuals will review the grievance and submit a recommended disposition of the matter within ten (10) working days (excluding City holidays) from the date of the Committee meeting to the City Manager. The recommendation must not alter, modify or otherwise be contrary to the language of the Agreement.

Step 4: Arbitration

If the Grievance Committee recommendation does not result in the resolution of the grievance, the grievant and the Association may jointly invoke the Step 4 procedure by submitting an appeal within ten (10) working days (excluding City holidays) of the receipt of the recommendation. City management and the grievant, or their designated representatives, will then agree on an arbitrator. If the parties are unable to agree informally within a reasonable time, the parties will jointly request a list of five (5) arbitrators who have had experience in the public sector. The parties will, within ten (10) working days of the receipt of the list, select the arbitrator by alternately striking names from the list until one name remains, with the Unit striking first. Such person will be deemed to have been selected by mutual Association of the parties.

The arbitrator so selected will hold a hearing as expeditiously as possible at a time and place convenient to the parties, and will be bound by the following:

- a. The arbitrator will have no authority to add to, subtract from, or modify any of the terms of this Agreement or of Department rules and regulations in considering any issue properly before him/her.
- b. The arbitrator will expressly confine his/her recommendation to the precise issues submitted in the written grievance and will have no authority to consider any other issue not so submitted.
- c. The arbitrator will be bound by applicable State, City and Federal law.
- d. The arbitrator will, within thirty (30) days from the close of the arbitration hearing, submit a recommendation to both parties.
- e. All costs of the arbitration will be equally shared by the parties except:

- I. Each party will be individually responsible for all costs associated with the presentation of their case.
- II. Costs of a court stenographer or other transcription fees will be paid by the party requesting the service.

#### Step 5: Appeal to the City Manager

If the arbitrator's recommendation does not result in the resolution of the grievance, either party may submit the grievance to the City Manager within ten (10) working days (excluding City holidays) of receipt of the arbitrator's recommendation.

The City Manager may accept, modify, or reject the arbitrator's recommendation. The City Manager will submit his/her decision in writing to the grievant and designated representative within fifteen (15) working days of receipt of the appeal. The City Manager's decision is the final step of the appeal process.

#### 5. Final Resolution

The City will notify the Association of final resolutions of grievances and disciplinary actions where the Association has not been designated as the grievant's representative for the purpose of allowing the Association to ascertain that a final resolution will not be contrary to the terms of the Agreement.

#### **Article 7: Leave**

##### 1. Sick Leave

All full-time employees will be entitled to paid sick leave. Employees will receive paid sick leave at the rate of eight (8) hours each complete calendar month of work.

Employees will carry over unused sick leave from previous years to a total of one thousand, forty (1,040) hours. Any balance above 1,040 at the end of April will be paid at 50% during the month of May.

##### 2. Emergency Clause

It will be the policy of the City of Peoria to allow emergency donations of vacation leave by any City employee to another City employee to cover catastrophic illness or injury to the employee or 1<sup>st</sup> degree relative as defined in Section 5 (Bereavement Leave) of this Article. Catastrophic is defined as a serious health condition which involves incapacity or treatment requiring inpatient or outpatient care or any subsequent treatment in connection with such inpatient or outpatient care, or continuing treatment by a health care provider from said inpatient or outpatient care.

- a. This donation of vacation will be limited to the amount needed by the employee to cover an absence of no more than thirty (30) calendar days. Employees must exhaust their own leave balances prior to being allowed to receive donated vacation leave time.
- b. Donations must be transferred and credited in quarter (.25) hour increments.

c. Donations must be submitted on the City-approved form.

3. Leave without Pay

Leave of absence without pay may be granted to a regular employee, upon written request, for a period not to exceed ninety (90) calendar days by the City Manager. Upon expiration of leave of absence without pay, the employees will return to work in the position held at the time that leave was granted. Failure, without good cause of the employee on leave, to report promptly when leave has expired will be considered as a resignation, except that an additional leave of absence without pay not to exceed ninety (90) calendar days may be granted, upon subsequent written request, by the City Manager for good cause (i.e. covered injury, sickness, or pregnancy). The additional leave in combination with the original leave will not exceed one hundred eighty (180) calendar days of both paid and unpaid absence. Employees may only accrue sick leave and vacation leave during the first thirty (30) days of a leave of absence without pay.

4. Industrial Leave

Industrial leave is defined as leave necessitated by an injury or condition sustained through employment with the City, one which requires leave for treatment and/or recuperation as determined by a licensed physician.

Industrial leave is not accrued, but is available through the State Industrial Commission or the City's Employee Benefit Trust in conjunction with state law and City policy.

a. Job Related Injury

All job related personal injuries to employees must be reported to their immediate supervisor, absent extenuating circumstances, within twenty four (24) hours of the time the accident occurred. The City has the right to request that an employee injured on the job seek medical assistance from a doctor of the City's choice.

- I. Industrial leave is authorized through the State Industrial Commission or the Employee Benefit Trust.
- II. While on industrial leave, sick leave, vacation leave, compensatory leave, or any other paid leave will not be charged to the employee.
- III. While on industrial leave, the employee will remain in full pay status accumulating all benefits due to him/her.

b. Industrial Leave - Benefits

- I. The employee will remain in a full paid status regardless of when the injury occurred. Subsequent adjustments to the employee's earnings will be made to account for the non-taxable income attributable to the statutory amount as determined by the Arizona State Worker's Compensation Fund.
- II. If a compensable claim is processed through the Arizona State Compensation Fund, a check is issued to the employee and must be endorsed back to the City.
- III. If the claim is determined not to be compensable the employee may appeal the decision to the Industrial Commission of the State of Arizona for final disposition.

5. Bereavement Leave

- a. Full-time and regular part-time employees will be entitled to bereavement leave in the following manner:
  1. Three days-In-state
  2. Five days-Out-of-state
- b. Calculation of bereavement leave shall be based on the number of hours in the employee's regularly scheduled workday.
- c. Bereavement leave shall be allowed in the case of death of a relative. There shall be no accrual of bereavement leave and any unused amounts shall automatically be forfeited when the employee returns to work. Upon retirement or termination of employment, compensation shall not be paid for unused bereavement leave.
- d. Relative shall mean any individual related to an employee by blood or marriage within the third degree, including step relationships. Relative shall also mean any individual named in an affidavit of domestic relationship filed with the Human Resources Department by an employee or any minor for whom the employee serves as the guardian or conservator.

First Degree Relative: spouse or domestic partner, mother, father, daughter, son, full sister, full brother.

Second Degree Relative: grandmother, grandfather, granddaughter, grandson, aunt, uncle, niece, nephew, half sister, half brother.

Third Degree Relative: great grandmother, great grandfather, great granddaughter, great grandson, great aunt, great uncle, first female cousin, first male cousin, grand niece, grand nephew.

- e. For the purposes of the Bereavement Leave Article, the definition of relative is established through marriage or by affidavit of domestic relationship and shall terminate upon death, divorce or termination of the marriage and/or the domestic partner affidavit filed with the Human Resources Department.
- f. Employees with an attendance warning or other attendance issues may be asked to provide documentation regarding their request for bereavement leave. Employees are responsible for adherence to the guidelines regarding the use of bereavement leave. Failure to do so may result in disciplinary action.
- g. Special Circumstances for extended bereavement: Upon death of the First Degree Relative as defined in this article, the employee shall be allowed to request from the department director or designee, a minimum of ten (10) to a maximum of twenty-one (21) scheduled working days to be taken from the employee's current available leave bank balances. Management shall set parameters for approval of such requests in writing based on the employee's leave time record and other factors (for example, staffing or needs of the City operations).

## Personal Leave

Each full time employee will receive sixteen (16) hours of personal leave annually, granted in the first pay period of the calendar year. Such leave may be used in quarter (.25) hour increments. Employees must give reasonable notice to the supervisor to use personal leave, however, ten (10) day notice is not required. Advance approval is required for use of four (4) or more hours of personal leave, or for use of personal leave when an employee requests to leave the job site after reporting to duty. Such leave will have cash value at termination or retirement and will not carry over from year to year.

## **Article 8: Vacation**

### **1. Use of Vacation**

- a. Vacation leave will be taken with the approval of the unit manager concerned, with preference based on seniority.
- b. Vacation will only be taken during such time which will not disrupt the work schedule of the department.
- c. Each eligible employee will be entitled to take accrued vacation leave upon completion of six (6) months of full-time or part-time benefited employment.
- d. Eligible employees will submit a Request for Absence form not less than ten (10) working days prior to the first day of the requested vacation leave. Department Directors may waive the ten (10) day advance notice at their discretion.
- e. In the event that vacation leave is denied, the employee will be given notice in writing no less than one (1) week prior to the start of said vacation.
- f. Employees will be allowed to deduct vacation time in quarter (.25) hour increments.
- g. Vacation cash-out shall be as follows:
  - 1) Following completion of 10 years of full-time or regular part-time service, AFSCME represented employees may request payment for vacation hours in excess of 120 hours. A maximum of eighty (80) hours will be paid in any fiscal year. Requests for payment shall not reduce the balance of hours below 120 hours.
  - 2) Requested payments will be made in June and December based on balances at the end of May and November.

2. Vacation Schedule

Years of Service	Hours Accrued Per Year
0-2.99 Years	96
3-4.99 Years	104
5-9.99 Years	128
10-13.99 Years	144
14-19.99 Years	168
20+ Years	176

**Article 9: Holidays/Holiday Pay**

1. The following holidays will be official holidays for all employees:

New Year's Day	January 1
Martin Luther King Jr. Birthday	Third Monday in January
President's Day	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veteran's Day	November 11
Thanksgiving	4 <sup>th</sup> Thursday in November
Thanksgiving	Day after Thanksgiving
Christmas Day	December 25

**Cesar Chavez Floating Holiday**

Whenever a holiday falls on a Saturday, it will be observed on the preceding Friday. Whenever a holiday falls on a Sunday, it will be observed the following Monday. For the purposes of determining premium pay as described in Section 4 below, New Year's Day, Independence Day, Veteran's Day and Christmas will always be paid premium pay for the dates January 1, July 4, November 11, and December 25 respectively regardless of the official day of City observance (the day on which holiday pay is paid).

2. Cesar Chavez Floating Holiday: To support the diversity of our workforce, employees will receive one Floating Holiday per calendar year, which shall be in honor of Cesar Chavez. Employees must give reasonable notice to the supervisor to use the Floating Holiday time, and use of Floating Holiday time is subject to management approval. Management, when possible, will refrain from scheduling work that when used in conjunction with the floating holiday results in over 40 hours for that workweek.
- a. The Floating Holiday will be granted to those employed with the City as an AFSCME employee as of January 1 of that year, and will appear on the first pay period of the calendar year. This holiday will be referenced as "Cesar Chavez Floating Holiday" in all official City communication.
  - b. Floating Holiday time has no cash value at termination or retirement and will not carry over from year to year.
  - c. Employees that work a regular 5/8 schedule will receive eight (8) hours Floating Holiday Leave and employees that work a regular 4/10 schedule will receive ten (10) hours Floating Holiday Leave at his/her regular rate of pay. Changes to an

employee's regular workweek schedule must be approved by the supervisor and manager.

- d. The use of a Floating Holiday does not count as hours worked for the purpose of weekly overtime calculation.

3. Additional Floating Holidays: No longer applicable

4. Holiday Pay on Scheduled Day Off: If a holiday falls on a ten (10) hour employee's regularly scheduled day off, the employee will receive eight (8) hours holiday pay at straight time or eight (8) hours compensatory time, depending on the department procedure; if a holiday falls on an eight (8) hour employee's regularly scheduled day off, the employee will receive eight (8) hours holiday pay or eight (8) hours compensatory time, depending on the department procedure.

5. Holiday Pay on Regularly Scheduled Work Day When Employee Does Not Work: If a holiday falls on a ten (10) hour employee's regularly scheduled work day, but the employee takes the holiday off, the employee will be paid ten (10) hours holiday pay at straight time; if a holiday falls on an eight (8) hour employee's regularly scheduled work day, but the employee takes the holiday off, the employee will be paid eight (8) hours holiday pay at straight time.

- a. Holiday Pay on Scheduled Workday When Employee Works: If a holiday falls on an employee's regularly scheduled workday and the employee is required to work on the holiday, the employee will be paid (8) hours holiday pay for those working 5/8's and ten (10) hours holiday pay for those working 4/10's at his/her regular hourly rate of pay.

- b. Premium Pay for Hours Worked: In addition to holiday pay described in Sections 1, 2, and 3, all hours actually worked on the holiday (midnight to midnight) will be paid premium pay at time and one-half of the employee's regular rate of pay. Such premium pay will be for the day of City observance for all holidays, except that New Year's Day, Independence Day, Veteran's Day and Christmas will always be paid for the dates of January 1, July 4, November 11, and December 25 respectively regardless of the official day of City observance.

**Article 10: Hours of Work**

1. Eight (8) hours or ten (10) hours, excluding unpaid breaks, will constitute a day's work. Five (5) days of eight (8) work hours, or four (4) days of ten (10) work hours in the seven (7) day's work period will constitute a workweek. The work schedule of all employees will be established by each Department Director or designee.
2. The established work schedule will not be arbitrarily changed without just cause or reason. Except in the event of a justifiable emergency, a written notice will be submitted to all effected employees no later than two (2) weeks prior to said changes in established schedules.
3. Employees who are required to maintain a Commercial Driver's License (C.D.L.), in accordance with their assigned position, will receive a maximum of two (2) continuous hours, paid at the straight time rate, to renew the required C.D.L. only during their regularly scheduled work day, when necessary, provided a 10-day advance notice has been requested and approved by the department.

**Article 11: Rest and Lunch Periods**

1. All employees will be allowed two (2) paid non-work periods of fifteen (15) minutes during each work shift. One such period will be observed during each one-half day of work.
2. All employees will be allowed an unpaid lunch period in conformance with the work schedule within each department.

**Article 12: Educational Assistance Policy**

Employees wishing to continue advanced education are eligible for the tuition assistance program as offered City-wide.

**Article 13: Wages**

1. All step increases and one-time payments are subject to a rating of satisfactory or overall three or greater on an employee's annual performance evaluation.
2. For Year 1 (July 1, 2015- June 30, 2016):
  - a. Upon receiving a successful evaluation score (3 and above), eligible employees will receive a 4% merit increase on their review date.
  - b. Upon receiving a successful evaluation score (3 and above), employees who are at the top of their range will receive a \$1500.00 one-time payment on their review date.
  - c. Zero percent (0%) market increase and zero percent (0%) COLA.
3. For Year 2 (July 1, 2016- June 30, 2017):
  - a. Upon receiving a successful evaluation score (3 and above), eligible employees will receive a 2.5% merit increase on their review date.
  - b. Upon receiving a successful evaluation score (3 and above), employees who are at the top of their range will receive a \$1700.00 one time payment on their review date.
  - c. Zero percent (0%) market increase and zero percent (0%) COLA.
4. For Year 3 (July 1, 2017 – June 30, 2018):
  - a. Upon receiving a successful evaluation score (3 and above), eligible employees will receive a 2.5% merit increase on their review date.
  - b. Upon receiving a successful evaluation score (3 and above), employees who are at the top of their range will receive a \$2080.00 one-time payment on their review date
  - c. Zero percent (0%) market increase and zero percent (0%) COLA.
5. The City will match each employee's voluntary contribution of \$15.00 per pay period to the deferred compensation plan for twenty-six (26) pay periods per year.

6. Employees who are regularly assigned to swing/2<sup>nd</sup> shift will receive shift differential as follows:
  - a. Year 1 (July 1, 2015-June 30, 2016): forty-five cents (\$0.45) per hour.
  - b. Year 2 and Year 3 (July 1, 2016-June 30, 2018): fifty cents (\$0.50) per hour.
7. Employees who are regularly assigned to rotational shifts will receive a shift differential of fifty cents (\$0.50) per hour.
8. Employees who are regularly assigned to graveyard/ 3<sup>rd</sup> shift will receive shift differential pay as follows:
  - a. Year 1 (July 1, 2015-June 30, 2016): fifty-five cents (\$0.55) per hour.
  - b. Year 2 (July 1, 2016-June 30, 2017): eighty cents (\$0.80) per hour.
  - c. Year 3 (July 1, 2017-June 30, 2018): one dollar (\$1.00) per hour.
9. Shift hours will be defined as follows:
  - a. If the shift ends between 8:00 p.m. and 2:00 a.m., the shift is considered 2<sup>nd</sup> shift and should get paid 2<sup>nd</sup> shift differential.
  - b. If the shift ends between 2:00 a.m. and 7:00 a.m., the shift is considered 3<sup>rd</sup> shift and should get paid 3<sup>rd</sup> shift differential.
10. When the city is able to record time worked on a daily basis, the way that shift pay is calculated will change. At such time, those actually working 2<sup>nd</sup> or 3<sup>rd</sup> shift will get paid the shift pay.
11. Employees designated and assigned by management, whose regular duties routinely require the frequent verbal translation from English to Spanish and Spanish to English will be paid fifteen dollars (\$15.00) per pay period.

Employees who have been designated and assigned by management and successfully completed the City testing for reading, writing and speaking in Spanish will receive thirty dollars (\$30.00) per pay period.

Employees must pass an initial proficiency test to receive bilingual pay. Thereafter, employees may be tested periodically to ensure proficiency.

Employees currently receiving bilingual pay and who have established proficiency and are currently utilizing this benefit will be grandfathered and will not be required to undergo any retesting, unless there is a question about an employee's Spanish proficiency use and ability, in which case Labor & Management will jointly create a process for evaluating those circumstances.

Employees initially tested and certified as bilingual after July 1, 2015 will be required to recertify after two years and then be grandfathered and will not be required to undergo any retesting, unless there is a question about an employee's Spanish proficiency use and ability.

The bilingual pay program and applicants will be reviewed, with input from AFSCME President or his/her designee, to determine the necessity of assignments throughout the City.

12. Fiscal Crisis – Not Applicable.

13. Fiscal Crisis – Not applicable.

14. Not applicable.

15. Not applicable.

**Article 14: Standby Pay/Call Back**

When an employee is required to be available for emergency call back at times that the employee is not otherwise on duty, the employee will be compensated for such standby hours at two dollars and fifty cents (\$2.50) per hour for hours on standby.

When an employee is on stand-by and called out to respond, the employee shall receive a minimum of two (2) hours compensation at one time-and-one half (1 ½).

A callback shall be when immediate response is needed and the employee is not on stand-by. Compensation time begins at the time the employee agrees to respond. Subsequent calls that occur during a two-hour callback and extend past the original two-hour (2) call shall be compensated for actual time worked.

**Article 15: Out Of Class Pay**

1. Unit personnel who are temporarily upgraded by management to perform substantially the full range of duties and responsibilities of a higher classification will receive the minimum rate for the higher classification or a five percent (5%) differential in the event of overlapping ranges for all time actually worked in the higher classification in excess of eighty (80) full-time qualifying hours. The qualifying hours should include training.
2. The higher rate of pay will be used in computing overtime when overtime is performed in the higher classification. The overtime rate will be the rate established by the overtime regulations that apply to the higher classification.
3. The time worked in a higher classification will not be credited toward the completion of probationary requirements in the higher classification.
4. Out of class pay is not authorized if the organization of a work unit is such that each unit member carries on his normal duties during the temporary absence of a supervisor. Temporary absence will mean four (4) hours or less.
5. No credit or compensation will be allowed unless verified by the appropriate supervisory report (authorization form and payroll sheet). Upgraded by management will mean directed or requested by an authorized management representative to perform substantially the full range of duties and responsibilities of a higher classification.

**Article 16: Longevity Pay**

1. All full-time employees of the City will be entitled to longevity pay in addition to their regular monthly pay, as follows:
  - a. Upon completion of ten (10) years of continuous full-time service, fifteen dollars (\$15.00) per month. Compensation begins December of the employee's 11<sup>th</sup> year of continuous full-time service.
  - b. Upon completion of fifteen (15) years continuous full-time service, twenty-five dollars (\$25.00) per month. Compensation begins December of the employee's 16<sup>th</sup> year of continuous full-time service.
  - c. Upon completion of twenty (20) years continuous full-time service, thirty-five dollars (\$35.00) per month. Compensation begins December of the employee's 21<sup>st</sup> year of continuous full-time service.
2. Longevity is awarded on the last paycheck before Christmas.

**Article 17: Sick Leave Conversion at Retirement**

Employees who have accumulated a minimum of two hundred (200) qualifying hours or more of unused sick leave at the time of retirement will be eligible for payment of an amount of compensation equal to fifty percent (50%) of the employee's base hourly rate for all accumulated hours.

In the event of an employee's death while employed by the City, 100% of the employee's accumulated sick leave will be paid to his/her designated beneficiary.

**Article 18: Overtime**

1. All overtime must be authorized and assigned by a supervisor. Employees are required to work overtime and standby when assigned. However, when making such assignments supervisors will consider circumstances that cause an unusual burden on an employee and, when possible, make alternative arrangements.
2. Overtime will be calculated and paid at one and one-half (1.5) times the amount of the employee's hourly rate for hours in excess of forty (40) hours per week, defined as Saturday through Friday.
3. Authorized vacation, compensation, and personal leave time will be considered as time worked for the purposes of weekly overtime calculation.
4. Scheduled Overtime:
  - a. The City will consider City-wide seniority within a work group as a factor in assigning scheduled overtime. Scheduled overtime will be defined as overtime that covers scheduled vacation, training, or other pre-approved absence from the work group, or planned work outside of the normal work schedule. The most senior employee in a specific job classification within a work group will be offered all scheduled overtime.

Upon refusal of overtime, the next most senior employee will be offered the scheduled overtime. In the event an insufficient number of employees accept the overtime offer, the supervisor will use the seniority list in reverse order (least to most senior) to require the employee(s) to work the overtime.

- b. When an employee scheduled to work overtime for a specific job duty, reports for duty, and then is notified that the job has been cancelled, the employee shall be given the option to stay and work a minimum of two (2) hours or go home and receive a minimum of fifteen (15) minutes.

If the employee's shift has ended but is notified due to an emergency that the employee will be required to report earlier or to hold over longer than his/her normal work schedule, compensation time begins at the time the employee is scheduled to report for duty.

- 5. Non-Scheduled Overtime: Overtime resulting from employees calling in sick or other unplanned absence, unexpected activity, or equipment failure, will be assigned by the supervisor to optimize the completion of the work. When practical, existing seniority lists will be used to assign the work.
- 6. Employees who are required to perform emergency work or unscheduled overtime of four (4) or more hours duration during the period beginning ten (10) hours prior to the start of their regularly scheduled shift and ending two (2) hours prior to the start of their regularly scheduled shift will be allowed a minimum of eight (8) rest hours prior to reporting for duty for the next scheduled shift.

Employees will be allowed paid time off during the regular shift at straight time pay for any regularly scheduled hours that coincide with the eight (8) hours rest period. Such rest time that coincides with the regularly scheduled shift will be considered hours worked for the purpose of computing weekly overtime.

#### **Article 19: Compensatory Time**

All unit-covered employees may request compensatory time in lieu of overtime pay, for hours worked beyond forty (40) hours in a work week. The maximum allowable accrued hours of compensatory time will be one-hundred (100) hours at any time. Any overtime earned beyond the one-hundred (100) hours will be paid as overtime. Compensatory time may be carried beyond the end of the calendar year.

Compensatory leave time will be considered time worked.

Approval of compensatory time off will be based on staffing and customer service needs. Request for compensatory time will be submitted ten (10) days in advance, except in the case of an emergency.

An employee may request a payout for up to forty (40) hours of accumulated compensatory time twice per calendar year. Request for payment may occur during any pay period. The employee will request payout of compensatory time on a form provided by the City. It is the responsibility of the employee making the request to submit the form to the department timekeeper no later than the last day of the pay period for which the payout is requested.

**Article 20: Uniform Allowance**

1. Effective July 2010, Unit personnel who are required to purchase, wear and maintain uniforms pursuant to departmental rules and regulations will receive one annual payment between July and the following June to be used only to cover the cost, cleaning and maintenance of such uniforms in the amounts listed for the appropriate classification:

Lead Animal Control Officer	\$900.00
Animal Control Officer	\$900.00
Code Compliance Officer	\$900.00
Code Technician	\$900.00
Crime Scene Technician	\$900.00
Police Services Officer/Park Rangers	\$900.00
Police Property and Evidence Technician	\$900.00
Automotive Technicians (I, II, Lead-Fire)	\$550.00
Pawn Specialist	\$550.00
Police Equipment Coordinator	\$550.00
Police Public Education Specialist	\$550.00

2. Employees who are required as a condition of employment to purchase City approved safety footwear will receive a taxable check issued in the first pay period of August of each year in the amount of \$250.00.
3. The City will provide field employees with five (5) T-shirts for optional wear as designated by department management. Employees will be responsible for laundering these shirts. These shirts are not intended to be the standard regulation uniform, but are acceptable apparel during normal working hours only.
4. T-shirts supplied by the City may be worn year round but will not replace any item of a required uniform.

**Article 21: Required Licenses**

Unit personnel designated by the City may be required as a condition of employment to obtain and maintain specific licenses. The City agrees to pay for annual renewal of licenses, other than Class D drivers' licenses, identified in the class specifications under "License or Certificate."

**Article 22: Health and Dental Insurance**

1. The City will continue to offer health insurance under City approved plan(s) for employees and their qualified dependents.
2. The City will continue to offer a City approved dental plan for employees and their qualified dependents.
3. The City will pay up to one hundred percent (100%) of the employee only combined monthly health and dental premiums but not more than the actual cost of the lowest combined health and dental premium, whichever is less.

The City agrees to pay a percentage of the cost for dependent health and dental premiums as established annually by City Council or their designee.

### **Article 23: Life Insurance**

The City will provide life and dismemberment insurance in the amount of two thousand dollars (\$2,000) for each one thousand dollars (\$1,000) of an employee's current annual salary, rounded up to the nearest thousand dollars of the employee's pay range step.

### **Article 24: Seniority**

Seniority will, for the purpose of this Agreement, be defined as an employee's length of continuous active full-time service.

#### **1. Definition**

City-wide seniority: Each employee will have a seniority date established as of his/her date of hire in to the City, accumulating from that date forward as long as it is not lost through any other provision of this Agreement.

#### **2. Application**

- a. The City will consider City-wide seniority as a factor in establishing or changing shift schedules or shift assignments when employee skill level is equal and/or interchangeable. Such schedules or assignments will be for a designated time period and will not be changed during the interim unless staffing changes require the need for an earlier change.
  - b. The City will consider City-wide seniority when it is necessary to set times or schedules where earned vacation may be taken.
  - c. The City will consider City-wide seniority as a factor in assigning scheduled overtime. Scheduled overtime will be defined as overtime that covers scheduled vacation, training, or other pre-approved absence from the work group, or planned work outside of the normal work schedule.
  - d. The City will consider City-wide seniority as a factor in a promotional selection process. All other factors in the selection process being equal, the most senior candidate will prevail.
3. Employees on approved Leave of Absence without pay up to a maximum of one hundred and eighty (180) calendar days will not be considered to have had a break in service for the purpose of this Article.
  4. Upon request of the Association, the City will furnish a list of employees by City-wide seniority ranking.
  5. If a member leaves employment from any AFSCME bargaining unit position with the City of Peoria and is then rehired with the City into any AFSCME bargaining unit position, the member will retain their initial seniority as defined by this MOU as long as they are rehired within one (1) year and one (1) day of their initial end of employment.

### **Article 25: Safety Committee**

1. The City will continue to undertake all reasonable efforts to provide for employee health and safety in accordance with the State's Occupational Safety and Health Law.
2. The AFSCME President or designee will be a standing member of the City's Safety Committee.
3. Employee member of the committee will not lose pay or benefits for meetings mutually scheduled during their duty time.
4. Parties mutually agree that subjects and issues that are submitted to and accepted for review by the Committee will in no way be subject to the Agreement Grievance Procedure.

**Article 26: Labor/Management Committee**

1. There will be a Labor-Management Committee consisting of representatives of the Association and representatives of the City. The purpose of the Committee is to facilitate improved labor-management relations by providing a forum for the free discussion of mutual concerns and to attempt to resolve problems brought to its attention.
2. The Committee will meet monthly or at other mutually scheduled times.
3. The chairmanship of the Committee will be rotated amongst the parties. The members will, in advance of a meeting, provide the meeting chairman with proposed agenda items, and the chairman will provide the members with the meeting agenda in advance of the meeting.
4. Representatives of the Association on the Committee who are employees will not lose pay or benefits for meetings mutually scheduled during their duty time.
5. Parties mutually agree that subjects and issues that are submitted to and accepted for review by the Committee will in no way be subject to the MOU Grievance Procedure.

**Article 27: Layoff and Recall Procedures**

1. The City Manager may separate any employee because of lack of funds or work, abolishment of a position, or changes in the organization. Employees so laid off will have the following rights:
  - a. Notice of layoff shall be given in writing no less than ten (10) work days of the effective date of the layoff.
  - b. No full-time or regular part-time employee shall be laid off while there are temporary part-time, temporary, or probationary employees serving in the same classification.
  - c. Layoff shall be determined in order of City seniority.
  - d. An affected employee who has held a position in another classification with the City may return to ("bump back") the most recent previous AFSCME MOU covered classification held by the employee, if the employee performed satisfactorily in the previous classification, the previous classification has not been eliminated and the employee meets the current minimum job requirements for the position. The employee must file a request to "bump back" with the Human Resources Director within five (5) work days after receipt of the written notice of layoff.
2. The employee seeking to exercise bumping rights will have the sole responsibility to:

- a. Inform Human Resources of the election to bump;
- b. Document the right to bump;
- c. Complete steps (a) and (b) above by the close of business (Human Resources hours) of the fifth (5<sup>th</sup>) work day after the notice of layoff. The day of the notice will be counted for the purpose of computing this time.

### 3. Recall Eligibility

- a. Any employee who has been laid off, or reduced in lieu of layoff, will have his/her name placed on the recall list of laid off employees. Within one year of the effective layoff date, upon the request of the effected employee, he/she shall also be placed on a recall list of any lower classification.
- b. The City will consider City-wide seniority as a factor in the recall and rehiring process. The City will establish written criteria and requirements for eligibility for any positions to be recalled. All other factors in the selection process being equal, the most senior candidate will prevail. If the employee(s) with the highest seniority on the list is not selected, such employee shall retain his/her position on the recall list and will remain eligible for future rehiring.
- c. When an employee whose name is on a recall list is re-employed as described above, that employee shall be restored with the seniority held prior to layoff in the class to which he/she is re-employed, and seniority shall resume on date of re-employment.
- d. The name of any employee who is placed on a recall list pursuant to this Article shall be maintained on such list for a period not to exceed two (2) years from the date that the employee was laid off. At any time a laid off employee may request to be placed on the City's distribution list for e-mail notification of job openings. It is the employee's responsibility to ensure that the City has a current e-mail address.
- e. If an employee on a recall list is offered a position he/she will have ten (10) business days to accept the position before it will be offered to the next qualified employee on the recall list. A recalled employee will have twenty (20) business days from the time he/she is offered the position to begin work. If an employee on a recall list for a particular class declines an offer of a position, the employee's name shall be removed from the recall list for that class only.

### **Article 28: Prohibition of Strikes and Lockouts**

- 1. The Association pledges to maintain unimpaired service delivery and related support services as directed by the Department Director or designee. It will not cause, condone, counsel, or direct its members, or employees, or any of them, to strike, fail to fully and faithfully perform duties, slow down, disrupt, impede, picket, or otherwise impair the normal function and procedures of the Department.
- 2. There will be no lockout by the City unless required to protect and preserve the public peace, health, or safety of the City and its residents or required by the City to enforce any violation of this Ordinance, any Memorandum of Understanding, or any applicable laws.

### **Article 29: Saving Clause**

- 1. If any Article or section of this Memorandum should be held invalid by operation of law or by a final judgment of any tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or section should be restrained by such tribunal, the remainder of

this Memorandum will not be affected thereby; and upon issuance of such final decree, the parties, upon request of either of them, will Meet and Confer to endeavor to agree on a substitute provision or that such a substitute provision is not indicated.

2. It is recognized by the parties that the provisions of the Fair Labor Standards Act are currently applicable to certain of the wage and premium pay provisions of the MOU, and that this MOU will be administered in compliance with FLSA for so long as the Act is applicable.

It is understood by the parties that the benefits provided by this MOU in Articles pertaining to Union Rights, Employee Rights, Grievance Procedure and Articles constituting labor management joint endeavors conducted under this MOU shall not be interpreted as requiring the employer to count as time worked any hours or fractions thereof spent outside the employee's work shift in pursuit of such benefits. The employer shall count as time worked any hours or fractions thereof spent within the employee's regular work shift in pursuit of such benefits.

#### **Article 30: Term and Effect**

1. This Memorandum of Understanding will remain in full force and effect commencing on July 1, 2015, and terminate on June 30, 2018.
2. It is agreed by the Employer and the Association that each has had full opportunity to fully discuss all mandatory and permissible subjects of bargaining, and that this MOU contains all the agreements reached by the parties in the course of their negotiations. It is further understood that there are no other agreements, written or oral, between the City and Association. It is understood and agreed that as to any matter not specifically covered in this Agreement, the City may unilaterally act.
3. The City will not be required to Meet and Confer concerning any other matters, covered or not covered herein, during the term of this Memorandum of Understanding. This provision does not constitute a waiver of either party's right to file an unfair labor practice.
4. Non-Discrimination

The City will continue to keep in effect for the term of this MOU its current Affirmative Action and Equal Employment Opportunity policies and will be committed to non-discrimination with respect to race, creed, color, age, handicap and sex, under Federal and State laws.

Disputes regarding this provision would first be heard at the supervisory level. If no resolution is reached at this step then an informal meeting including the Chief Steward and the Human Resources Director or designee will be held to seek resolution. Recourse at this point would be then provided through City Personnel Rules or State and Federal statutes.

IN WITNESS WHEREOF, the parties have set their hand this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

CITY OF PEORIA

AFSCME, LOCAL 3282

By:

By:

\_\_\_\_\_  
Carl Swenson, City Manager

\_\_\_\_\_  
Walter Crenshaw, Meter Tech II  
President, Local 3282

\_\_\_\_\_  
Dawn Prince, Workforce Administrator  
Lead Negotiator

\_\_\_\_\_  
Michelle Dobrosky, Communications Spec.  
Vice President, Local 3282

\_\_\_\_\_  
David Miller, Solid Waste Worker  
Recording Secretary, Local 3282

\_\_\_\_\_  
Erik McMorrow, Building Inspector II  
Negotiation Team Member

ATTEST:

\_\_\_\_\_  
Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Steve Kemp, City Attorney



## City Council Calendar

Color Key:  
**City Council**  
 No Category

< November	December 2014						January >
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	
	1	2	3	4	5	6	
7	8	<b>9</b> <u>Regular City Council Meeting</u> <u>Special Meeting &amp; Study Session</u>	10	11	12	13	
14	15	16	17	18	19	20	
21	22	<b>23</b> <u>** Cancelled ** City Council Subcommittee on Community Culture &amp; Public Safety</u>	24	<b>25</b> Christmas Day Holiday Celebrated - City Hall Closed  <u>Christmas Day Holiday Celebrated - City Hall Closed</u>	26	27	
28	29	30	31				



# City Council Calendar

Color Key:  
City Council

< December	January 2015						February >
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	
				1	2	3	
4	5	<b>6</b> <u>Regular City Council Meeting</u>	7	8	9	10	
11	12	13	14	15	16	17	
18	19	20	21	22	23	24	
25	26	27	28	29	30	31	

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: RCM 30A

**Date Prepared: November 17, 2014**

**Council Meeting Date: December 9, 2014**

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**TO:** Carl Swenson, City Manager  
**FROM:** Rhonda Geriminsky, City Clerk  
**THROUGH:** Susan Daluddung, Deputy City Manager  
**SUBJECT:** Proposed 2015 Calendar for City Council Meeting Dates

---

**Summary:**

Provided for the Council's review and information is the proposed 2015 City Council Meeting Calendar.

**Background/Summary**

Pursuant to Article II, Section 14 of the Peoria City Charter, the City Council is required to meet not less than once per month.

The proposed 2015 City Council Calendar will be submitted for approval at the January 6, 2015 Council meeting. The first two City Council meetings will be scheduled in advance to serve as meeting placeholders prior to the official adoption of the 2015 Council Meeting Calendar.

Please note only one meeting will be held in the months of July, August and November.

**Exhibit 1:** 2015 Tentative City Council Meeting Calendar

**Contact Name and Number:** Rhonda Geriminsky, City Clerk, 623-773-7340

# DRAFT -- 2015 Council Meeting Calendar -- DRAFT

January						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Jan 1 - New Year's Day  
Jan 19 - Martin Luther King Day

February						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

Feb 4, 5, 6 - ACMA Conference  
Feb 16 - Presidents' Day  
Feb 18,19,20 - GFO AZ Conference

March						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

March 4-5 - Purim  
March 7-10 - NLC Congress. City Conf.  
March 10 - Election Day (If Needed)

April						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

Apr \*3-5,\*9-11 - Passover

May						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

May \*23-25 - Shavout  
May 25 - Memorial Day

June						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

July						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

July 4 - Independence Day  
July 22-24 - ACMA Conference

August						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Aug 18-21 - LAC Annual Conference  
Aug 25 - Election Day

September						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

Sept 7 - Labor Day  
Sept \*13-15 - Rosh Hashanah  
Sept \*22-23 - Yom Kippur  
Sept 22 - No Study Session  
Sept 27-30 - ICMA Conference  
Sept 28-29 - Sukkot

October						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Oct. \*4,5,6 - Shemini Atzeret & Simchat Torah  
Oct 6 - No Study Session

November						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

Nov 3 - Election Day  
Nov 11 - Veterans Day  
Nov 4-7 - NLC Congress of Cities & Expo  
Nov 26 - Thanksgiving Day

December						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Dec 25 - Christmas Day

	Council Meeting
	Budget Study Session

	Conference
	City Holidays

	Election Day
--	--------------

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

Agenda Item: RCM 30B

**Date Prepared: November 17, 2014**

**Council Meeting Date: December 9, 2014**

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**TO:** Carl Swenson, City Manager

**FROM:** John R. Sefton Jr., Community Services Director

**THROUGH:** Jeff Tyne, Deputy City Manager

**SUBJECT:** 2015 Winter Water Safety Day and Polar Plunge

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**Summary:**

The 7<sup>th</sup> Annual Winter Water Safety Day and Polar Plunge will be held on Saturday, January 3, 2015 starting at 8:00am at Sunrise Pool (21321 N. 86<sup>th</sup> Dr.). The event emphasizes the importance of water safety, no matter what season. The pool has not been heated since October and the water temperature is estimated to be in the low 40's. Those daring enough to swim across the pool will receive a free shirt marking their accomplishment. The Peoria Firefighters Charities will be cooking a hot breakfast for everyone to enjoy.

All swimmers are encouraged to contribute \$20 as a pledge from friends and family who want to see them take the "plunge". Donations will be used as a scholarship to cover the cost of a 2-week swim lesson for a child in need. **Play Peoria, Inc.**, the 501c3 organization that benefits parks, recreation and library programming in the City of Peoria coordinates this important scholarship program.

**Exhibit(s):** 2015 Flyer

**Contact Name and Number:** Stacy Beadle, 623-773-5247

# WINTER WATER SAFETY DAY & POLAR PLUNGE

Saturday, January 3, 2015

8:00 am-9:00 am

Sunrise Pool at 21321 North 86th Drive

It's not  
*that* cold!

Come join us for a brisk morning swim and help promote water safety. The pool isn't heated after November, so the water temperature is estimated to be in the low 40's. Those daring enough to swim across will receive a **FREE** shirt marking their accomplishment.

- ALL AGES
- FREE TO ENTER
- FREE BREAKFAST
- \$20 Donation pays for a 2-week swim lesson for a child

Registration code is **81888** for "plungers" and **81889** for donations.\*

\*All donations are tax deductible.  
Receipts will be mailed following the event.



For more information visit



**MINUTES OF THE VISTANCIA COMMUNITY FACILITIES DISTRICT BOARD**  
CITY OF PEORIA, ARIZONA  
COUNCIL CHAMBER  
August 27, 2014

A **Special Meeting** of the Vistancia Community Facilities District Board was convened at 8401 West Monroe Street in open and public session at 8:35 p.m.

**Members Present:** Board Chairperson Bob Barrett; Vice Chairperson Ron Aames; Board Members Jon Edwards, Carlo Leone, Bill Patena, Tony Rivero and Ben Toma.

**Members Absent:** None.

**Other Municipal Officials Present:** Carl Swenson, District Manager; Susan Daluddung, Deputy District Manager; Jeff Tyne, Deputy District Manager; Steve Kemp, District Counsel; Rhonda Geriminsky, District Clerk; Julie Ayers, Human Resources Director; Andy Granger, Engineering Director; Shawn Kreuzwiesner, Engineering Planning Manager; Bo Larsen, Public Information Director; Bill Mattingly, Public Works Director; Brent Mattingly, Chief Financial Officer; Roy Minter, Police Chief; John Sefton, Community Services Director; Corina Russo, Assistant to the District Manager; and Linda Blas, Deputy District Clerk.

**Audience:** Approximately 20 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.

**CONSENT AGENDA:** All items listed with a "C" are considered to be routine or have been previously reviewed by the District Board and will be enacted by one motion. There will be no separate discussion of these items unless a Board Member 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.

Chairperson Barrett asked if any Board Member wished to have an item removed from the Consent Agenda. Having no requests from the Board, motion was made by Board Member Patena, seconded by Vice Chairperson Aames, to approve the Consent Agenda.

Upon vote, the motion carried unanimously 7 to 0.

**CONSENT – New Business:**

**Clerk's Note:** The agenda item numbers shown below reflect the items as they were numbered on the agenda.

36C. **Minutes**

Approved the May 20, 2014 Special Meeting minutes.

**37C. Investment Report for the Year Ended June 30, 2014**

Reviewed and accepted the Investment Report for the year ended June 30, 2014.

**Call To The Public (Non-Agenda Items)**

Samuel Papparazzo provided an overview of the responses he received to the questions posed to the Board at the Vistancia Community Facilities District Meeting held on May 20, 2014. Mr. Papparazzo provided a draft outline for the establishment of a Vistancia resident advisory committee. Mr. Papparazzo recognized Brent Mattingly, Chief Financial Officer, for the assistance provided in responding to his inquiries.

**ADJOURNMENT:**

Being no further business to come before the District Board, the meeting was duly adjourned at 8:43 p.m.

---

Bob Barrett, Board Chairperson

ATTEST:

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Rhonda Geriminsky, District Clerk

**CERTIFICATION**

I hereby certify that the foregoing minutes are a true and correct summary of the proceedings of the Special Meeting of the Vistancia Community Facilities District held on the 27<sup>th</sup> day of August, 2014. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 9<sup>th</sup> day of December, 2014.

(Seal)

---

Rhonda Geriminsky, District Clerk

**CITY OF PEORIA, ARIZONA**  
**VISTANCIA COMMUNITY FACILITIES DISTRICT**  
**DISTRICT COMMUNICATION**

Agenda Item: 32C

**Date Prepared:** November 12, 2014

**District Meeting Date:** December 9, 2014

---

**TO:** Carl Swenson, District Manager  
**FROM:** Sonia Andrews, Finance Manager  
**THROUGH:** Brent Mattingly, District Chief Financial Officer  
**SUBJECT:** Fiscal Year 2014 Annual Financial Report

---

**Purpose:**

This is a request for the District Board to receive and file the District Annual Financial Report for the fiscal year ended June 30, 2014.

**Background/Summary:**

We are pleased to submit to you the Annual Financial Report of the Vistancia Community Facilities District for the fiscal year ended June 30, 2014. The report was prepared by the Finance Department of the City of Peoria. The financial statements and related footnotes were audited by an independent firm of Certified Public Accountants, Heinfeld, Meech & Co., P.C., whose report is included herein.

Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data is accurate in all material respects and is presented in a manner which fairly sets forth the financial position and results of operation of the District.

The annual financial report includes the District-wide financial statements, fund financial statements and related footnotes as well as Management's Discussion and Analysis and budgetary comparison schedules. These financial statements have been prepared in accordance with accounting principals generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

**Previous Actions:**

There are no previous actions for this item.

**Options:**

**A:** Receive and file the District Annual Financial Report

**B:** Do not receive and file the District Annual Financial Report

**Staff's Recommendation:**

Staff recommends that the Board accept and file the Vistancia Community Facilities District Annual Financial Report for the fiscal year ended June 30, 2014.

**Fiscal Analysis:**

This item has no financial implications.

**Narrative:**

For fiscal year ended June, 30 2014, the District Annual Financial Report received an unqualified opinion from the independent auditors. An unqualified opinion is a "clean" audit report, indicating the auditor's opinion that the financial statements are fairly presented in accordance with accounting principles generally accepted in the United States. This is the desired opinion of each organization. The Annual Report is filed with the Municipal Securities Rulemaking Board (MSRB) as a required annual continuing disclosure for outstanding bond issues in accordance with SEC Rule 15c2-12.

**Exhibit 1:** Vistancia Community Facilities District Annual Financial Report

**Contact Name and Number:** Sonia Andrews, x 5206

***Vistancia  
Community Facilities  
District***  
Peoria, Arizona

***Annual  
Financial Report***  
For Fiscal Year Ended  
June 30, 2014

**District Board:**  
**Bob Barrett, Chairman**  
**Ron Aames**  
**Ben Toma**  
**Jon Edwards**  
**Carlo Leone**  
**Bill Patena**  
**Tony Rivero**

**District Administrative Staff:**  
**Carl Swenson, District Manager**  
**Brent D. Mattingly, District Treasurer & Chief Financial Officer**  
**Stephen M. Kemp, District Counsel**  
**Rhonda Geriminsky, District Clerk**

**Prepared by City of Peoria Finance Department**

VISTANCIA COMMUNITY FACILITIES DISTRICT  
Peoria, Arizona  
ANNUAL FINANCIAL REPORT  
For the Year Ended June 30, 2014

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# Vistancia Community Facilities District

## Peoria, Arizona

November 24, 2014

Honorable Board of Directors:

The accompanying basic financial statements of the Vistancia Community Facilities District (the District) for the year ended June 30, 2014, have been prepared for the use of the District Board, staff and other interested parties. This report includes Management's Discussion and Analysis, the basic financial statements for the District including government-wide financial statements, fund financial statements and footnotes, and supplemental budget comparison schedules for the District's funds.

This report was prepared by the Financial Services Division of the Finance Department of the City of Peoria, Arizona (the City) as finance staff for the District. It is intended as District management's report to the District Board and other interested parties.

The District is a component unit of the City of Peoria, Arizona for financial reporting. As a component unit of the City, the accompanying financial statements were included in the annual audit of the City's Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2014. A copy of the City's CAFR may be obtained by contacting the City's Finance Department at 8401 West Monroe Street, Peoria, Arizona 85345. Additionally, the auditors, Heinfeld, Meech & Co., P.C., have also expressed an opinion on the separate financial statements of the District included herein. That opinion may be found on page 1 of this financial report.

Questions about the financial statements included herein should be addressed to the City of Peoria, Finance Department at the above address.

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Vistancia Community Facilities District

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

We have audited the accompanying financial statements of the governmental activities and each major fund of Vistancia Community Facilities District (District), a component unit of the City of Peoria, Arizona, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District'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. 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 and each major fund of the Vistancia Community Facilities District, as of June 30, 2014, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 1, the financial statements of the Vistancia Community Facilities District are intended to present the financial position and the changes in financial position of only that portion of the governmental activities and each major fund that are attributable to the District, a component unit of the City of Peoria, Arizona. They do not purport to, and do not, present fairly the financial position of the City of Peoria, Arizona, as of June 30, 2014, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 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 District's basic financial statements. The transmittal letter, supplemental information, and continuing disclosure information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information is the responsibility of management and was derived from and relates 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 supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The transmittal letter and the continuing disclosure information 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.



HEINFELD, MEECH & CO., P.C.  
CPAs and Business Consultants

November 24, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Vistancia Community Facilities District (the District), we offer this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2014. This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the District's financial activity, (3) identify changes in the District's financial position, and (4) identify individual fund issues or concerns.

On October 15, 2002, the District was formed by petition to the City Council of the City of Peoria, Arizona (City) pursuant to Title 48, Chapter 4, Article 6 of the Arizona Revised Statutes. The District is a special purpose taxing district and separate political subdivision under Arizona statutes. As such, the District can levy taxes and issue bonds, independent of the City. Property owners within the District boundaries pay for District infrastructure and functions through secondary property tax assessments. The District's purpose is to acquire or construct public infrastructure in a specified area of the City. City staff administers the District. The Peoria City Council also serves as the District Board of Directors. The District is one of the City of Peoria's component units for the fiscal year ended June 30, 2014.

### Financial Highlights

- The fiscal year 2014 tax levy was \$2.10 per \$100 valuation.
- District tax collections plus developer contributions were sufficient to pay District debt service during fiscal year 2014.
- The fund balance of the District's governmental funds at June 30, 2014, was \$18.4 million, a decrease of \$1.0 million. Of the total ending governmental fund balance, \$8.7 million is restricted for debt service, and \$9.7 million is restricted for capital projects.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis introduces the District's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements.

#### Government-wide Financial Statements

The *statement of net position* is designed to provide a broad overview of the District's finances in a manner similar to those used by private businesses. The statement of net position presents information on all of the District's assets and liabilities, both current and long-term, with the difference between assets and liabilities reported as net position. The focus on net position is designed to be similar to the emphasis for businesses. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To assess the overall health of the District, other indicators, including non-financial indicators should also be considered.

The *statement of activities* presents information showing how the District's net position changed over the most recent fiscal year. Since full accrual accounting is used for the government-wide financial statements, all changes to net position are reported at the time that the underlying event giving rise to the change occurs, regardless of the timing of the 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, such as revenues pertaining to uncollected taxes and expenses related to accrued interest. This statement also focuses on both the gross and net costs of the various functions of the District, based only on direct functional revenues and expenses. This is designed to show the extent to which the various functions depend on general taxes and revenues for support.

## 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 conditions. Funds are used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds and all are restricted, either by bond covenants or state law, as to use.

The District maintains two governmental funds, a general fund and a debt service fund. 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 each fund.

The District adopts annual budgets for both the general fund and the debt service fund. Budgetary comparison statements and schedules are provided to demonstrate compliance with the adopted budgets.

## Notes to the financial statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements and should be read in conjunction with the financial statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As of June 30, 2014, the liabilities of the District exceed its assets by \$32.4 million (net position). The deficit in net position is due to the nature of the District's operations. The purpose of the District is to acquire or construct certain capital infrastructure, primarily water and wastewater systems, within the boundaries of the District. Once the capital infrastructure is acquired or constructed, it is turned over to the City to operate. As a special purpose district and a separate political subdivision under the Arizona Constitution, the District can levy taxes and issue bonds independently of the City. Property owners within the District are assessed property taxes to pay the debt service over the life of the bonds. The City has no liability for debt of the District. Because the capital assets are generally reported in the City's financial statements, the Statement of Net Position for the District reflects a large liability (bonds payable) without an offsetting asset. Capital assets are only shown on the District's financial statements if they are classified as work-in-process at year end.

The following tables, graphs and analysis discuss the financial position and changes to the financial position for the District as a whole as of and for the year ended June 30, 2014, with comparative information for the previous year.

## Net Position

Net position may serve over time as a useful indicator of a government's financial position. The following table reflects the condensed Statement of Net Position of the District for June 30, 2014, compared to the prior year.

	Governmental Activities		
	2014	2013	% Change
Current and other assets	\$ 18.4	\$ 19.6	(6.1)%
Capital assets	1.7	3.7	(54.1)
Total assets	<u>20.2</u>	<u>23.3</u>	(13.3)
Other liabilities	1.4	1.6	(12.5)
Long-term liabilities outstanding	51.2	53.8	(4.8)
Total liabilities	<u>52.6</u>	<u>55.4</u>	(5.1)
Net position:			
Unrestricted*	<u>\$ (32.4)</u>	<u>\$ (32.1)</u>	0.9%

\* June 30, 2013 net position has been restated. See Notes to the Financials Statements (footnote 1.,N.) for explanation

Net position of the District decreased \$0.3 million, primarily due to the reduction (payment) of outstanding debt and transfer of capital assets to the City. Current assets decreased \$1.2 million in fiscal year 2014 as cash was spent to construct capital assets. Work-in-progress capital assets of \$1.7 million were retained by the District at June 30, 2014 pending asset completion. Completed capital assets of \$2.8 million were transferred to the City during fiscal year 2014. Since the net assets of the District are negative at June 30, 2014, they are classified as unrestricted.

### Changes in Net Position

The following table compares the revenue and expenses for the current and previous fiscal year.

Changes in Net Position For the year ended June 30 (In millions of dollars)			
Governmental Activities			
	2014	2013	% Change
<b>REVENUES:</b>			
Program revenues:			
Developer contributions	\$ 3.1	\$ 3.4	(8.8)%
General revenues:			
Property taxes	2.2	2.2	-
Investment earnings	0.0	0.1	24.0
Total revenues	<u>5.3</u>	<u>5.7</u>	(7.0)
<b>EXPENSES:</b>			
Program activities:			
General government	-	-	-
Interest expense on debt	2.8	3.0	(3.3)
Total expenses	<u>2.8</u>	<u>3.0</u>	(3.3)
Excess (shortage) before transfers	<u>2.5</u>	<u>2.7</u>	(11.1)
Transfers in (out)	<u>(2.8)</u>	<u>(1.3)</u>	115.4
Increase (decrease) in net position	<u>\$ (0.3)</u>	<u>\$ 1.4</u>	(114.3)%

The net position of the District decreased \$0.3 million in fiscal year 2014. Property tax collections stayed steady. The developer contributions decreased by \$0.3 million. Under an agreement between the District and the developer, the developer is required to cover any deficits between tax collections and debt service requirements. In fiscal year 2014 the developer contributed \$3.1 million for payments on district debt. The property tax rate remained unchanged at \$2.10 per \$100 of valuation. Interest expense on debt reduced \$0.2 million. Transfers of completed capital assets increased by \$1.5 million.

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District maintains fund accounting to demonstrate compliance with budgetary and legal requirements related to special purpose districts and general obligation bonds.

The focus of the governmental fund financial statements is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's ability to pay the debt service on the general obligation bonds it issues to fund construction or acquisition of public infrastructure.

The fund balance of the District's combined governmental funds is \$18.4 million, a decrease of \$1.0 million from the previous year. The decrease is due to the expenditure of bond proceeds on capital outlay. Of the total ending fund balance \$8.7 million is restricted for debt service and \$9.7 million is restricted for capital projects.

Governmental Fund revenues totaled \$5.3 million (down \$0.4 million from 2013) in fiscal year ending June 30, 2014, of which \$3.1 million is from developer contributions under the Standby Contribution Agreement between the District and the developer.

Property tax revenues stayed steady in fiscal year 2014. There was a slight decrease in the assessed valuation from \$104.4 million to \$102.9 million. The property tax rate of the District remained unchanged.

## CAPITAL ASSET AND DEBT ADMINISTRATION

The District was formed to finance the acquisition or construction of public infrastructure that is subsequently donated to the City for operation. The District does not own or operate infrastructure once completed. Since formation, District bonds have been issued and the proceeds used to construct public infrastructure such as a water reclamation plant, wells and booster stations. During fiscal year 2014, \$0.7 million was expended for capital. During fiscal year 2014, \$2.8 million of completed capital assets were transferred to the City, and accepted by the City as a donation of capital assets. Construction in progress of \$1.7 million was held by the District at the end of fiscal year 2014.

The District is authorized, by an election held November 12, 2002, to issue \$100 million in District general obligation or revenue bonds. As of June 30, 2014, the District has issued \$67.6 million of general obligation bonds against the authorization. These bonds are to be repaid through property taxes levied on the property within the District. Under a Standby Contribution Agreement, Vistancia LLC, the developer of the community, is obligated to fund any difference between debt service costs and property tax revenues. The City has no obligation for the District's debt, other than the administration of the collection of property taxes and the payment of debt service on behalf of the District.

At the time of issue, District general obligation bonds have a 20-year term. In the event the District Board decides at a future time to dissolve the District, State statute provides that all taxable property in the District will remain subject to the lien for the payment of the bonds until all bonds have been defeased.

### Outstanding Long-Term Debt at June 30

	Governmental Activities	
	2014	2013
General obligation bonds	<u>\$ 51,095,000</u>	<u>\$ 53,725,000</u>

The District issued \$21,250,000 in bonds in fiscal year 2003, \$23,550,000 during fiscal year 2005, and an additional \$22,760,000 during fiscal year 2007. As of June 30, 2014, \$16,465,000 has been paid against principal on the outstanding debt.

## BUDGETARY HIGHLIGHTS

The District's annual budget is the legally adopted expenditure control document of the District. The budgetary comparison statement is required for the General Fund and may be found on page 14. The statement compares the original adopted budget, the budget as amended throughout the fiscal year, and the actual expenditures prepared on a budgetary basis. A budgetary schedule for the other governmental fund is also presented on page 27.

Amendments to the adopted budget may occur throughout the year in a legally permissible manner (see Note 1.E on page 18 for more information on budget policies). Some of these amendments include transfers from contingency to cover approved carryovers from the previous budget, capital projects with budget overages (or whose timing was accelerated), and other unanticipated costs.

No amendments increasing the District's total adopted budget of \$28.6 million occurred during fiscal year 2014. Budget amendments between funds or departments or from budgeted contingencies into operational expense/expenditure accounts did occur.

General Fund inflows (revenues and other sources) of \$34.1 thousand, on a budgetary basis, was below budgeted inflows of \$38.5 thousand by \$4.4 thousand while budgetary basis outflows (expenditures and other uses) of \$1.0 million were 8.7% of final budgeted outflows. Capital is budgeted at 100% of all projects identified in the feasibility report regardless of whether the project will be complete within one or five years. Reduced General Fund outflows resulted primarily from unspent capital outlay.

## **ECONOMIC FACTORS**

The unemployment rate in the metropolitan Phoenix region for June 2014 was 6.0%, which remains below both the state (7.5%) and national average (6.3%). The regional economy continues to recover at a slow pace with population growth in the 1% range and modest improvements in job creation over the 12-month period at 2.3%, slightly faster than the national rate of 1.5%. Construction activity began to improve markedly over the previous year (though, much lower than after previous recessions) in the region as home values and re-sale activity rebounded. Most job gains in the state were in the leisure and hospitality, business and financial services, education, and healthcare sectors. Peoria also experienced growth in new home starts with a 25.0% increase in single-family home permits compared to the previous fiscal year. Commercial activity improved during the year, but reflects increases over historically low levels during the previous two fiscal years.

The adopted fiscal year 2015 budget for the District is \$27.2 million, a 4.9% decrease from 2014. The tax rate for the District for fiscal year 2015 is \$2.10, unchanged from the fiscal year 2014 tax rate.

## **FINANCIAL CONTACT**

This financial report is designed to provide a general overview of the District's finances and to demonstrate accountability for the use of public funds. Questions about any of the information provided in this report, or requests for additional financial information should be addressed to the City's Finance Department at the following address: City of Peoria, 8401 W. Monroe Street, Peoria, Arizona 85345.

## BASIC FINANCIAL STATEMENTS

**VISTANCIA COMMUNITY FACILITIES DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2014**

	Primary Government Governmental Activities
<b>ASSETS</b>	
Accounts receivable, net	\$ 13,344
Interest receivable	9,714
Property taxes receivable	22,313
Restricted cash and cash equivalents	8,618,833
Restricted investments	9,753,598
Non-depreciable capital assets	1,734,598
Total assets	20,152,400
 <b>LIABILITIES</b>	
Accounts payable	17,226
Interest payable	1,393,415
Non-current liabilities:	
Due within one year:	
Current portion of bonds payable	2,765,000
Due in more than one year:	
Noncurrent portion of bonds payable	48,330,000
Plus: Unamortized bond premium	53,221
Total liabilities	52,558,862
<b>NET POSITION</b>	
Unrestricted	(32,406,462)
Total net position	\$ (32,406,462)

The accompanying notes are an integral part of the financial statements

**VISTANCIA COMMUNITY FACILITIES DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Expenses</u>	<u>Capital Contributions</u>	<u>Net (Expenses) Revenues and Changes in Net Assets Governmental Activities</u>
<b><u>Functions/Programs</u></b>			
<b>Primary government:</b>			
Governmental activities:			
General government	\$ 2,915	\$ -	\$ (2,915)
Public Works	-	3,142,411	3,142,411
Interest expense on debt	2,782,084	-	(2,782,084)
Totals	2,784,999	3,142,411	357,412
General revenues			
Taxes:			
Property taxes, levied for debt service			2,151,268
Donations of capital assets			
Investment earnings			38,754
Transfers out			(2,756,853)
Total general revenues and transfers			(566,831)
Change in net position			(209,419)
Net position - beginning			(32,094,106)
Prior period adjustment (note 1.,N.)			(102,937)
Net position - beginning - restated			(32,197,043)
Net position - ending			\$ (32,406,462)

The accompanying notes are an integral part of the financial statements

**VISTANCIA COMMUNITY FACILITIES DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2014**

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Totals</b>
<b>ASSETS</b>			
Accounts receivable, net	\$ -	\$ 13,344	\$ 13,344
Interest receivable	1,164	8,550	9,714
Property taxes receivable	-	22,313	22,313
Restricted cash and cash equivalents	4,308,013	4,310,820	8,618,833
Restricted investments	5,382,155	4,371,443	9,753,598
Total assets	<u>\$ 9,691,332</u>	<u>\$ 8,726,470</u>	<u>\$ 18,417,802</u>
<b>LIABILITIES DEFERRED INFLOWS &amp; FUND BALANCES</b>			
Liabilities:			
Accounts payable	635	16,591	17,226
Total liabilities	<u>635</u>	<u>16,591</u>	<u>17,226</u>
Deferred inflow of resources:			
Unavailable revenue-property tax	-	12,922	12,922
Total deferred inflow of resources	<u>-</u>	<u>12,922</u>	<u>12,922</u>
Fund balances:			
Unspendable:			
Prepaid items			
Restricted for:			
Debt service	-	8,696,957	8,696,957
Capital projects	9,690,697	-	9,690,697
Total fund balance	<u>9,690,697</u>	<u>8,696,957</u>	<u>18,387,654</u>
Total liabilities, deferred inflows & fund balance	<u>\$ 9,691,332</u>	<u>\$ 8,726,470</u>	<u>\$ 18,417,802</u>

The accompanying notes are an integral part of the financial statements

**VISTANCIA COMMUNITY FACILITIES DISTRICT  
RECONCILIATION OF THE BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL ACTIVITIES  
JUNE 30, 2014**

Fund balances - total governmental funds balance sheet	\$ 18,387,654
<p>Amounts reported for governmental activities 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 governmental funds.</p>	
Governmental capital assets	1,734,598
<p>Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.</p>	
Governmental bonds payable	(51,095,000)
<p>Bond premiums are recognized at the time of issuance in the governmental funds, but are deferred and recognized over the life of the bonds for government-wide reporting</p>	
	(53,221)
<p>Property tax revenue earned but not received within 60 days of year-end is deferred for the governmental statements, but is recognized as revenue for the government-wide statements</p>	
	12,922
<p>Interest payable on long-term debt is not reported in the governmental funds.</p>	
	(1,393,415)
Net position of governmental activities - statement of net position	<u>\$ (32,406,462)</u>

The accompanying notes are an integral part of the financial statements

**VISTANCIA COMMUNITY FACILITIES DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Totals</u>
<b>REVENUES:</b>			
Taxes:			
Property taxes	\$ -	\$ 2,152,633	\$ 2,152,633
Investment earnings	12,752	26,002	38,754
Developer contributions	-	3,142,411	3,142,411
Total revenues	<u>12,752</u>	<u>5,321,046</u>	<u>5,333,798</u>
<b>EXPENDITURES:</b>			
Current operating:			
General government	-	2,915	2,915
Debt service:			
Principal payments	-	2,630,000	2,630,000
Interest and other charges	-	2,854,633	2,854,633
Capital outlay	736,380	-	736,380
Total expenditures	<u>736,380</u>	<u>5,487,548</u>	<u>6,223,928</u>
Excess (deficiency) of revenues over expenditures	<u>(723,628)</u>	<u>(166,502)</u>	<u>(890,130)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers out	(7,250)	-	(7,250)
Total other financing sources and uses	<u>(7,250)</u>	<u>-</u>	<u>(7,250)</u>
Net change in fund balances	<u>(730,878)</u>	<u>(166,502)</u>	<u>(897,380)</u>
Fund balances - beginning	10,421,575	8,966,396	19,387,971
Prior period adjustment (see note 1.,N.)	-	(102,937)	(102,937)
Fund balances - beginning - restated	<u>10,421,575</u>	<u>8,863,459</u>	<u>19,285,034</u>
Fund balances - ending	<u>\$ 9,690,697</u>	<u>\$ 8,696,957</u>	<u>\$ 18,387,654</u>

The accompanying notes are an integral part of the financial statements

**VISTANCIA COMMUNITY FACILITIES DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014**

Net change in fund balances - total governmental funds	\$ (897,380)
Amounts reported for governmental activities in the statement of activities are different because:	
Certain revenues are deferred in the governmental funds because they do not provide current financial resources, but are considered revenue on the statement of activities.	(1,365)
Interest expense in the statement of activities differs from the amount reported in governmental funds because accrued interest was calculated for bonds and notes payable for the statement of activities, but is expensed when due for the governmental fund statements.	67,803
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$736,380) exceeded depreciation (\$0) in the current period.	736,380
Repayment of bond principal is an expenditure in the governmental funds, but reduces long-term liabilities in the statement of net position. No effect on net position.	2,630,000
Loss on refunding and bond premiums are expensed in the year of issuance for budgetary purposes but are amortized to interest expense over the life of the bonds for GAAP purposes.	4,746
The donation of governmental capital assets to the City's Proprietary Funds is not shown in the governmental fund statements but is a transfer out in the statement of activities	(2,749,603)
Change in net position of governmental activities- statement of activities	\$ (209,419)

The accompanying notes are an integral part of the financial statements

**VISTANCIA COMMUNITY FACILITIES DISTRICT  
BUDGETARY COMPARISON STATEMENT  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (budgetary basis)</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, July 1, 2013	\$ 10,557,606	\$ 10,557,606	\$ 10,557,606	\$ -
<b>RESOURCES (INFLOWS):</b>				
Investment earnings	38,500	38,500	34,112	(4,388)
Total inflows	<u>38,500</u>	<u>38,500</u>	<u>34,112</u>	<u>(4,388)</u>
Amounts available for appropriation	<u>10,596,106</u>	<u>10,596,106</u>	<u>10,591,718</u>	<u>(4,388)</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Capital outlay	10,595,826	10,436,093	903,538	(9,532,555)
Transfers to other funds	-	-	-	-
Total charges to appropriations	<u>10,595,826</u>	<u>10,436,093</u>	<u>903,538</u>	<u>(9,532,555)</u>
Budgetary fund balance, June 30, 2014	<u>\$ 280</u>	<u>\$ 160,013</u>	<u>\$ 9,688,180</u>	<u>\$ 9,528,167</u>

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	\$ 10,591,718
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(10,557,606)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	(21,360)
Total revenues as reported on the combining statement of revenue, expenditures, and changes in fund balances - non-major governmental funds	<u>\$ 12,752</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 903,538
Differences - budget to GAAP:	
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	(159,908)
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	(7,250)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	-
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - non-major governmental funds	<u>\$ 736,380</u>

The accompanying notes are an integral part of the financial statements

VISTANCIA COMMUNITY FACILITIES DISTRICT  
Peoria, Arizona

**NOTES TO THE FINANCIAL STATEMENTS**

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VISTANCIA COMMUNITY FACILITIES DISTRICT  
PEORIA, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Vistancia Community Facilities District, a component unit of the City of Peoria, Arizona (City), conform to accounting principles generally accepted in the United States of America ("GAAP") as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of other significant accounting policies:

**A. Financial Reporting Entity**

The Vistancia Community Facilities District (the District) was formed by petition to the City Council in 2002. The District's purpose is to acquire or construct public infrastructure in a specified area of the City. As a special purpose district and separate political subdivision under the Arizona Constitution, the District can levy taxes and issue bonds independently of the City. Property owners in the designated areas are assessed for the District's property taxes, and thus for the costs of operating the District. The City Council serves as the Board of Directors of the District. The City has no liability for the District's debt. For financial reporting purposes, the transactions of the District are included as governmental type funds in the City's financial statements as if they were part of the City's operations.

**B. Basic Financial Statements**

The basic financial statements of the District include both government-wide and fund financial statements. The government-wide financial statements (statement of net position and statement of activities) report on all of the non-fiduciary activities of the District as a whole. All of the activities of the District are governmental activities. All activities are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statement focus more on sustainability of the District as an entity and the change in aggregate financial position resulting from activities of the period. Generally, the effect of interfund activity has been removed from the government-wide financial statements.

The government-wide Statement of Net Position reports all financial and capital resources of the government (excluding fiduciary funds). It is displayed in a format of assets less liabilities equal net position, with the assets and liabilities shown in order of their relative liquidity. Net assets are required to be displayed in three components, if applicable: 1) net investment in capital assets 2) restricted and 3) unrestricted. Restricted net assets are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net assets not otherwise classified as restricted, are shown as unrestricted. Generally, the District would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. At June 30, 2014, the net position of the District is negative and therefore is shown as unrestricted.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of the functions and segments of the District are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Interest on general long-term debt is shown separately, not allocated to functions. Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods,

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services or privileges provided by a particular 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, investment income and other revenues not identifiable with particular functions or segments are included as general revenues. The general revenues support the net costs of the functions and segments not covered by program revenues.

Also part of the basic financial statements are fund financial statements. The focus of the fund financial statements is on major funds. Both of the funds of the District, the general fund and the debt service fund are governmental funds. The governmental fund financial statements are prepared on a current financial resources measurement focus and modified accrual basis of accounting. Since the governmental fund financial statements are presented on a different basis than the governmental activities of the government-wide financial statements, reconciliations are provided following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities of the government-wide financial statements.

**C. Basis of Presentation**

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts, which includes assets, liabilities, deferred inflow of resources, fund equity, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following fund categories (further divided by fund type) are used by the District:

**Governmental Funds**

Governmental funds are used to account for the District's general government activities. The focus of Governmental Fund measurement is upon determination of financial position and changes in financial position rather than upon net income. The following are the Governmental Funds of the District:

General Fund accounts for the proceeds from the sales of Community Facilities District bonds and the acquisition of capital assets or construction of major capital projects within the District.

Debt Service Fund accounts for the resources accumulated for, and the servicing of the general long-term debt of the District, including principal, interest and other related costs.

**D. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types are presented using the flow of current financial resources measurement focus. This presentation is deemed most appropriate to 1) demonstrate legal and covenant compliance, 2) demonstrate the sources and uses of liquid resources, and 3) demonstrate how the District's actual revenues and expenditures conform to the annual budget. With this measurement focus, operating statements present increases and decreases in net current assets, and unassigned fund balance is a measure of available spendable resources. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon thereafter to pay liabilities of the current period. The District considers revenues available under

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modified accrual, if they are earned by June 30 (all eligibility requirements have been met) and the revenue is expected to be collected within six months after year-end, except for property taxes. For property taxes, the District uses a 60 day collection period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due.

When applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB Statement #33 – *Recipient Reporting for Certain Shared Non-exchange Transactions* (Statement #33), receivables and revenues are recognized when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as unearned revenue.

Under GASB Statement #33, property taxes are susceptible to accrual when an enforceable legal claim has arisen. As noted above, the District recognizes property taxes received within 60 days of fiscal year-end to be revenues under modified accrual. The remaining taxes levied, if any, are considered a deferred inflow of resources on the financial statements. Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Interest and dividend income is recognized on the modified accrual basis. Changes in fair value of investments are recognized in investment income at the end of the year.

#### **E. Budgets and Budgetary Accounting**

The District uses the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

- According to the laws of the State of Arizona, all operating budgets must be approved by their governing board on or before the second Monday in August to allow sufficient time for legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August.
- In June, the proposed budget for the following fiscal year is presented by the Treasurer to the District Board. The budget includes proposed expenditures and the means of financing them. Public meetings are held to obtain taxpayer comment.
- Prior to June 30, the District Board legally enacts the budget, through the passage of a resolution. The resolution sets the limit for expenditures for the year. There were no supplemental appropriations made during fiscal year 2014.
- The initial budget for the fiscal year may be amended during the year in a legally permissible manner.
- All unencumbered expenditure appropriations expire at the end of the fiscal year.
- Encumbered amounts are re-budgeted in the following year as deemed appropriate and necessary. Budgetary carry forwards are approved by the District Board.
- All funds of the District have legally adopted budgets. Formal integration of these budgets into the District's financial systems is employed as a management control device during the year for all funds.

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The District prepares its annual budget on a modified cash basis, which differs from GAAP. The District prepares budgetary comparison statements for both of its funds for presentation in the annual financial statements of the District. These statements and schedules display original budget, amended budget and actual results (on a budgetary basis). The budgetary comparison statement for the General Fund is presented as part of the basic financial statements and the budgetary comparison schedule for the Debt Service Fund is presented as supplemental information after the notes to the financial statements.

**F. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed by the District. Since they do not constitute expenditures or liabilities, encumbrances are not reported in either the fund financial statements or the government-wide financial statements.

**G. Deposits and Investments**

Arizona Revised Statutes authorizes the District to invest public monies in the State or County treasurer's investment pools, interest bearing savings accounts, certificates of deposit and repurchase agreements in eligible depositories: bonds or other obligations of the United States government that are guaranteed as to principal and interest by the United States government; or bonds of the State of Arizona counties, cities, towns, school districts or special districts as specified by statute. As required by statute, collateral is required for demand deposits, certificates of deposit and repurchase agreements at 102% of all deposits not covered by Federal depository insurance.

Cash and cash equivalents held at June 30, 2014, by the trustee, plus accrued interest are restricted as to usage.

The District's deposits at June 30, 2014, were collateralized with securities held by the pledging financial institution's trust department in the District's name.

Investments, if any, are stated at fair value in accordance to GASB Statement #31. Interest income from investments is recorded as earned under the modified accrual basis of accounting.

**H. Capital Assets**

Governmental Fund types do not display capital assets on the face of the fund financial statements. The costs of purchasing, or constructing, capital assets are shown as capital outlay expenditures in the Governmental Statement of Revenues, Expenditures and Changes in Fund Balance, unless the capital assets have already been transferred to the City. The capital assets of the District, once completed and acceptable to the City, are transferred to the City. All subsequent costs of operating and maintaining those assets will be the responsibility of the City.

Since the capital assets acquired or constructed by the District are turned over to the City once they are operational, the District generally does not own capital assets. Capital assets still under construction at fiscal year-end are shown as work-in-progress on the District's government-wide financial statements.

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**I. Restricted Assets**

Certain proceeds of the District's bonds, as well as certain resources set aside for their repayments, are classified as restricted on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable debt covenants.

**J. 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. The District did not have any items that qualified for reporting in this category.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflow 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.

**K. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Governmental fund types do not display long-term obligations on the face of the financial statements. Bond premiums and discounts, as well as bond issuance costs, are recognized in the period in which the bonds are issued. 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.

The long-term debt of the District is serviced by the District's Debt Service Fund.

**L. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The District's insurance coverage is provided by the City under the City's umbrella insurance policies. The City maintains a Self-Insurance Fund (accounted for in the Internal Service Funds) to account for and finance its uninsured risks of loss. As with any risk retention program, the City is contingently liable with respect to claims beyond those actuarially projected.

Governmental Accounting Standards Board Statement #10 requires that claims liabilities be reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. As of June 30, 2014, no claims liability is reported in the District's financial statements, or by the City on behalf of the District. The District, through the City, is self-insured for property and public liability up to \$1,000,000. Excess coverage insurance policies purchased through commercial insurance carriers cover individual claims in excess of this amount, up to a maximum of \$40,000,000 per occurrence. Additionally, through a development agreement between the District and the developer, the developer is responsible for \$250,000, per incident, of

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any insurance deductibles that might be paid by the City on behalf of the District. During the fiscal year ended June 30, 2014, there was no significant reduction in excess insurance coverage. Additionally, settlements for each of the last three fiscal years have not exceeded the City's, and therefore the District's, insurance coverage.

**M. Cash Equivalents**

The District considers short-term investments, including restricted investments, in mutual fund money market and U.S. Treasury bills and notes with maturities of less than three months at acquisition date to be cash equivalents.

**N. Prior Period Adjustment**

In prior fiscal years, the City recorded a receivable due to property taxes to be received in future periods. However in fiscal year 2014, it was determined that these receivables were overstated in the Debt Service Fund.

The prior period adjustment impacted beginning net position and fund balance as follows:

	Governmental Activities	Debt Service Fund
Net position-beginning	\$ (32,094,106)	\$ 8,966,396
Prior period adjustment	(102,937.00)	(102,937.00)
Net position-beginning-restated	<u>\$ (32,197,043)</u>	<u>\$ 8,863,459</u>

**O. Use of Estimates**

The preparation of 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheet and the reported amounts of revenue and expenditures during the reported period. Actual results could differ from those estimates.

**2. BUDGET BASIS OF ACCOUNTING**

The District does adopt an annual operating budget for both of its funds. The District prepares the annual budget on a modified cash basis, which differs from GAAP, as discussed in Note 1. Budgetary control over expenditures is exercised at the fund level. The budgetary comparison schedule for the general fund is presented as part of the basic financial statements. The budgetary schedule for the debt service fund is presented as supplemental information after these notes to the financial statements. The budgetary statements/schedules include a reconciliation of the adjustments required to convert the budgetary revenues and expenditures or changes in net assets on a budgetary basis, to revenues and expenditures or changes in net assets on a GAAP basis.

**3. CASH AND INVESTMENTS**

Arizona Revised Statutes authorize the District to invest public monies in the State or County Treasurers' investment pools, interest bearing savings accounts, certificates of deposit and repurchase agreements in eligible depositories; bonds or other obligations of the United States government that are guaranteed as to principal and interest by the United States government; or bonds of the State of Arizona counties, cities, towns, school districts or special districts as specified by statute. As required by statute, collateral is required for demands deposits, certificates of deposit and repurchase agreements at 102% of all deposits not covered by Federal depository insurance.

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The District participates in the pooled cash and investments of the City for daily transactions. The City then periodically requested reimbursement from the District's restricted funds held by the trustee. At June 30, 2014, the District had a credit position of (\$495,550) in the City's pooled cash and investments.

Governmental Accounting Standards Board Statement No. 40 – Deposit and Investment Risk Disclosures (Statement 40) requires the District to disclose its deposit and investment policies regarding certain types of investment risks. The District follows the City's adopted investment policy and is in compliance with Statement 40.

Interest rate risk: In order to limit interest and market rate risk, State law and the City's investment policy sets a maximum maturity on any investment of five years with a minimum of 35% invested for a period of one year or less and no more than 20% of the City's portfolio be invested for a period greater than three years. At June 30, 2014, 89.4% of the District's investments have a maturity of less than one year and none have maturities greater than four years. The City's investment policy also sets a maximum weighted average maturity (WAM) not to exceed one year. The District's WAM at June 30, 2014, was 172 days.

Credit risk: State law and the City's investment policy limits the purchase of Commercial Paper to those securities rated A-1/P-1 or the equivalent by two nationally recognized statistical rating agencies. The City's investment policy also limits the purchase of Banker's Acceptances to those securities rated Aa or better by two nationally recognized rating agencies and with a maximum maturity of 180 days. At June 30, 2014, the District's investments include \$2.2 million in Commercial Paper and no Banker's Acceptance securities. State law and the City's investment policy also restricts investments in certificates of deposit (CD) to fully collateralized or insured from eligible Arizona depositories limited on a statewide basis by their capital structure on a quarterly basis. Such CDs are further collateralized to 110% with pledged securities held by an independent custodian approved by the City. City policy requires that securities underlying repurchase agreements must have a market value of at least 102% of the cost of the repurchase agreement. The market values of securities underlying repurchase agreements were at or above the required level during the fiscal year.

<u>Investment Type</u>	<u>Moody's Rating</u>	<u>S&amp;P Rating</u>	<u>% of Investments</u>
Federal Home Loan Bank - Agency Note	Aaa	AA+	13.3%
Federal National Mortgage Assoc. - Agency Note	Aaa	AA+	28.5%

Concentration of credit risk: The City's investment policy sets diversification limits on both security types and length of maturity. As of June 30, 2014, the District's investments include 41.8% invested in U.S. Agency Coupon securities, 11.9% in commercial paper, and 46.3% in money market funds.

Custodial credit risk: To control custodial credit risk, State law and the City's investment policy requires all securities and collateral to be held by an independent third party custodian in the City's name. The custodian provides the City with monthly market values along with original safekeeping receipts.

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At June 30, 2014, the District's investments included the following:

	Investment Maturities in Years			Fair Value
	Less than 1	1-2	2-3	
<u>Restricted Investments</u>				
Agency coupon securities	\$ 5,886,842	\$ -	\$ 2,000,100	\$ 7,886,942
Commercial paper	2,248,619	-	-	2,248,619
				10,135,561
Mutual fund-money market	8,732,420	-	-	8,732,420
Total restricted investments	\$ 16,867,881	\$ -	\$ 2,000,100	\$ 18,867,981
Less: amount included in restricted cash and cash equivalents				\$ (8,618,833)
Less: amount used to offset credit position in the City's pooled cash				(495,550)
Restricted investments, net				\$ 9,753,598

Fair value fluctuates with interest rates, and increasing rates could cause fair value to decline below original cost. District management believes the liquidity in the portfolio is adequate to meet cash flow requirements and to preclude the District from having to sell investments below original cost.

Investment income comprises the following for the year ended June 30, 2014:

Net interest and dividends	\$ 41,209
Net decrease in the fair value of investments	(2,455)
Total net investment income per statement of activities	\$ 38,754

The net decrease in the fair value of investments during fiscal year 2014 was approximately \$2,455. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized gain on investments held at June 30, 2014, was approximately \$2,032.

#### 4. PROPERTY TAXES

Arizona law provides for a two tiered tax system: (1) a primary system for taxes levied to pay for current operation and maintenance expenses, and (2) a secondary system for taxes levied to pay principal and interest on bonded indebtedness as well as for the determination of maximum permissible bonded indebtedness.

Specific provisions are made under each system for determining full cash values of property, the basis of assessment, and the maximum annual tax levies on certain types of property and by certain taxing authorities. Under the primary system, the full cash value of locally assessed real property (consisting of residential, commercial, industrial, agricultural and unimproved property) may increase by more than 10% annually only under certain circumstances. Under the secondary system, there is no limitation on annual increases in full cash value of any property. Primary levies on residential property are limited to one percent of the primary full cash value of such property. Additionally, primary taxes on all types of property are limited to a maximum increase of two percent over the prior year's levy, adjusted for new construction and annexations. Secondary property taxes levied to pay principal and interest on bonded indebtedness are not limited. The District's assessed valuation for 2014 is \$102,857,570.

The Arizona tax year has been defined as a calendar year, notwithstanding the fact that tax procedures begin prior to January 1 of the tax year and continue through May of the succeeding calendar year. The definition of the tax year is a function of the fact that the tax lien for the year attaches to the real property as of January 1 of the year in question.

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The District Board adopts the annual tax levy each year on or before the third Monday in August. The basis of this levy is the full cash value as determined by the Maricopa County Assessor. For locally assessed property, the value is determined as of January 1 of the preceding year, known as the valuation year. For utilities and other centrally valued properties, the full cash value is determined as of January 1 of the tax year. The District has an enforceable claim on the property when the property tax is levied. Levies are due and payable in two installments, on October 1 and March 1, and become delinquent on November 1 and May 1, respectively. Delinquent amounts bear interest at the rate of 16 percent. A lien is placed on the property at the time the tax bill is sold. Maricopa County, at no charge to the taxing entities, bills and collects all property taxes. Public auctions for sale of delinquent real estate taxes are held in February following the May 1 date upon which the second half taxes become delinquent. The purchaser is given a Certificate of Purchase issued by the County Treasurer. Five years from the date of sale, the holder of a Certificate of Purchase that has not been redeemed may demand a County Treasurer's Deed from the County Treasurer.

Property taxes are recognized as revenue in the government-wide financial statements when an enforceable legal claim has arisen. Therefore, the District recognizes revenue and a receivable, less any allowance for doubtful accounts deemed appropriate, for the entire tax levy in the year it is levied. For the governmental fund statements, property tax revenues not collected within 60 days of year end are deferred.

Property taxes receivable consist of uncollected taxes as determined from the records of the County Treasurer's Office and at June 30, 2014, were \$22,313 in the Debt Service Fund. There were \$12,922 in unavailable property taxes at June 30, 2014.

## **5. TRANSFERS**

Net transfers in between the District and the City, if any, are primarily the result of transfer of completed capital assets to the City's Proprietary Funds during the year. Additionally, in the Fund Financial Statements there may be transfers between the District's General Fund and the Debt Service Fund. There were no significant transfers during fiscal year 2014 there were either non-routine in nature or inconsistent with the activities of the fund making the transfer.

## **6. DEFICITS IN FUND EQUITY/EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

As described in Note 1, the District was formed to finance and acquire or construct capital infrastructure assets that are subsequently dedicated to the City for operation. The District does not own or operate capital assets. Therefore the Statement of Net Position reflects a large liability (bonds payable) without an offsetting asset and, therefore, negative net position at June 30, 2014.

For the year ended June 30, 2014, expenditures, including capital outlay and transfers, did not exceed budget for either of the funds of the District.

## **7. FUND BALANCE/NET POSITION RESTRICTIONS, COMMITMENTS AND ASSIGNMENTS**

Only restrictions imposed by external sources are shown as Restricted Net Assets on the government-wide financial statements. Additionally, restrictions for inventories, prepaid items, and long-term interfund loans, if any, are shown as nonspendable fund balance on the governmental fund financial statements. Restrictions imposed by external sources or State of Arizona enabling legislation, if any, are shown as restricted fund balance on the governmental fund financial statements. Commitments or assignments of fund balances imposed by the reporting district, whether by administrative policy or legislative action, if any, are shown on the governmental fund financial statements. As previously noted in Note 1.B, generally, the District would first apply restricted resources when an expense is incurred for purposes for

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which both restricted and unrestricted net assets are available. The order in which the District would apply resources when multiple categories of unrestricted fund balance are available is as follows: committed, assigned and unassigned. There were no committed, assigned, or unassigned fund balances of the governmental funds at June 30, 2014.

**8. CAPITAL ASSETS**

The following table discloses the capital asset activity of the District, for the government-wide financial statements, for the fiscal year ended June 30, 2014.

	Balances June 30, 2013	Additions/ Transfers in	Disposals/ Transfers out	Balances June 30, 2014
Non-depreciable assets:				
Work in Progress-Water system	\$ 3,707,777	\$ 501,677	\$ (2,749,603)	\$ 1,459,851
Work in Progress-Wastewater system	40,044	234,703	-	274,747
Total Capital Assets	<u>\$ 3,747,821</u>	<u>\$ 736,380</u>	<u>\$ (2,749,603)</u>	<u>\$ 1,734,598</u>

As discussed in Note 1, governmental fund types do not display capital assets on the face of the financial statements. The District does, however, purchase or construct capital assets with the intent of conveying the assets to the City upon completion and acceptance by the City.

**9. LONG-TERM DEBT**

Community Facilities Districts (CFD's), are special purpose districts created specifically to acquire or construct public infrastructure within specified areas of the City, are authorized under state law to issue general obligation (GO) or revenue bonds to be repaid by property (ad valorem) taxes levied on property within the district (for GO debt), or by specified revenues generated within the districts (revenue bonds). CFD's are created by petition to the City Council by property owners within the area to be covered by the district, and debt may be issued only after approval of the voters within the district.

On October 15, 2002 the City Council formed the Vistancia Community Facilities District (the District) pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes. The District was subsequently authorized, by the voters of the district on November 12, 2002, to issue up to \$100,000,000 in general obligation bonds to construct public infrastructure within the District. The district issued \$21,250,000 in fiscal year 2003, \$23,550,000 in fiscal year 2005, and \$22,760,000 in fiscal year 2007 of general obligation bonds against this authorization. These bonds will be repaid by the property owners within the District. The bonds are obligations of the District only. The City has no obligation for the District debt other than the administration of the collection of the property taxes and payment of the debt service on behalf of the District.

Legal Debt Limit – General Obligation bonded indebtedness for the District cannot exceed 60 percent of the market value of the property in the District after the infrastructure is completed plus the value of the infrastructure improvements made.

As discussed in Note 1, governmental type funds do not display long-term obligations on the face of the financial statements. The following tables disclose the long-term debt obligations of the District as of June 30, 2014, for the government-wide financial statements.

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Delivery Date	Description	Purpose	Maturity Dates	Net Interest Rate	Ave. Life (Yrs)	Original Principal Balance	Principal Balance Outstanding
CFD Bonds (collateralized by ad valorem property taxes levied on the property benefiting from the improvements)							
12/17/02	Series 2002	Vistancia CFD Infrastructure	7/15/05-22	6.69	12.7	21,250,000	\$ 13,375,000
04/27/05	Series 2005	Vistancia CFD Infrastructure	7/15/07-24	5.47	13.2	23,550,000	18,000,000
12/28/06	Series 2006	Vistancia CFD Infrastructure	7/15/09-26	4.26	20	22,760,000	19,720,000
Total bonds payable							51,095,000
Less current portion							2,765,000
Long-term portion of bonds payable							<u>\$ 48,330,000</u>

The following is a summary of the long-term debt activity of the District for the fiscal year ended June 30, 2014.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
General obligation bonds	<u>\$ 53,725,000</u>	<u>-</u>	<u>\$ 2,630,000</u>	<u>\$ 51,095,000</u>	<u>\$ 2,765,000</u>

The following table discloses the debt service requirements as of June 30, 2014, segregating principal and interest, for the next five years and in five-year increments thereafter.

Fiscal Year	Principal	Interest	Total
2015	\$ 2,765,000	\$ 2,711,311	\$ 5,476,311
2016	2,920,000	2,555,716	5,475,716
2017	3,080,000	2,388,074	5,468,074
2018	3,255,000	2,207,674	5,462,674
2019	3,440,000	2,015,359	5,455,359
2020-2024	20,430,000	6,745,134	27,175,134
2025-2027	15,205,000	1,082,914	16,287,914
Totals	<u>\$ 51,095,000</u>	<u>\$ 19,706,182</u>	<u>\$ 70,801,182</u>

SUPPLEMENTAL INFORMATION

**VISTANCIA COMMUNITY FACILITIES DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
COMMUNITY FACILITIES DISTRICT (CFD) BONDS DEBT SERVICE FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (budgetary basis)</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, July 1, 2013	\$ 8,828,779	\$ 8,828,779	\$ 8,828,779	\$ -
<b>RESOURCES (INFLOWS):</b>				
Property Taxes	2,160,009	2,160,009	2,260,697	100,688
Investment earnings	23,900	22,800	26,957	4,157
Miscellaneous	3,307,325	3,307,325	3,142,411	(164,914)
Total inflows	<u>5,491,234</u>	<u>5,490,134</u>	<u>5,430,065</u>	<u>(60,069)</u>
Amounts available for appropriation	<u>14,320,013</u>	<u>14,318,913</u>	<u>14,258,844</u>	<u>(60,069)</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Contractual services	4,600	4,600	2,915	(1,685)
Debt service:				
Principal payments	2,630,000	2,630,000	2,630,000	-
Interest and other charges	2,854,634	2,854,634	2,854,633	(1)
Total charges to appropriations	<u>5,489,234</u>	<u>5,489,234</u>	<u>5,487,548</u>	<u>(1,686)</u>
Budgetary fund balance, June 30, 2014	<u>\$ 8,830,779</u>	<u>\$ 8,829,679</u>	<u>\$ 8,771,296</u>	<u>\$ (58,383)</u>

**Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures**

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	\$ 14,258,844
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(8,828,779)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	(109,019)
Transfers from other funds are a budgetary resource but are not revenues for financial reporting purposes	-
Total revenues as reported on the combining statement of revenue, expenditures, and changes in fund balances - non-major governmental funds	<u>\$ 5,321,046</u>

**Uses/outflows or resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 5,487,548
Differences - budget to GAAP:	
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	-
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	-
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - non-major governmental funds	<u>\$ 5,487,548</u>

CONTINUING DISCLOSURE INFORMATION

VISTANCIA COMMUNITY FACILITIES DISTRICT  
Peoria, Arizona

**CONTINUING DISCLOSURE INFORMATION**

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SEC Rule 15c2-12, as amended, requires the City to provide Continuing Disclosure Annual Reports that include audited financial statements and other financial information for the benefit of owners and holders of bond obligations issued by the City. The Continuing Disclosure Annual Report shall contain or incorporate by reference certain information as set forth in the Continuing Disclosure Agreements and Undertakings executed by the City with the issuance of its municipal bond obligations.

Information in this section is provided solely pursuant to the requirements of SEC Rule 15c2-12 and Continuing Disclosure Agreements and Undertakings and include financial information that is not required for fair presentation in conformity with accounting principles generally accepted in the United States of America and is therefore unaudited and not covered by the auditor's opinion.

Annual continuing disclosure information is filed with the Municipal Securities Rulemaking Board (MSRB) for public access via their Electronic Municipal Market Access (EMMA) system at [www.emma.msrb.org](http://www.emma.msrb.org).

<b><u>Tables</u></b>	<b><u>Page</u></b>
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Table 2 – Secondary Assessed Value by Major Property Taxpayers	30
Table 3 – Direct and Overlapping General Obligation Bonded Debt	31

**VISTANCIA COMMUNITY FACILITIES DISTRICT  
SECONDARY ASSESSED VALUE AND FULL CASH VALUE OF TAXABLE PROPERTY  
AS OF JUNE 30, 2014**

**Table 1**

<u>Description</u>	<u>2013-14 Secondary Assessed Value</u>	<u>Percent of Total</u>
Commercial, Industrial, Mining & Utilities	\$ 7,166,743	6.97%
Agriculture & Vacant Land	9,400,341	9.14%
Residential - Owner Occupied	66,611,576	64.76%
Residential - Leased or Rented	19,678,910	19.13%
Net Secondary Assessed Value	<u>\$ 102,857,570</u>	<u>100.00%</u>
Full Cash Value	\$ 996,879,198	
Net Secondary Assessed Value as a Percentage of Full Cash Value		10%

Source: Maricopa County Assessor

**VISTANCIA COMMUNITY FACILITIES DISTRICT  
SECONDARY ASSESSED VALUE BY MAJOR TAXPAYERS  
AS OF JUNE 30, 2014**

Table 2

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2013-14 Secondary Assessed Value</u>	<u>% of District's 2013-14 Secondary Assessed Value</u>
PWREO Vistancia LLC	Investment	\$ 2,488,059	2.42%
Vistancia South LLC	Real Estate Development	1,313,555	1.28%
Blackstone Country Club	Sports and Recreation Clubs	1,253,141	1.22%
Accipter Communications Inc.	Data Communications	1,168,941	1.14%
Lake Pleasant Partners LLC	Real Estate Development	1,035,589	1.01%
Vistancia 150 Commercial LLC	Real Estate Development	980,762	0.95%
Vistancia LLC	Sports and Recreation Clubs	847,881	0.82%
Shea Homes Southwest Inc.	Real Estate Development	672,166	0.65%
MSR Public Power Agency	Electric Utility	546,714	0.53%
Shea Homes of Phoenix Inc	Real Estate Development	530,190	0.52%
Southwest Transmission	Electric Utility	388,994	0.38%
Southwest Gas Corporation	Gas Utility	308,927	0.30%
Shea Homes Limited Partnership	Real Estate Development	262,160	0.25%
Mattamy Arizona LLC	Real Estate Development	258,616	0.25%
Kao Family Trust/Kao Hui-Chen	Family Trust	223,114	0.22%
		<u>\$ 12,278,809</u>	<u>11.94%</u>

Source: Maricopa County Assessor

**VISTANCIA COMMUNITY FACILITIES DISTRICT  
DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT  
AS OF JUNE 30, 2014**

Table 3

Governmental Unit	Secondary Assessed Valuation	General Obligation Bonds Outstanding (2)	Percentage Applicable to City of Peoria (1)	Amount Applicable to City of Peoria	Secondary Tax Rate per \$100 Assessed
Overlapping:					
State of Arizona	\$ 52,598,341,678	\$ -	0.20%	\$ -	\$ -
Maricopa County	32,229,006,810	-	0.32%	-	-
Maricopa County Community College District	32,229,006,810	712,735,000	0.32%	2,274,665	0.24
Peoria Unified School District No. 11	921,493,428	238,910,000	11.16%	26,667,257	3.35
City of Peoria	1,057,413,204	152,820,000	9.73%	14,865,233	1.25
				<u>43,807,155</u>	
Direct:					
Vistancia Community Facilities District	102,857,570	51,095,000	100.00%	51,095,000	2.10
Total direct and overlapping debt				<u>\$ 94,902,155</u>	<u>6.95</u>

(1) Percentage applicable to the City is computed on the ratio of secondary assessed valuation.

(2) Includes total stated principal amount of general obligation bonds outstanding. Does not include certificates of participation, revenue obligations or loan obligations outstanding for the jurisdictions listed.

Sources: - City of Peoria financial records  
- Maricopa County Treasurer  
- Maricopa County Assessor  
- State of Arizona, Department of Revenue, Abstract of the Assessment Roll

**CITY OF PEORIA, ARIZONA**  
**VISTANCIA COMMUNITY FACILITIES DISTRICT**  
**DISTRICT COMMUNICATION**

Agenda Item: 33C

**Date Prepared:** November 10, 2014

**Council Meeting Date:** December 9, 2014

---

**TO:** Carl Swenson, City Manager  
**FROM:** Sonia Andrews, Financial Manager  
**THROUGH:** Brent D. Mattingly, Chief Financial Officer  
**SUBJECT:** Investment Report for the Quarter Ended September 30, 2014

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**Purpose:**

This is a request for the District Board to review and accept the Investment Report for the Quarter Ended September 30, 2014.

**Background/Summary:**

Effective cash management includes investment of available funds. The City of Peoria invests all available funds of the Vistancia CFD, taking into consideration anticipated cash flow requirements and the safety and risk of investments. Investments are made in accordance with the City's Investment Policy and Arizona Revised Statutes Title 35-321 through 35-329. The primary objective of the investments, in order of priority, is:

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

Available funds may only be invested in authorized and suitable investments such as US Treasury Obligations, US Agency Obligations, Certificates of Deposits, Commercial Paper rated A-1/P-1, Money Market Funds and the Arizona State Investment Pool. Investment in equity securities, mutual funds, hedge funds, real estate, foreign investments or other risky investments are strictly prohibited.

The Investment Policy imposes a 1 year maximum weighted average maturity on the overall investment portfolio with specific maximum maturities for each type of investment.

The City utilizes FirstSouthwest, an investment advisory firm, to provide advice and assist with managing its investments. All securities are held by a third party custodian in the Vistancia CFD's name.

Quarterly investment reports are provided to the District Board to report the investment portfolio holdings, maturity distribution, investment performance and compliance with the Investment Policy.

**Previous Actions:**

There are no previous actions for this item.

**Options:**

The District Board 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:**

Discussion and possible action to review and accept the Investment Report as presented.

**Fiscal Analysis:**

This item has no financial implications.

**Narrative:**

For the quarter ended 9/30/14, the Vistancia CFD's investments were fully in compliance with the Investment Policy. Book value of investments at 9/30/14 was \$14,594,017 and investment income for the quarter (7/1/14 to 9/30/14) totaled \$9,367.

The portfolio's weighted average maturity was 243 days and weighted average yield to maturity was 0.273% for the quarter ended 9/30/14.

The attached Investment Report prepared by FirstSouthwest includes the following detail information on the Vistancia CFD's investments:

**Contents of Investment Report**

1. Snapshot of investment portfolio (page 1)
2. Benchmark comparisons (page 2)
3. Investment policy compliance and investment income (page 3)
4. National economic trends (page 4)

**Exhibit(s):**

Quarterly Investment Report

**Contact:**

Sonia Andrews, Finance Manager x5206



# Investment Portfolio Summary

City of Peoria



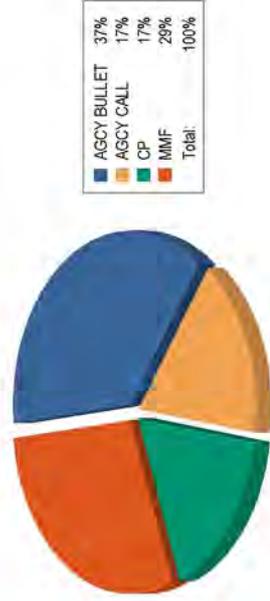
For the Quarter Ended

September 30, 2014

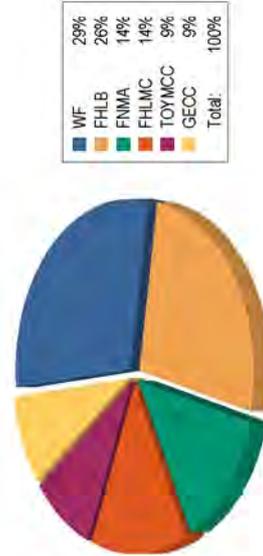
### Account Summary

	Beginning Values as of 06/30/14	Ending Values as of 09/30/14
Par Value	14,577,687.50	14,593,248.53
Market Value	14,589,005.25	14,590,373.53
Book Value	14,586,216.58	14,594,016.55
Unrealized Gain / Loss	2,788.67	(3,643.02)
Market Value %	100.02%	99.98%
Weighted Avg. YTW	0.255%	0.273%
Weighted Avg. YTM	0.255%	0.273%

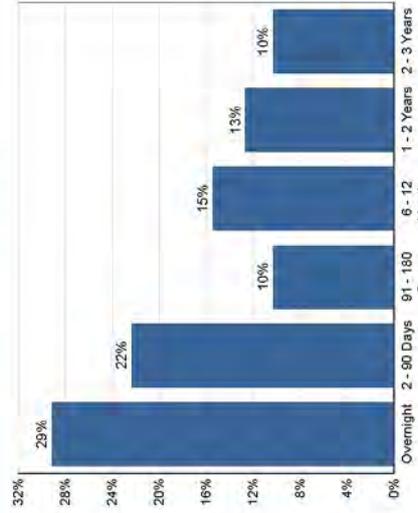
### Allocation by Security Type



### Allocation by Issuer

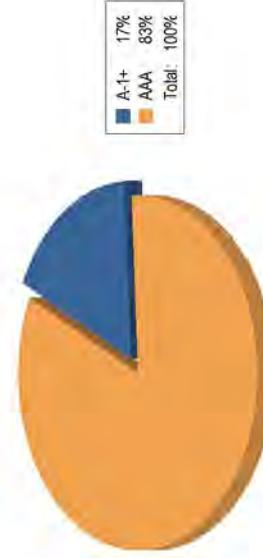


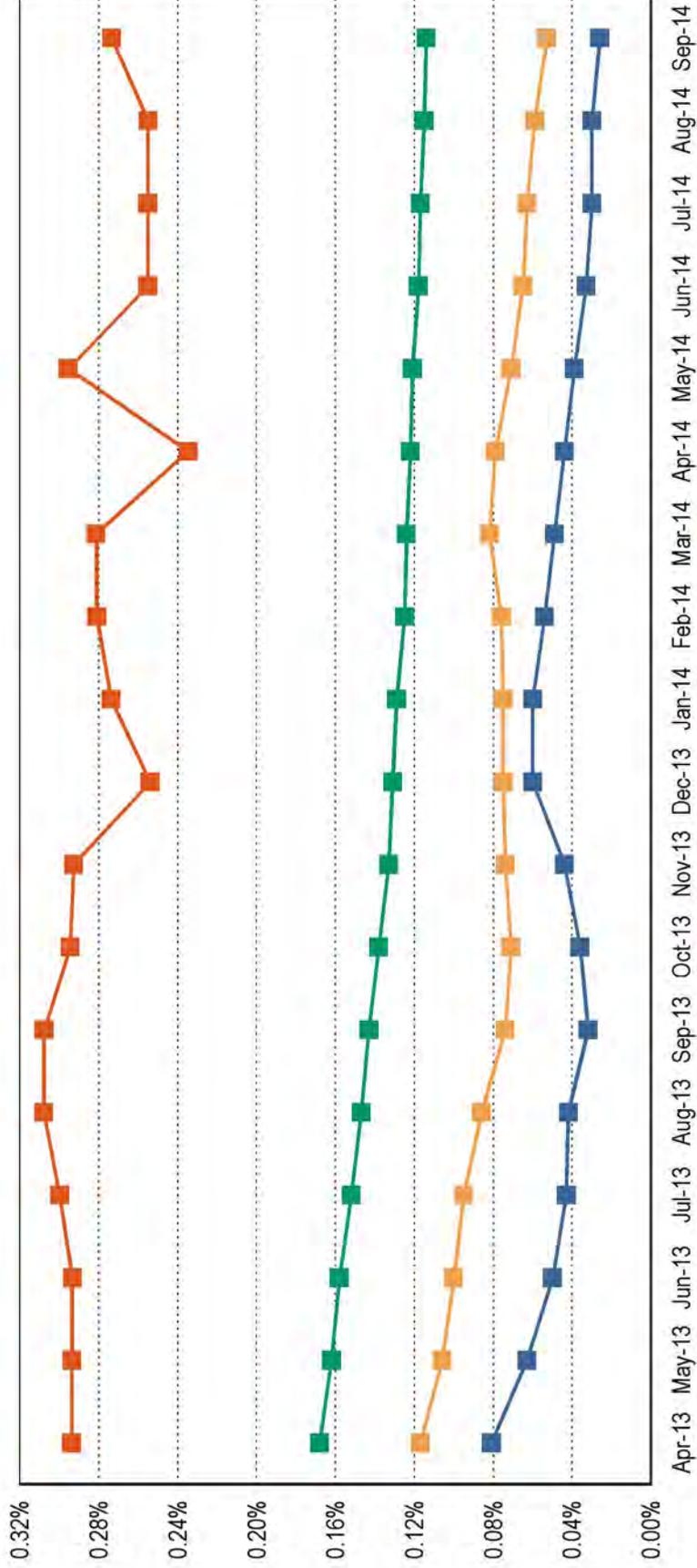
### Maturity Distribution %



Weighted Average Days to Maturity: 243

### Credit Quality





**Note 1:** CMT stands for Constant Maturity Treasury. This data is published in Federal Reserve Statistical Release H.15 and represents an average of all actively traded Treasury securities having that time remaining until maturity. This is a standard industry benchmark for Treasury securities. The 3-month CMT is the daily average for the previous 3 months, the 6-month CMT is the daily average for the previous 6 months, and the 1-year and 2-year CMT's are the daily averages for the previous 12 months.



# City of Peoria - Vistancia Investment Policy Compliance and Investment Income As of 9/30/2014

Investment Type Allocation:	Book Value	Percent	Policy Maximum	Pass / Fail?
Money Market Funds	4,243,248.53	29.08%	35.00%	Pass
Agencies	7,853,222.18	53.81%	80.00%	Pass
Commercial Paper	2,497,545.84	17.11%	35.00%	Pass
U.S. Treasury	-	0.00%	80.00%	Pass
	<b>14,594,016.55</b>	<b>100.00%</b>		

Maturity Breakdown:	Book Value	Percent	Policy Maximum	Pass / Fail?
Less Than 90 Days	7,495,515.65	51.36%		
90 to 180 Days	1,500,099.24	10.28%		
181 to 365 Days	2,249,109.94	15.41%		
1 to 2 Years	1,850,073.79	12.68%		
2 to 3 Years	1,499,217.93	10.27%		
More Than 3 Years	-	0.00%	20.00%	Pass
	<b>14,594,016.55</b>	<b>100.00%</b>		

Issuer Allocation:	Book Value	Percent	Policy Maximum	Pass / Fail?
Fannie Mae	2,002,554.62	13.72%	40.00%	Pass
Freddie Mac	2,000,000.00	13.70%	40.00%	Pass
FHLB	3,850,667.56	26.39%	40.00%	Pass
Federal Farm Credit	-	0.00%	40.00%	Pass
U.S. Treasury	-	0.00%	80.00%	Pass
GE Capital (FDIC)	-	0.00%	10.00%	Pass
Toyota Motor Credit	1,249,712.50	8.56%	10.00%	Pass
Wells Fargo MMF	4,243,248.53	29.08%	35.00%	Pass
GE Capital Corp	1,247,833.34	8.55%	10.00%	Pass
	<b>14,594,016.55</b>	<b>100.00%</b>		

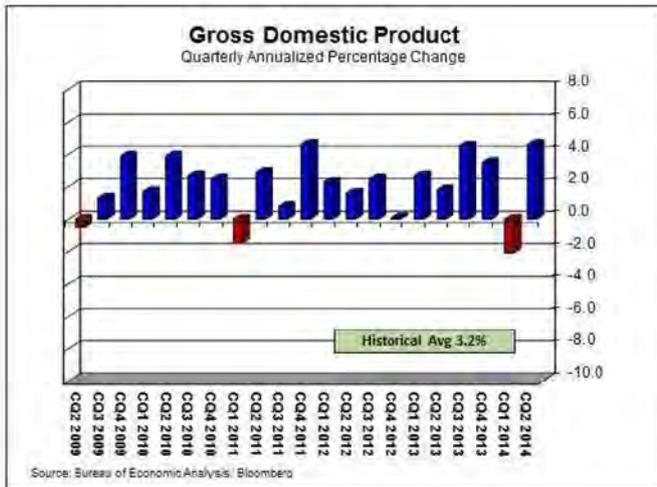
Other Policy Tests:	Pass / Fail?
Policy requires at least 35% of portfolio to mature in less than one year. Current Portfolio Maturing in Less Than One Year = 77.1%	Pass
Policy sets a maximum weighted average maturity of 365 days. Current Portfolio Weighted Average Maturity = 244	Pass

<b>Investment Income for the Period From 7/1/2014 through 9/30/2014:</b>	
Interest Income	9,366.60
Realized Gains/Losses	-
<b>Net Investment Income</b>	<b>9,366.60</b>

## National Economic Trends

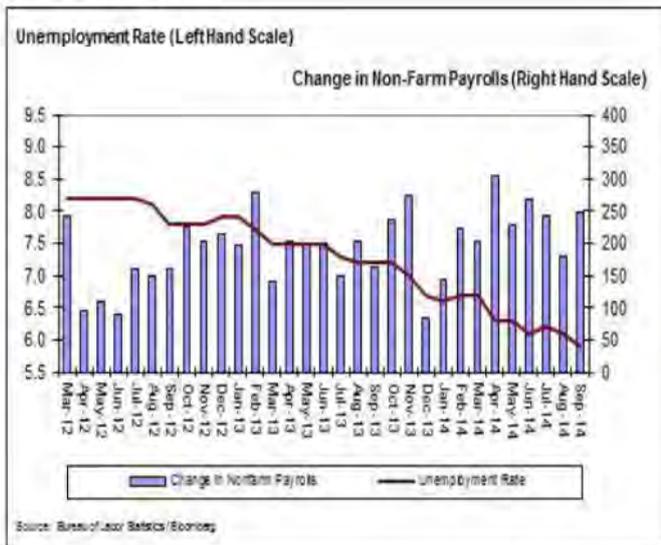
Period ending September 30, 2014

### Gross Domestic Product (GDP)



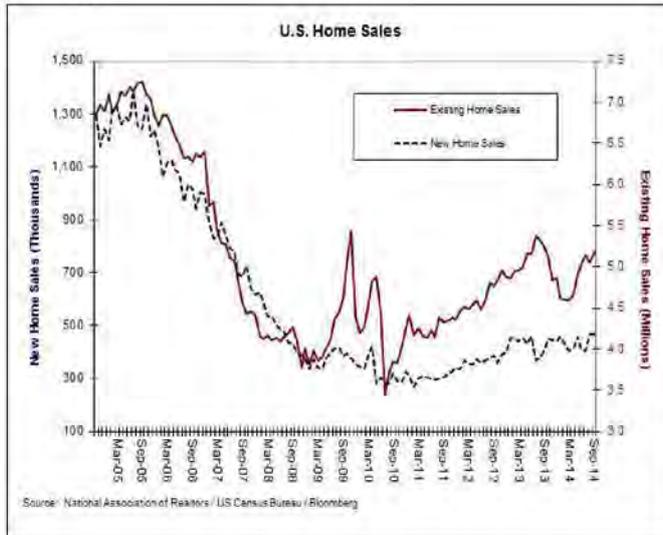
It's been a volatile year for economy growth. First quarter GDP actually contracted by 2.1% as an unusually harsh winter kept shoppers at home. A second quarter rebound pushed growth well into positive territory at a revised annualized rate of 4.6%. The preliminary reading of third quarter GDP showed that U.S. economy grew at a solid 3.5% annualized rate, well above the 3.0% median forecast; however, 0.7 percentage points were the result of a 16% jump in defense spending, which is likely to reverse itself in the fourth quarter. Net exports added another 1.3pp, which seems odd in the context of a stronger dollar but likely reflects declining oil prices. Personal consumption, a key component of the economy's true underlying strength advanced just 1.8%.

### Nonfarm Payrolls



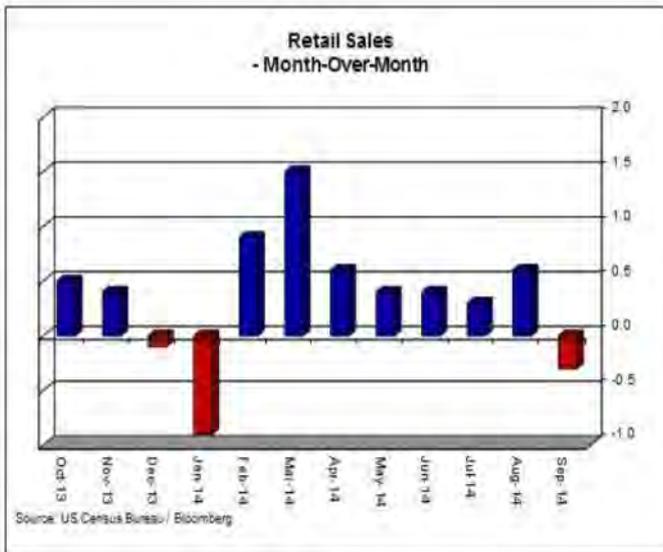
Solid job growth continues to be the basis for the Fed's winding down of stimulus. Company payrolls rose by 248k in September, while August payroll gains, originally reported at +142k, were revised to +180k, and July payrolls were raised from +212k to +243k. So far in 2014, job growth has averaged 227k per month, well above the 194k average in 2013. The unemployment rate, calculated from a separate household survey, declined from 6.1% to 5.9% in September. On the surface this appears to be a very strong number, but another 97k Americans actually exited the labor force during the month which pulled the participation rate down a notch to 62.7%, the lowest since February 1978. The U6, or "underemployment rate," which includes all those who would accept a suitable fulltime job, if offered, declined from 12% to 11.8%.

## Housing



Existing home sales climbed by 2.4% in September to a 5.17 million unit annual rate, the highest in 12 months, but on a year-over-year basis sales of existing homes are still down 1.7%. The median price increased by 5.6% to \$209,700 from the same period a year ago, while available supply dropped from 5.5 months to 5.3, the lowest level since March. New home sales rose by 0.2% in September to a 467k annual pace. Interesting, the previous month was revised sharply downward from a six-year high of 504k to 466k. The median price for a new home fell by 4% from the same period a year ago to \$259,000. It was the first decline in five months. There were 207,000 new homes available for sale at the end of September, representing the same relatively lean 5.3 month supply as existing homes.

## Retail Sales



After an anemic spring/early summer buying season, consumer spending staged a rebound. Although wage growth was still lackluster, consumers increased their borrowing. Retail sales rose by a substantial 0.6% in August, while July's *unchanged* reading was revised to a respectable +0.3%. Auto sales added to what will likely be the best year for the industry since 2006 as August sales of cars and light trucks reached a 17.45 million unit pace. Unfortunately, consumer purchases slowed into quarter end. Retail sales for September actually fell by 0.3%, suggesting that the global downturn had already reached U.S. shores, while vehicle sales retreated to a less robust 16.34 million unit pace, as dealer inventories cleared of last year's incentive-laden models. Consumer confidence reached a 7-year high of 92.4 in August, before tumbling to a 4-month low of 86 in September.

The paper was prepared by FirstSouthwest Asset Management, is intended for educational and informational purposes only and does not constitute legal or investment advice, nor is it an offer or a solicitation of an offer to buy or sell any investment or other specific product. Information provided in this paper was obtained from sources that are believed to be reliable; however, it is not guaranteed to be correct, complete, or current, and is not intended to imply or establish standards of care applicable to any attorney or advisor in any particular circumstances. The statements within constitute the views of FirstSouthwest Asset Management as of the date of the report and may differ from the views of other divisions/departments of First Southwest Company. In addition, the views are subject to change without notice. This paper represents historical information only and is not an indication of future performance.

**MINUTES OF THE VISTANCIA WEST COMMUNITY FACILITIES DISTRICT BOARD**  
CITY OF PEORIA, ARIZONA  
COUNCIL CHAMBER  
October 7, 2014

A **Special Meeting** of the Vistancia West Community Facilities District Board was convened at 8401 West Monroe Street in open and public session at 9:02 p.m.

**Members Present:** Board Chairperson Bob Barrett; Vice Chairperson Ron Aames; Board Members Jon Edwards, Carlo Leone, Bill Patena and Ben Toma.

**Board Youth Liaisons:** Ian Mullane and Michael Helt.

**Members Absent:** Board Member Tony Rivero.

**Other Municipal Officials Present:** Carl Swenson, District Manager; Susan Daluddung, Deputy District Manager; Jeff Tyne, Deputy District Manager; Steve Kemp, District Counsel; Rhonda Geriminsky, District Clerk; Julie Ayers, Human Resources Director; Andy Granger, Engineering Director; Chris Jacques, Planning and Community Development Director; Bill Mattingly, Public Works Director; Brent Mattingly, Chief Financial Officer; Roy Minter, Police Chief; John Sefton, Community Services Director; Scott Whyte, Economic Development Services Director; Corina Russo, Assistant to the District Manager; and Linda Blas, Deputy District Clerk.

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

## **REGULAR AGENDA**

### **New Business:**

39R. **Organizational Matters Relating to the Formation of the Vistancia West Community Facilities District**

Brent Mattingly, Chief Financial Officer, presented an overview of the provisions outlined in the proposed resolution regarding organizational matters related to the formation of the Vistancia West Community Facilities District.

Motion was made by Vice Chairperson Aames, seconded by Board Member Edwards, to consider and adopt **RES. VWCFD 2014-01** taking certain actions with regard to organization of the district; approving the general plan for the district; approving and authorizing the execution and delivery of a district development, financing participation and intergovernmental agreement; approving the preparation of, and authorizing the giving of notice of hearing with respect to approving, a feasibility report and ordering and calling an election with respect to issuance of bonds and the levy of an ad valorem property tax therefore and to the levy of a separate ad valorem property tax attributable to the operation and maintenance expenses.

Upon vote, the motion carried unanimously 6 to 0.

**Call To The Public (Non-Agenda Items)**

None.

**ADJOURNMENT:**

Being no further business to come before the District Board, the meeting was duly adjourned at 9:07 p.m.

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Bob Barrett, Board Chairperson

ATTEST:

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Rhonda Geriminsky, District Clerk

**CERTIFICATION**

I hereby certify that the foregoing minutes are a true and correct summary of the proceedings of the Special Meeting of the Vistancia Community Facilities District held on the 7<sup>th</sup> day of October, 2014. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 9<sup>th</sup> day of December, 2014.

(Seal)

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Rhonda Geriminsky, District Clerk

**CITY OF PEORIA, ARIZONA**  
**VISTANCIA WEST COMMUNITY FACILITIES DISTRICT**  
**DISTRICT COMMUNICATION**

Agenda Item: 36R

**Date Prepared:** November 26, 2014

**District Meeting Date:** December 9, 2014

---

**TO:** Carl Swenson, District Manager

**FROM:** Brent D. Mattingly, District Treasurer

**THROUGH:** Jeff Tyne, Deputy District Manager

**SUBJECT:** Consideration and possible adoption of a Resolution declaring the results of, and adopting a certificate of results for, the election with respect to issuance of bonds by the District and the levy of an ad valorem property tax therefor and separately the levy of a separate ad valorem property tax for operation and maintenance purposes.

---

**Purpose:**

This is a request for the District Board to consider possible adoption of a Resolution declaring the results of, and adopting a certificate of results for, the election with respect to issuance of bonds by the District and the levy of an ad valorem property tax therefor and separately the levy of a separate ad valorem property tax for operation and maintenance purposes.

**Summary:**

On October 7, 2014, the District Board approved a resolution that outlined various administrative requirements pertaining to the formation of the Vistancia West Community Facilities District, a new political subdivision. The resolution also called for an election to authorize bonds necessary for the permanent financing of the public infrastructure for which the District will be responsible and the potential levy of a limited property tax to pay expenses of the District.

**Background:**

The required election was held on December 2, 2014, after appropriate public posting and publication of notification as required by State Statute. In addition to authorizing a not to exceed \$9,000,000 aggregate principal amount of bonds, \$6 million of which is anticipated to be spent for infrastructure projects of the District described in a development agreement with the owner of the land in the District. The election also authorized an Operation and Maintenance Tax in an amount not to exceed \$0.30 per \$100 of assessed valuation. The Operation and Maintenance Tax would not be intended for use initially, but would be available for expenses of the District if circumstances demanded in the future.

The attached resolution continues the process begun by the District Board on October 7, 2014. This resolution orders the canvassing of the Bond and Operation Tax Election held on December 2, 2014.

#### Future Steps

Future Board actions will include consideration to approve a Feasibility Report and approve bond documents allowing for the direct placement of the initial series of bonds to establish the \$2.10 CFD tax rate. After those initial actions a later bond sale will raise approximately \$6.1 million to finance the acquisition of public infrastructure. Each of those actions will be brought before the Vistancia West CFD Board for consideration and approval.

#### **Previous Actions:**

On October 7, 2014 the District Board approved Resolution No. 2014-01 taking certain actions with regard to the organization of the district, approving the general plan for the district, approving execution of a district development agreement, authorizing preparation of a feasibility report, and calling an election with respect to the issuance of bonds and the levy of certain ad valorem property taxes.

#### **Options:**

**A:** Adopt Resolution No. 2014-02 canvassing an election with respect to issuance of bonds and the levy of an ad valorem property tax therefor and to the levy of a separate ad valorem property tax attributable to operation and maintenance expenses.

**B:** Do not adopt Resolution No. 2014-02 canvassing an election with respect to issuance of bonds and the levy of an ad valorem property tax therefor and to the levy of a separate ad valorem property tax attributable to operation and maintenance expenses.

#### **Staff Recommendation:**

Staff recommends that the District Board adopt Resolution No. 2014-02.

#### **Fiscal Analysis:**

There are no direct fiscal impacts to the District.

**Attachment:** Resolution No. 2014-02 and Exhibits

**Contact Name and Number:** Brent Mattingly, District Treasurer, 623-773-7134

VISTANCIA WEST COMMUNITY FACILITIES DISTRICT

RESOLUTION NO. VWCFD2014-02

A RESOLUTION OF THE DISTRICT BOARD OF VISTANCIA WEST COMMUNITY FACILITIES DISTRICT DECLARING THE RESULTS OF, AND ADOPTING A CERTIFICATE OF RESULTS FOR, THE ELECTION WITH RESPECT TO ISSUANCE OF BONDS BY THE DISTRICT AND THE LEVY OF AN *AD VALOREM* PROPERTY TAX THEREFOR AND SEPARATELY THE LEVY OF A SEPARATE *AD VALOREM* PROPERTY TAX FOR OPERATION AND MAINTENANCE PURPOSES

BE IT RESOLVED BY THE DISTRICT BOARD OF VISTANCIA WEST COMMUNITY FACILITIES DISTRICT as follows:

1. Findings.

- a. Vistancia West Community Facilities District (hereinafter called the "District") is authorized (1) by Section 48-719, Arizona Revised Statutes to issue and sell general obligation bonds of the District to provide moneys for public infrastructure purposes consistent with The General Plan of Vistancia West Community Facilities District and (2) by Section 48-709(G), Arizona Revised Statutes to repay all or part of fees and charges collected from landowners for public infrastructure purposes, the advance of moneys by landowners for public infrastructure purposes or the granting of real property by the landowner for public infrastructure purposes from the proceeds of such bonds pursuant to agreements entered into with landowners and the City of Peoria, Arizona, pursuant to Section 48-709(A)(10), Arizona Revised Statutes.
- b. Pursuant to Section 48-723, Arizona Revised Statutes, the District is authorized to levy an ad valorem tax on the assessed value of all real and personal property in the District at a rate which does not exceed the maximum rate specified in the ballot with respect thereto as hereinafter described, including taxes attributable to the operation and maintenance expenses of the District, but not in excess of thirty cents (30¢) per one hundred dollars (\$100) of such assessed valuation for such operation and maintenance.
- c. Such bonds may not be issued and such tax may not be levied unless approved at an election ordered and called to submit to the qualified electors of the District or to those persons who will be qualified to vote pursuant to Section 48-707(G), Arizona Revised Statutes [being, if no person has registered to vote within the area to be included within the boundaries of the District within fifty (50) days immediately preceding any scheduled election date, the owners of land within the District who will be qualified electors of the State of Arizona and other landowners according to Section 48-3043, Arizona Revised Statutes (hereinafter referred to as the "qualified electors"),] the question of authorizing the District Board to issue such bonds and to levy such tax.

- d. The district board of the District (hereinafter called the "District Board") deemed it necessary and advisable to order and call such an election and to establish the procedures whereby such election should be held and did so pursuant to Resolution No. 1 adopted by us on October 7, 2014 (hereinafter referred to as the "Election Resolution"), which provided that a special election be held on December 2, 2014 (hereinafter referred to as the "Election"), at which time there was submitted to the qualified electors of the District the question set forth in the official ballot described in the Election Resolution.
  - e. For purposes of Section 48-707(G), Arizona Revised Statutes, no person has registered to vote within the District within fifty days immediately preceding the Election, and as such, the Election is being held with the vote by owners of land within the District who are landowners according to Section 48-3043, Arizona Revised Statutes.
  - f. The election board for the Election filed with the District Board its returns of election and the ballots cast at the polling place, and the District Board canvassed the returns of the Election and determined (1) that a total of two (2) ballot(s) had been cast in response to the questions submitted, that in answer to the questions submitted, such ballot was marked "Bonds, Yes" and no ballots were marked "Bonds, No" with respect to the issuance of the Bonds and such ballot was marked "Tax, Yes" and no ballots were marked "Tax, No" with respect to the levying of the Operation and Maintenance Expenses Tax; (2) that the Election had been conducted and the returns thereof made as required by law and (3) that only qualified electors were permitted to vote at the Election.
2. Canvass. After careful examination of the official returns of the Election, the District Board finds and determines as follows:
- a. That a majority of the votes cast by the qualified electors voting at the Election voted "Bonds, Yes" in response to the following question:

SHALL THE DISTRICT BOARD (THE "BOARD") OF VISTANCIA WEST COMMUNITY FACILITIES DISTRICT (THE "DISTRICT") BE AUTHORIZED TO ISSUE GENERAL OBLIGATION BONDS OF THE DISTRICT, IN THE DENOMINATION OF THE BONDS, THE SIZE OF EACH ISSUE AND THE FORM OF THE BONDS PRESCRIBED, AND HAVING THE MATURITIES (NOT EXCEEDING TWENTY-FIVE (25) YEARS), INTEREST PAYMENT DATES AND INTEREST RATES, WHETHER FIXED OR VARIABLE, NOT EXCEEDING TWELVE PERCENT (12%) PER ANNUM, ESTABLISHED, BY THE BOARD AND CONTAINING SUCH TERMS, CONDITIONS, COVENANTS AND AGREEMENTS AS THE BOARD DEEMS PROPER, IN THE MAXIMUM AMOUNT OF NINE MILLION DOLLARS (\$9,000,000) TO PROVIDE MONEYS (A)(1) FOR PLANNING, DESIGN, ENGINEERING, CONSTRUCTION, ACQUISITION OR INSTALLATION OF ANY OR ALL OF THE FOLLOWING IMPROVEMENTS, INCLUDING NECESSARY OR INCIDENTAL WORK, WHETHER NEWLY

CONSTRUCTED, RENOVATED OR EXISTING, AND ALL NECESSARY OR DESIRABLE APPURTENANCES ("PUBLIC INFRASTRUCTURE"): (a) SANITARY SEWAGE SYSTEMS, INCLUDING COLLECTION, TRANSPORT, STORAGE, TREATMENT, DISPERSAL, EFFLUENT USE AND DISCHARGE, (b) DRAINAGE AND FLOOD CONTROL SYSTEMS, INCLUDING COLLECTION, TRANSPORT, DIVERSION, STORAGE, DETENTION, RETENTION, DISPERSAL, USE AND DISCHARGE, (c) WATER SYSTEMS FOR DOMESTIC, INDUSTRIAL, IRRIGATION, MUNICIPAL OR FIRE PROTECTION PURPOSES INCLUDING PRODUCTION, COLLECTION, STORAGE, TREATMENT, TRANSPORT, DELIVERY, CONNECTION AND DISPERSAL, BUT NOT INCLUDING FACILITIES FOR AGRICULTURAL IRRIGATION PURPOSES UNLESS FOR THE REPAIR OR REPLACEMENT OF EXISTING FACILITIES WHEN REQUIRED BY OTHER IMPROVEMENTS DESCRIBED HEREIN, (d) HIGHWAYS, STREETS, ROADWAYS AND PARKING FACILITIES INCLUDING ALL AREAS FOR VEHICULAR USE FOR TRAVEL, INGRESS AND EGRESS, (e) AREAS FOR PEDESTRIAN, EQUESTRIAN, BICYCLE OR OTHER NON-MOTOR VEHICLE USE FOR TRAVEL, INGRESS, EGRESS AND PARKING, (f) PEDESTRIAN MALLS, PARKS, RECREATIONAL FACILITIES, AND OPEN SPACE AREAS FOR THE USE OF MEMBERS OF THE PUBLIC FOR ENTERTAINMENT, ASSEMBLY AND RECREATION, (g) LANDSCAPING INCLUDING EARTHWORKS, STRUCTURES, LAKES AND OTHER WATER FEATURES, PLANTS, TREES AND RELATED WATER DELIVERY SYSTEMS, (h) PUBLIC BUILDINGS, PUBLIC SAFETY FACILITIES AND FIRE PROTECTION FACILITIES, (i) LIGHTING SYSTEMS, (j) TRAFFIC CONTROL SYSTEMS AND DEVICES INCLUDING SIGNALS, CONTROLS, MARKINGS AND SIGNAGE, (k) SCHOOL SITES AND FACILITIES AND (1) EQUIPMENT, VEHICLES, FURNISHINGS AND OTHER PERSONALTY RELATED TO ANY OF THE FOREGOING; (2) ACQUIRING, CONVERTING, RENOVATING OR IMPROVING EXISTING FACILITIES FOR PUBLIC INFRASTRUCTURE; (3) ACQUIRING INTERESTS IN REAL PROPERTY FOR PUBLIC INFRASTRUCTURE; (4) ESTABLISHING, MAINTAINING AND REPLENISHING RESERVES FROM ANY SOURCE IN ORDER TO SECURE PAYMENT OF DEBT SERVICE ON BONDS; (5) FUNDING AND PAYING FROM BOND PROCEEDS INTEREST ACCRUING ON BONDS FOR A PERIOD OF NOT TO EXCEED THREE (3) YEARS FROM THEIR DATE OF ISSUANCE; (6) PROVIDING FOR THE TIMELY PAYMENT OF DEBT SERVICE ON BONDS OR OTHER INDEBTEDNESS OF THE DISTRICT; (7) REFINANCING ANY MATURED OR UNMATURED BONDS, WITH NEW BONDS; AND (8) EXPENSES OF THE DISTRICT INCIDENT TO AND REASONABLY

NECESSARY TO CARRY OUT THE PURPOSES SPECIFIED IN THIS PARAGRAPH (CLAUSES (1) THROUGH (8), BOTH INCLUSIVE, BEING "PUBLIC INFRASTRUCTURE PURPOSES") AND (B) FOR REPAYING ALL OR PART OF FEES OR CHARGES COLLECTED FROM LANDOWNERS FOR PUBLIC INFRASTRUCTURE PURPOSES, THE ADVANCE OF MONEYS BY LANDOWNERS FOR PUBLIC INFRASTRUCTURE PURPOSES OR THE GRANTING OF REAL PROPERTY BY THE LANDOWNER FOR PUBLIC INFRASTRUCTURE PURPOSES PURSUANT TO AGREEMENTS ENTERED INTO WITH LANDOWNERS AND THE CITY OF PEORIA, ARIZONA, PURSUANT TO SECTION 48-709(A)(10), ARIZONA REVISED STATUTES AND IN AN AMOUNT NOT IN EXCESS OF ONE AND ONE-HALF (1½) TIMES THE AMOUNT OF BONDS PREVIOUSLY ISSUED BY THE DISTRICT FOR THE PURPOSE OF REFUNDING ANY BONDS ISSUED BY THE DISTRICT FOR EITHER OF THE FOREGOING PURPOSES, PAYABLE FROM AN *AD VALOREM* TAX LEVIED AND COLLECTED ANNUALLY ON ALL TAXABLE PROPERTY IN THE DISTRICT, SUFFICIENT TO PAY DEBT SERVICE ON SUCH BONDS WHEN DUE, AS AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF ARIZONA, INCLUDING PARTICULARLY (BUT NOT BY WAY OF LIMITATION) TITLE 48, CHAPTER 4, ARTICLE 6, ARIZONA REVISED STATUTES TOGETHER WITH ALL AMENDMENTS AND ADDITIONS THERETO?

- b. That up to and including \$9,000,000 aggregate principal amount of general obligation bonds are therefore authorized to be sold and issued;
- c. That a majority of the votes cast by the qualified electors voting at the Election voted "Tax, Yes" in response to the following question:

SHALL THE DISTRICT BOARD OF VISTANCIA WEST COMMUNITY FACILITIES DISTRICT (THE "DISTRICT") BE AUTHORIZED TO LEVY AND COLLECT AN ANNUAL *AD VALOREM* TAX ON THE ASSESSED VALUE OF ALL REAL AND PERSONAL PROPERTY IN THE DISTRICT AT A RATE NOT TO EXCEED THIRTY CENTS (30¢) PER ONE HUNDRED DOLLARS (\$100) OF ASSESSED VALUATION OF ALL REAL AND PERSONAL PROPERTY IN THE DISTRICT, ALL ATTRIBUTABLE TO THE OPERATION AND MAINTENANCE EXPENSES OF THE DISTRICT, IN ACCORDANCE WITH THE CONSTITUTION AND LAWS OF THE STATE OF ARIZONA, INCLUDING PARTICULARLY (BUT NOT BY WAY OF LIMITATION) SECTION 48-723, ARIZONA REVISED STATUTES?

- d. That the Chairman of the District Board shall execute, and the District Clerk shall attest, the "Certificate of Results of Election" attached hereto and marked Exhibit "A" and
  - e. That the District Clerk is hereby directed to cause to be recorded the "Certificate of Results of Election" in the Office of the County Recorder of Pima County, Arizona; to return said copy with the recording date shown therein to the official records of the District and to cause to be provided a copy thereof to the State Real Estate Department.
3. Ratification, Severability; Amendment; Effective Date.
- a. The composition of the election board of Linda Blas, Inspector; Debbie Altman, Judge; and Natalie Gilstrap, Judge is hereby ratified.
  - b. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.
  - c. All resolutions or parts thereof inconsistent herewith are hereby waived to the extent only of such inconsistency.
  - d. This Resolution shall be effective immediately.

PASSED by the District Board of Vistancia West Community Facilities District this 9th day of December, 2014.

\_\_\_\_\_  
Chairman, District Board, Vistancia West  
Community Facilities District

ATTEST:

\_\_\_\_\_  
District Clerk, Vistancia West  
Community Facilities District

APPROVED AS TO FORM:

\_\_\_\_\_  
District Counsel, Vistancia West  
Community Facilities District

ATTACHMENTS:

EXHIBIT "A" -- Certificate Of Results Of The General Obligation Bond and Operation and Maintenance Expenses Tax Election Held For Vistancia West Community Facilities District on December 2, 2014

EXHIBIT "A"

**FORM OF CERTIFICATE OF RESULTS OF THE  
GENERAL OBLIGATION BOND AND OPERATION AND  
MAINTENANCE EXPENSES TAX ELECTION HELD FOR  
VISTANCIA WEST COMMUNITY FACILITIES DISTRICT  
ON DECEMBER 2, 2014**

CERTIFICATE OF RESULTS OF THE GENERAL OBLIGATION  
BOND AND OPERATION AND MAINTENANCE EXPENSES TAX  
ELECTION HELD FOR VISTANCIA WEST COMMUNITY FACILI-  
TIES DISTRICT ON DECEMBER 2, 2014

The Chairman of the District Board of Vistancia West Community Facilities District (hereinafter referred to as the "District") does hereby certify as follows:

1. That pursuant to a Resolution passed and adopted by the District Board of the District on October 7, 2014 (hereinafter referred to as the "Resolution"), an election was duly called and regularly held on December 2, 2014 (hereinafter referred to as the "Election"), when there was submitted to those who were the qualified electors or other landowners according to Section 48-3043, Arizona Revised Statutes of the District the questions as shown on the attached form of ballot;

2. That the object of the Election was to obtain authority from such qualified electors or other landowners according to Section 48-3043, Arizona Revised Statutes to issue and sell general obligation bonds and to levy and collect an annual ad valorem property tax for operation and maintenance expenses described in attached form of ballot;

3. That proof of the due and regular publication and posting of the "Notice of the Election" has been made and filed with the District Board of the District;

4. That no person was registered to vote within fifty (50) days (or at any time) immediately preceding December 2, 2014, within the area comprising the District;

5. That as a result of no qualified electors residing within such area each and every landowner according to Section 48-3043, Arizona Revised Statutes voted at the Election;

6. That the poll and tally lists and the official returns of the election board that conducted the Election were filed with the District Board of the District on December 2, 2014, and the District Board of the District met and canvassed the returns of the Election as prescribed by law;

7. That after careful and complete canvass of the official election returns, in answer to the questions submitted to such qualified electors or other landowners according to Section 48-3043, Arizona Revised Statutes at the Election, the majority of the votes cast were cast in favor of the issuance and sale of not to exceed \$9,000,000 principal amount of general obligation bonds of the District and the levy and collection of an annual ad valorem property tax for operation and maintenance purposes in an amount not to exceed \$0.30 per \$100 of secondary assessed valuation described in the questions submitted at the Election as

determined by the election board at the polling place, the Election had been conducted and the returns thereof made as required by law and the result of the Election as to both questions is set forth in the following tabulation of the official election returns, to-wit:

<u>Precinct</u>	<u>Polling Place</u>	<u>Yes</u>	<u>No</u>	<u>Total</u>
Vistancia/ Mountain Vista	City Clerk's Office City of Peoria, Arizona 8401 West Monroe Street Peoria, Arizona	358	0	358

8. That the majority of the votes cast at the Election in answer to the questions submitted were in favor of the indebtedness, as described in the questions submitted at the Election, by the issuance and sale of up to and including \$9,000,000 aggregate principal amount of general obligation bonds and separately the levy and collection of an annual ad valorem property tax for operation and maintenance purposes in an amount not to exceed \$0.30 per \$100 of secondary assessed valuation.

IN WITNESS WHEREOF, the Chairman of the District Board of the District has hereunto placed his hand and caused the same to be attested by the District Clerk of the District on December 9, 2014.

XX  
 XXXX  
 .....  
 Bob Barrett, Chairman, District  
 Board, Vistancia West Community  
 Facilities District

ATTEST:

XX  
 .....  
 Rhonda Geriminsky, District  
 Clerk, Vistancia West Community  
 Facilities District

THIS DOCUMENT MUST BE RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF PIMA COUNTY, ARIZONA.

OFFICIAL BALLOT

SHALL THE DISTRICT BOARD (THE "BOARD") OF VISTANCIA WEST COMMUNITY FACILITIES DISTRICT (THE "DISTRICT") BE AUTHORIZED TO ISSUE GENERAL OBLIGATION BONDS OF THE DISTRICT, IN THE DENOMINATION OF THE BONDS, THE SIZE OF EACH ISSUE AND THE FORM OF THE BONDS PRESCRIBED, AND HAVING THE MATURITIES (NOT EXCEEDING TWENTY-FIVE (25) YEARS), INTEREST PAYMENT DATES AND INTEREST RATES, WHETHER FIXED OR VARIABLE, NOT EXCEEDING TWELVE PERCENT (12%) PER ANNUM, ESTABLISHED, BY THE BOARD AND CONTAINING SUCH TERMS, CONDITIONS, COVENANTS AND AGREEMENTS AS THE BOARD DEEMS PROPER, IN THE MAXIMUM AMOUNT OF NINE MILLION DOLLARS (\$9,000,000) TO PROVIDE MONEYS (A)(1) FOR PLANNING, DESIGN, ENGINEERING, CONSTRUCTION, ACQUISITION OR INSTALLATION OF ANY OR ALL OF THE FOLLOWING IMPROVEMENTS, INCLUDING NECESSARY OR INCIDENTAL WORK, WHETHER NEWLY CONSTRUCTED, RENOVATED OR EXISTING, AND ALL NECESSARY OR DESIRABLE APPURTENANCES ("PUBLIC INFRASTRUCTURE"): (a) SANITARY SEWAGE SYSTEMS, INCLUDING COLLECTION, TRANSPORT, STORAGE, TREATMENT, DISPERSAL, EFFLUENT USE AND DISCHARGE, (b) DRAINAGE AND FLOOD CONTROL SYSTEMS, INCLUDING COLLECTION, TRANSPORT, DIVERSION, STORAGE, DETENTION, RETENTION, DISPERSAL, USE AND DISCHARGE, (c) WATER SYSTEMS FOR DOMESTIC, INDUSTRIAL, IRRIGATION, MUNICIPAL OR FIRE PROTECTION PURPOSES INCLUDING PRODUCTION, COLLECTION, STORAGE, TREATMENT, TRANSPORT, DELIVERY, CONNECTION AND DISPERSAL, BUT NOT INCLUDING FACILITIES FOR AGRICULTURAL IRRIGATION PURPOSES UNLESS FOR THE REPAIR OR REPLACEMENT OF EXISTING FACILITIES WHEN REQUIRED BY OTHER IMPROVEMENTS DESCRIBED HEREIN, (d) HIGHWAYS, STREETS, ROADWAYS AND PARKING FACILITIES INCLUDING ALL AREAS FOR VEHICULAR USE FOR TRAVEL, INGRESS AND EGRESS, (e) AREAS FOR PEDESTRIAN, EQUESTRIAN, BICYCLE OR OTHER NON-MOTOR VEHICLE USE FOR TRAVEL, INGRESS, EGRESS AND PARKING, (f) PEDESTRIAN MALLS, PARKS, RECREATIONAL FACILITIES, AND OPEN SPACE AREAS FOR THE USE OF MEMBERS OF THE PUBLIC FOR ENTERTAINMENT, ASSEMBLY AND RECREATION, (g) LANDSCAPING INCLUDING EARTHWORKS, STRUCTURES, LAKES AND OTHER WATER FEATURES, PLANTS, TREES AND RELATED WATER DELIVERY SYSTEMS, (h) PUBLIC BUILDINGS, PUBLIC SAFETY FACILITIES AND FIRE PROTECTION FACILITIES, (i) LIGHTING SYSTEMS, (j) TRAFFIC CONTROL SYSTEMS AND DEVICES INCLUDING SIGNALS, CONTROLS, MARKINGS AND SIGNAGE, (k) SCHOOL SITES AND FACILITIES AND (1) EQUIPMENT, VEHICLES, FURNISHINGS AND OTHER PERSONALTY RELATED TO ANY OF THE FOREGOING; (2) ACQUIRING, CONVERTING, RENOVATING OR IMPROVING EXISTING FACILITIES FOR PUBLIC INFRASTRUCTURE; (3) ACQUIRING INTERESTS IN REAL PROPERTY FOR PUBLIC INFRASTRUCTURE; (4) ESTABLISHING, MAINTAINING AND REPLENISHING RESERVES FROM ANY SOURCE IN ORDER TO SECURE PAYMENT OF DEBT SERVICE ON BONDS; (5) FUNDING AND PAYING FROM BOND PROCEEDS INTEREST ACCRUING ON BONDS FOR A PERIOD OF NOT TO EXCEED THREE (3) YEARS FROM THEIR DATE OF ISSUANCE; (6) PROVIDING FOR THE TIMELY PAYMENT OF DEBT SERVICE ON BONDS OR OTHER INDEBTEDNESS OF THE DISTRICT; (7) REFINANCING ANY MATURED OR UNMATURED BONDS, WITH NEW BONDS; AND (8) EXPENSES OF THE DISTRICT INCIDENT TO AND REASONABLY NECESSARY TO CARRY OUT THE PURPOSES SPECIFIED IN THIS PARAGRAPH (CLAUSES (1) THROUGH (8), BOTH INCLUSIVE, BEING "PUBLIC INFRASTRUCTURE PURPOSES") AND (B) FOR REPAYING ALL OR PART OF FEES OR CHARGES COLLECTED FROM LANDOWNERS FOR PUBLIC INFRASTRUCTURE PURPOSES, THE ADVANCE OF MONEYS BY LANDOWNERS FOR PUBLIC INFRASTRUCTURE PURPOSES OR THE GRANTING OF REAL PROPERTY BY THE

LANDOWNER FOR PUBLIC INFRASTRUCTURE PURPOSES PURSUANT TO AGREEMENTS ENTERED INTO WITH LANDOWNERS AND THE CITY OF PEORIA, ARIZONA, PURSUANT TO SECTION 48-709(A)(10), ARIZONA REVISED STATUTES AND IN AN AMOUNT NOT IN EXCESS OF ONE AND ONE-HALF (1½) TIMES THE AMOUNT OF BONDS PREVIOUSLY ISSUED BY THE DISTRICT FOR THE PURPOSE OF REFUNDING ANY BONDS ISSUED BY THE DISTRICT FOR EITHER OF THE FOREGOING PURPOSES, PAYABLE FROM AN *AD VALOREM* TAX LEVIED AND COLLECTED ANNUALLY ON ALL TAXABLE PROPERTY IN THE DISTRICT, SUFFICIENT TO PAY DEBT SERVICE ON SUCH BONDS WHEN DUE, AS AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF ARIZONA, INCLUDING PARTICULARLY (BUT NOT BY WAY OF LIMITATION) TITLE 48, CHAPTER 4, ARTICLE 6, ARIZONA REVISED STATUTES TOGETHER WITH ALL AMENDMENTS AND ADDITIONS THERETO?

Place and "X" in the box beside the way you wish to vote:

- BONDS, YES
- BONDS, NO

SHALL THE DISTRICT BOARD OF VISTANCIA WEST COMMUNITY FACILITIES DISTRICT (THE "DISTRICT") BE AUTHORIZED TO LEVY AND COLLECT AN ANNUAL *AD VALOREM* TAX ON THE ASSESSED VALUE OF ALL REAL AND PERSONAL PROPERTY IN THE DISTRICT AT A RATE NOT TO EXCEED THIRTY CENTS (30¢) PER ONE HUNDRED DOLLARS (\$100) OF ASSESSED VALUATION OF ALL REAL AND PERSONAL PROPERTY IN THE DISTRICT, ALL ATTRIBUTABLE TO THE OPERATION AND MAINTENANCE EXPENSES OF THE DISTRICT, IN ACCORDANCE WITH THE CONSTITUTION AND LAWS OF THE STATE OF ARIZONA, INCLUDING PARTICULARLY (BUT NOT BY WAY OF LIMITATION) SECTION 48-723, ARIZONA REVISED STATUTES?

Place an "X" in the box beside the way you wish to vote.

- TAX, YES
- TAX, NO