

# City Council Meeting Notice & Agenda

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Tuesday, February 19, 2013  
City Council Chamber  
8401 West Monroe Street  
Peoria, AZ 85345

## Special Meeting & Study Session

5:00 P.M. Convene

**Roll Call**  
**Final Call To Submit Speaker Request Forms**

### 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

1C. **Authorization to Hold an Executive Session**

Pursuant to A.R.S. § 38-431.03.A.5: Discussion and possible action to authorize the holding of an Executive Session for the purpose of discussion and consultation with legal counsel and designated representatives of the public body pertaining to labor negotiations.

### Study Session Agenda

**Subject(s) for Discussion Only**

2. Peoria Development and Infrastructure Planning Update

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Mayor  
Bob Barrett

Acacia  
District  
Tony Rivero,  
Vice Mayor

Ironwood  
District  
Bill Patena

Mesquite  
District  
Cathy Carlat

Palo Verde  
District  
Ron Aames

Pine  
District  
Carlo Leone

Willow  
District  
Jon Edwards

### **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.

### **Adjournment**

## **Executive Session**

**Convene immediately following Special City Council Meeting  
Executive Room, City Council Chamber**

Under the provisions of A.R.S. § 38-431.02 there will be a **CLOSED EXECUTIVE SESSION**.

### **Executive Session Agenda**

3. Discussion and consultation with legal counsel and designated representatives of the public body pertaining to labor negotiations. (Pursuant to A.R.S. § 38-431.03.A.5)

### **Adjournment**

The above-named Public Body of the City of Peoria, Arizona will convene into Executive Session pursuant to A.R.S. § 38-431.03 for those items listed on the agenda. Only those persons who are:

- Members of the Public Body, or
- Officers of the City that are required to attend, or
- Those individuals whose presence is reasonably necessary for the Public Body to carry out its Executive Session responsibilities as determined by the City Attorney may be present during the Executive Session.

All persons who remain present during the Executive Session are reminded that the business conducted in Executive Session, including all discussion taking place herein, is confidential and may not be disclosed to any person, except as permitted by law.

## Regular Meeting

7:00 P.M. Convene

**Pledge of Allegiance**  
**Roll Call**

**Final Call To Submit Speaker Request Forms**

**Presentation**

4. Recognition of Outgoing Deputy City Manager, Susan Thorpe
5. Youth Advisory Board Delegates - Overview of Congress of Cities

### 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

- 6C. **Grant, Peoria Fire Department, Arizona Department of Homeland Security, Fiscal Year 2010 Reallocated Funds**

Discussion and possible action to: (a) accept the \$10,434 grant award from the Arizona Department of Homeland Security for reallocated Fiscal Year 2010 funds for chemical, biological, radiological, nuclear, explosive (CBRNE) weapon detection, response and decontamination capabilities; and (b) approve a budget adjustment in the amount of \$10,434 from the Proposed Grants Contingency Account to various accounts in the Homeland Security Fund to provide expenditure authority.

- 7C. **Intergovernmental Agreement Amendment, State of Arizona, Department of Transportation, Traffic Signal Heads, Various Locations**

Discuss and possible action to adopt **RES. 2013-24** to approve Amendment One to the Intergovernmental Agreement between the Arizona Department of Transportation and the City of Peoria for upgrading the 8-inch traffic signal heads to 12-inch LED traffic signal heads at various locations.

8C. **Purchase, Replacement Vehicle, Police Department**

Discussion and possible action to: (a) approve the early replacement of vehicle #1419; and (b) authorize a budget amendment in the amount of \$29,906 from the Fleet Reserve Fund Contingency Account to the Fleet Reserve Fund Automobiles Account in the amount of \$27,468 and to the Police Department Automobiles Account in the amount of \$2,438.

9C. **Easement, Salt River Project Irrigation, 75th Avenue and Thunderbird Road Intersection Widening Project**

Discussion and possible action to adopt **RES. 2013-23** authorizing the execution of an Irrigation Easement to Salt River Project for the relocation and maintenance of irrigation facilities associated with the construction of the 75th Avenue and Thunderbird Road Intersection Widening Project.

10C. **Deeds and Easements, Various Locations**

Discussion and possible action to adopt **RES. 2013-21** accepting Deeds and Easements for various Real Property interests acquired by the City.

11C. **Designate Roadways, Establish Rights-of-Way, Various Locations**

Discussion and possible action to adopt **RES. 2013-22** designating various Real Properties to be used as City roadways and authorize the establishment of Public Rights-of-Way to be opened and maintained by the City as a Public Street.

12C. **Land Donation, Downtown Peoria Residential Lots, 86th Avenue and Jefferson Street**

Discussion and possible action to adopt **RES. 2013-25** authorizing the donation of vacant residential land located at approximately 86th Avenue and Jefferson Street to Habitat for Humanity Central Arizona.

13C. **Budget Adjustment, Office of the City Attorney, Peoria Sports Park, Outside Counsel**

Discussion and possible action to approve a budget adjustment in the amount of \$30,000 from the Half Cent Sales Tax Contingency account to the City Attorney Civil Division Operating account for Legal Services to retain outside counsel for negotiations with the Peoria Sports Park mixed use redevelopment project.

14C. **Fiscal Year 2013 Second Quarter Budget Amendments**

Discussion and possible action to approve the Fiscal Year 2013 Second Quarter budget amendments.

15C. **Investment Report, Quarter Ended December 31, 2012**

Discussion and possible action to review and accept the Investment Report for the Quarter Ended December 31, 2012.

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

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**Reports from City Manager**

16. **Council Calendar**

17. **Reports with Presentation**

A. P83 Party

**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.

#### 18C. Minutes

Discussion and possible action to approve the November 13, 2012 Vistancia Community Facilities District meeting minutes.

#### 19C. VCFD Investment Report for the Quarter Ended December 31, 2012

Discussion and possible action to review and accept the Investment Report for the Quarter Ended December 31, 2012.

### 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.

### 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**

Agenda Item: 2

**Date Prepared: January 31, 2013**

**Council Meeting Date: February 19, 2013**

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**TO:** Carl Swenson, City Manager

**FROM:** Chris Jacques, Planning & Community Development Director  
Bill Mattingly, Public Works / Utilities Director

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

**SUBJECT:** Peoria Development and Infrastructure Planning Update (STUDY SESSION)

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**Purpose:**

Provide the City Council with an update on current development activity and “hot spots,” with an emphasis on the relationship of development activity on historic and future infrastructure planning & investment and service delivery needs.

**Background/Summary:**

In recent months, the City has reported on an uptick in development activity, namely in residential development and has resulted in dramatic increases in permit and inspection activity, requests for new subdivisions (Preliminary Plats) and zoning entitlement (Rezoning). City staff regularly meets with the development community to discuss issues and gauge the continuation of trends. These discussions have suggested the ongoing continuation of this activity trend.

In this Study Session, the Planning & Community Department will report on permitting activity and spatially identify current “hot spots” for entitlement requests. The Planning & Community Development Department is typically on the front-end of the development process working with prospective developers on entitlements (e.g. GPA’s/Rezoning) and preliminary plans (e.g. Site Plans/Use Permits/Preliminary Plats) prior to the submittal of building and engineering permits. Such requests, particularly when backed by a builder/developer, portend future permitting activity. In this regard, the Department has seen significant increases in Preliminary Plats (19 have been submitted since April/2012) and new zoning requests/inquiries. The zoning requests have generally been associated with areas around Vistancia (e.g. Saddleback Heights, Lake Pleasant Heights and Trilogy West) and the “belt” in north central Peoria between Beardsley and Happy Valley Parkway.

Development activity has implications on service delivery and infrastructure needs. Staff will also provide a spatial review of the various infrastructure/services units – parks/trails, police,

fire, transportation, water/wastewater, with an emphasis on current and future needs based on development trends and infrastructure planning.

**Previous Actions:**

There have been no previous actions on this topic.

**Fiscal Analysis:**

There is no fiscal impact to the City associated with this informational briefing.

**Narrative:**

The City is experiencing an uptick in new development cases and project inquiries largely focused around new residential development in several areas of NW Peoria (Vistancia area) and in areas generally between Deer Valley Road and Jomax Road. New development has a comensurate impact on the the delivery of services and regional infrastructure. Currently, in areas west of the Agua Fria River, the chief considerations are water resource/delivery and transportation.

**Contact Name and Number:** Chris M. Jacques, (623) 773-7609

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

Agenda Item: 4

**Date Prepared: February 11, 2013**

**Council Meeting Date: February 19, 2013**

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**TO:** Mayor and City Council  
**FROM:** Carl Swenson, City Manager  
**SUBJECT:** Recognition of Susan Thorpe

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**Summary:**

Deputy City Manager Susan Thorpe has accepted the position of Assistant City Manager for the city of Corpus Christi, Texas. Susan has been a valuable member of the city's executive leadership team for the last seven years. Most recently, she oversaw Peoria's Information Technology Department, City Clerk's Office, Management and Budget Department, Human Resources, Public Works-Utilities Department, and Finance Department.

During her tenure, DCM Thorpe led multi-departmental teams to reduce expenses, find efficiencies, address complex policies and improve processes, including Neighborhood Livability Team, Revenue Action Team and Ethics Committee. Her efforts in leading the Fleet Solutions Group resulted in an expenditure reduction of \$1.3 million. These and other initiative attributed to Susan Thorpe assisted in city's success of managing through the economic downturn.

Susan's leadership went beyond city boundaries. She has been a moderator and presenter at ICMA and Government Finance Officers Association Conferences on such topics as Sustainable Practices, Emotional Intelligence, Ethics, and Public Service.

Please join me in congratulating Susan on her new venture.

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 5

**Date Prepared: January 24, 2013**

**Council Meeting Date: February 19, 2013**

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**TO:** Mayor and City Council

**FROM:** Carlo Leone; Councilmember

**SUBJECT:** National League of Cities Youth Delegation Presentation

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**Purpose:**

This is a presentation by delegates to the National Leagues of Cities from the Peoria Youth Advisory Board to update the City Council on what was gained by their participation in the Annual Congress of Cities in December, 2012.

**Background/Summary:**

The National League of Cities (NLC) was established in 1924 and now represents more than 1,500 cities. NLC serves as an advocate for its members, which includes Peoria, in Washington in the legislative, administrative, and judicial processes that affect them. This is the sixth delegation from Peoria to attend the annual Congress of Cities.

**Previous Actions:**

The youth delegates have provided an overview to the Peoria Youth Advisory Board of what they gained from the Congress of Cities.

**Staff's Recommendation:**

This is for presentation purposes only.

**Fiscal Analysis:**

This is for presentation purposes only.

**Narrative:**

At the February 19, 2013 meeting of the City Council the current youth delegation will make a brief presentation to the Mayor and City Council about what they gained from their experience at the Congress of Cities.

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

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 6C

**Date Prepared:** February 5, 2013

**Council Meeting Date:** February 19, 2013

**TO:** Carl Swenson, City Manager

**FROM:** Bobby Ruiz, Fire Chief

**SUBJECT:** Authorization to accept FY '10 reallocated grant funds from the Arizona Department of Homeland Security

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**Purpose:**

This is a request for City Council to authorize the Fire Department to accept reallocated grant funds from the Arizona Department of Homeland Security totaling \$10,434.

**Background/Summary:**

The City of Peoria Fire Department has been working over the past several years to develop a Hazardous Materials emergency response program. In order to further integrate Peoria as part of the statewide disaster response program, the Peoria Fire Department has received reallocated FY '10 Homeland Security Grant funds from the Arizona Department of Homeland Security (AZDOHS) in the amount of \$10,434 to strengthen the chemical, biological, radiological, nuclear or explosive (CBRNE) weapon detection, response and decontamination capabilities.

The Fire Department received an award in the amount of \$10,434 to purchase supplies in the form of chemical metering equipment to help support, enhance and maintain CBRNE (Hazardous Materials) operations.

These grants are reimbursable, but have a narrow window for which to be reimbursed, with funding available from February 1<sup>st</sup>, 2013 through March 31<sup>st</sup>, 2013.

**Previous Actions:**

City Council has previously accepted grants from AZDOHS. This will be the seventh time that the City of Peoria has received grant funding from this organization.

**Options:**

**A:** Accept the grant award in the amount of \$10,434 from the Arizona Department of Homeland Security and approve a budget adjustment in the amount of \$10,434 from the Proposed Grants Contingency Account to the Homeland Security Fund, thus providing expenditure authority.

**B:** Choose not to accept the grants from the Arizona Department of Homeland Security.

**Staff's Recommendation:**

Authorize the Fire Department to accept grant totaling \$10,434 from the Arizona Department of Homeland Security and approve a budget adjustment.

**Fiscal Analysis:**

Request a budget adjustment of \$10,434 from the Proposed Grants Contingency account (7990-7990-570000) to the Homeland Security Grant Fund (7545-7795-various accounts and 7670-7870-various accounts) thus providing expenditure authority.

Dept	Account #	Description	Amount	Program
Fire	7670-7870-530019	Operational Supplies/Equipment	\$10,434	CBRNE

Dept	Account #	Description	Amount	Program

**Narrative:**

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

**Contact Name and Number:** Christy Williams, 623-773-7916

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 7C

**Date Prepared: January 29, 2013**

**Council Meeting Date: February 19, 2013**

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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, Amendment One, State of Arizona Department of Transportation (ADOT), City of Peoria Project -Various Locations (Project No. TE-1101)

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**Purpose:**

This is a request for City Council to adopt a Resolution to approve Amendment One to the Intergovernmental Agreement (IGA) between the Arizona Department of Transportation (ADOT) and the City of Peoria (Peoria) for upgrading the 8-inch traffic signal heads to 12-inch LED traffic signal heads in the City of Peoria (City) at various locations. (MAG TIP No. PEO 11-108, ADOT Tracs Number SH5010C, Federal Project Number PEO-0(213)A).

**Background/Summary:**

As part of our continuing effort to upgrade the 8-inch traffic signal heads to 12-inch LED traffic signal heads within the City, the City applied through Maricopa Association of Governments (MAG) for, and was awarded, a grant for the Highway Safety Improvement Program (HSIP). ADOT, through the Highway Enhancements for Safety (HES) Team, is responsible for administering the HSIP.

The ADOT Local Governments Section acts as project administrator for the HES within the Phoenix metro area. In addition, MAG, ADOT and the City assure that projects in the HES are administered to meet the criteria recommended by the funding resources and programs.

**Previous Actions:**

In July 2011, Mayor and Council approved an IGA with ADOT and the City of Peoria for upgrading the 8-inch traffic signal heads to 12-inch LED traffic signal heads within the City of Peoria at nine different intersections within the City.

**Options:**

**A:** Approve Amendment One to the IGA.

**B:** Deny Amendment One to the IGA.

**Staff's Recommendation:**

Staff recommends the approval of Amendment One to the IGA. The revisions to the agreement clearly define the roles and responsibilities within this project.

**Fiscal Analysis:**

The original approved IGA in July 2011, indicates that the City will have to initially fund the project for \$100,000 and later will be reimbursed per Federal Guidelines. However, the amended IGA indicates that ADOT will advertise, bid the project, purchase the equipment and install the equipment with no cost to the City. Further, the IGA better defines the responsibilities of the City of Peoria and ADOT which do not significantly change.

**Narrative:**

Approval of Amendment One will be the conclusion of the IGA for upgrading the 8-inch traffic signal heads to 12-inch LED traffic signal heads. There is no anticipated additional action related to this project.

**Exhibits:**

**Exhibit 1:** Location Map

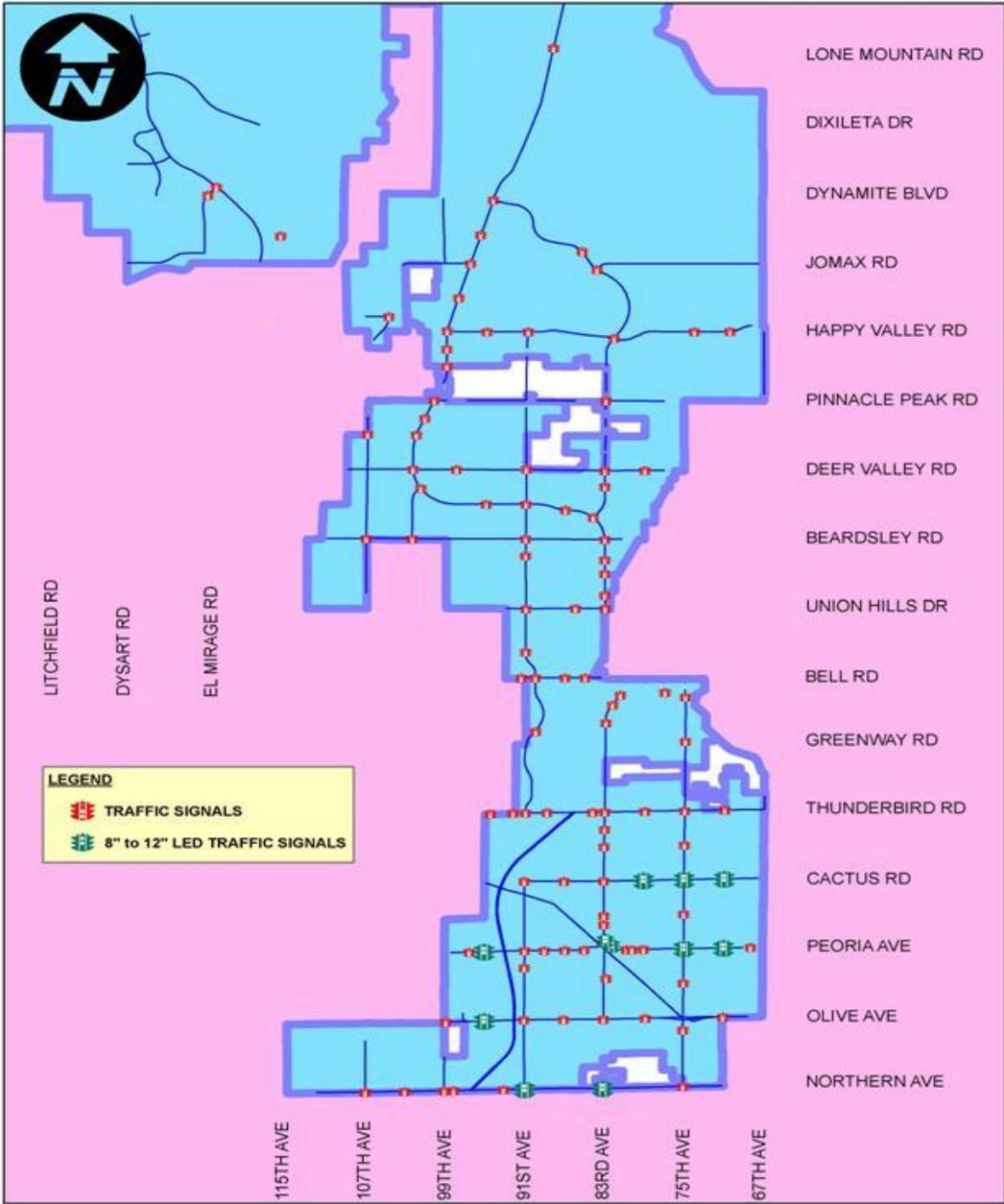
**Exhibit 2:** Resolution

**Exhibit 3:** Intergovernmental Agreement Amendment One

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

# Exhibit 1 – Location Map

## City of Peoria LED Traffic Signal Locations



RESOLUTION NO. 2013-24

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 DEPARTMENT OF TRANSPORTATION AND THE CITY OF PEORIA FOR UPGRADING THE 8-INCH TRAFFIC SIGNAL HEADS WITH 12-INCH LED SIGNAL HEADS.

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 Department of Transportation for upgrading the 8-inch traffic signal heads with 12-inch LED traffic signal heads; 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 Department of Transportation and the City of Peoria (attached) for upgrading the 8-inch traffic signal heads with 12-inch LED traffic signal heads at various locations within the City of Peoria.

PASSED AND APPROVED by the Mayor and City Council of the City of Peoria, Arizona this 19<sup>th</sup> day of February, 2013

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Bob Barrett, Mayor

ATTEST:

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Rhonda Geriminsky, Interim City Clerk

APPROVED AS TO FORM:

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Stephen M. Kemp, City Attorney

*Attachment:*

1. ADOT Intergovernmental Agreement Amendment One

ADOT File No.: IGA/JPA 11-058I  
Amendment No. One  
AG Contract No.: P0012011001559  
Federal Aid No.: PEO-0(213)A  
Project: Traffic Signals  
Section: Various Peoria Intersections  
**ADOT Project No.: SH50101C**  
**TIP/STIP No.: PEO11-108**  
**Budget Source Item No.: HSIP Local**  
**72811 132.90**

**AMENDMENT NO. ONE  
TO  
INTERGOVERNMENTAL AGREEMENT**

**BETWEEN  
THE STATE OF ARIZONA  
AND  
THE CITY OF PEORIA**

**THIS AGREEMENT** is entered into this date \_\_\_\_\_, 2013, (to **AMEND and REPLACE JPA 11-058I in its entirety, executed July 25, 2011, the "Agreement"**) 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") 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".

This Amendment One represents the entire agreement between the Parties. The Agreement is hereby amended as follows:

**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 § 11-952 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. Congress has established the Highway Safety Improvement Program (HSIP) as a core Federal-aid for the specific purpose of achieving a significant reduction in traffic fatalities and serious injuries on public roads. The State, the Federal Highway Administration (FHWA) and the City have identified systematic improvements within the City as eligible for this funding.
  4. The interest of the State in this project is the acquisition and distribution of HSIP Funds for the use and benefit of the City and to authorize such HSIP Funds for the project pursuant to Federal law and regulations. The State shall be the designated agent for the City.
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5. The purpose of this joint exercise of powers and cooperative action (i.e. Agreement), by the State and the City is to allow the State to acquire Federal funds for the purchase and installation of 12-inch circular LED traffic signal indications in new traffic signal housings or assemblies to replace existing 8-inch traffic signals at nine different intersections within the City, hereinafter referred to as the "Project". Some installations will involve the installations of new poles (on existing foundations), wiring and the relocation of existing pedestrian push buttons on the new poles. This project will procure all the necessary materials and labor necessary to implement this conversion. The existing 8-inch traffic signal assemblies and mounts will be removed. The State will advertise, bid, and award the Project.

The current Project costs are as follows:

**ADOT Project No. SH501 01C**

HSIP Funds @ 100%	\$ 100,000.00
*TOTAL Project Costs	\$ 100,000.00
*(Includes CE and project contingencies)	

The Parties acknowledge that the final bid amount may exceed the initial estimate(s) shown above, and in such case, the Parties agree upon mutual consent to eliminate one or more portions of the Project to reduce the total project costs to no more than **\$100,000.00**. If the final bid amount is less than the initial estimate, the difference between the final bid amount and the initial estimate will be de-obligated or otherwise released from the Project.

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

**II. SCOPE OF WORK**

1. The State will:

a. Upon execution of this Agreement, be the designated agent for the City, if such project is approved by FHWA and project funds are available.

b. Submit all documentation required to the FHWA containing the above-mentioned Project with the recommendation that funding be approved for procurement and installation. The Project will be performed, completed, accepted and paid for in accordance with the requirements of the Project Specifications and Terms and Conditions.

c. Request the maximum HSIP funds programmed for this Project, including City contract administration costs.

d. Upon approval by FHWA, with the aid and consent of the City and the FHWA, the State shall proceed to advertise for, receive and open bids subject to the concurrence of the FHWA and the City, to whom the award is made for and enter into a contract(s) with a firm(s) for the purchase of equipment, construction and installation of the Project. Incorporate comments from the City as appropriate.

e. Hereby be granted, without cost, the right to enter City Rights-of-Way, as required, to conduct any and all construction and preconstruction related activities, including without limitation, temporary construction easements or temporary Rights-of-Entry to accomplish among other things, soil and foundation investigations.

f. Not be obligated to maintain said Project, should the City fail to budget or provide for proper and perpetual maintenance as set forth in this Agreement. It is agreed by both parties that the State will

try to keep the costs below allocated federal funds. In the event the cost is higher than the allocated federal funds, any change or modification to the Project will only occur with the mutual written consent between the State and the City while working in collaboration with the contracted vendor. The Parties acknowledge that upon mutual consent, any costs exceeding the federal funds allocated will be the City's responsibility.

2. The City will:

a. Designate the State as authorized agent for the City, if such project is approved by the FHWA and project funds are available.

b. Coordinate with the State during the procurement and construction process of the Project.

c. Be responsible to provide all requested documentation to obtain the necessary clearances (row, utilities and environmental).

d. Certify that all necessary rights-of-way have been or will be acquired prior to advertisement for bid and also certify that all obstructions or unauthorized encroachments of whatever nature, either above or below the surface of the Project area, shall be removed from the proposed right-of-way, or will be removed prior to the start of construction, in accordance with The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended; 49 CFR 24.102 Basic Acquisition Policies; 49 CFR 24.4 Assurances, Monitoring and Corrective Action, parts (a) & (b) and ADOT ROW Manual: 8.02 Responsibilities, 8.03 Prime Functions, 9.07 Monitoring Process and 9.08 Certification of Compliance. Coordinate with the appropriate State's Right-of-Way personnel during any right-of-way process performed by the City, if applicable.

e. Not permit or allow any encroachments upon or private use of the right-of-way, except those authorized by permit. In the event of any unauthorized encroachment or improper use, the City shall take all necessary steps to remove or prevent any such encroachment or use.

f. Hereby grant the State, its agents and/or contractors, without cost, the right to enter City Rights-of-Way, as required, to conduct any and all construction and preconstruction related activities, including without limitation, temporary construction easements or temporary Rights-of-Entry to accomplish among other things, soil and foundation investigations.

g. Maintain all improvements provided by this Project for the entire design life of the equipment.

h. Be obligated to incur any expenditure should unforeseen conditions or circumstances increase the cost of said work required by a change in the extent of scope of the work requested by the City. Such changes require the prior approval of the State and FHWA. Be responsible for any contractor claims for additional compensation caused by Project delays attributable to the City. Payment for these costs shall be made within thirty (30) days of receipt of an invoice from the State.

### **III. MISCELLANEOUS PROVISIONS**

1. The terms, conditions and provisions of this Agreement shall remain in full force and effect until completion of said Project, except any provisions for maintenance/electrical power and/or landscaping maintenance shall be perpetual by the City. Further, this Agreement may be cancelled at any time prior to advertisement of the project construction contract, upon thirty days (30) written notice to the other party. It is understood and agreed that, in the event the City terminates this Agreement, the State shall in no way be obligated to maintain said Project.

2. The State assumes no financial obligation or liability under this Agreement, or for any resulting construction Project. The City, in regard to the City's relationship with the State only, assumes full responsibility for the design, plans, specifications, reports, the engineering in connection therewith and the construction of the improvements contemplated, cost over-runs and construction claims. It is understood and agreed that the State's participation is confined solely to securing federal aid on behalf of the City and the fulfillment of any other responsibilities of the State as specifically set forth herein; that any damages arising from carrying out, in any respect, the terms of this Agreement or any modification thereof shall be the liability of the City and that to the extent permitted by law, the City hereby agrees to save and hold harmless, defend and indemnify from loss the State, any of its departments, agencies, officers or employees from any and all costs and/or damage incurred by any of the above and from any other damage to any person or property whatsoever, which is caused by any activity, condition, misrepresentation, directives, instruction or event arising out of the performance or 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. This agreement shall remain in force and effect until completion of the work and related deposits and reimbursements.

4. The cost of equipment under this Agreement is to be covered by the HSIP funds set aside for this Project, up to the maximum available. The City acknowledges that the eventual actual costs may exceed the maximum available amount of HSIP funds, or that certain costs may not be accepted by the federal government as eligible for HSIP funds. Therefore, the City agrees to furnish and provide the difference between actual costs and the HSIP funds received.

5. The cost of the project under this Agreement includes applicable indirect costs approved by the FHWA.

6. The City and the State warrant compliance with the Federal Funding Accountability and Transparency Act of 2006 and associated 2008 Amendments (the "Act"). Additionally, in a timely manner, the City will provide information that is requested by the State to enable the State to comply with the requirements of the Act, as may be applicable.

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

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

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

10. 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".

11. 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.

12. 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.

13. 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 N. 85th Avenue  
Peoria, Arizona 85345  
(623) 773-7652  
(623) 773-7248

**For City Financial Matters:**  
Vendor # 86600363404  
Attn: Brent Mattingly, Chief Financial  
Officer/Finance Director  
8401 W. Monroe St  
Peoria, Arizona 85345  
(623) 773-7134  
(623) 773-7033

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

15. Pursuant to Arizona Revised Statutes § 35-391.06 and § 35-393.06, each Party certifies that it does not have a scrutinized business operation in Sudan or Iran. For the purpose of this Section the term "scrutinized business operations" shall have the meanings set forth in Arizona Revised Statutes § 35-391 and/or § 35-393, as applicable. If any Party determines that another Party submitted a false certification, that Party may impose remedies as provided by law including terminating this Agreement.

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

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

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**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**  
Mayor

By \_\_\_\_\_  
**DALLAS HAMMIT, P.E.**  
Senior Deputy State Engineer, Development

ATTEST:

By \_\_\_\_\_  
**RHONDA GERIMINSKY**  
Interim City Clerk

**IGA/JPA 11-058I  
Amendment No. One**

**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 \_\_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
City Attorney

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 8C

**Date Prepared:** January 17, 2013

**Council Meeting Date:** February 19, 2013

---

**TO:** Carl Swenson, City Manger  
**FROM:** Roy W. Minter, Chief of Police  
**SUBJECT:** **Police Vehicle Replacement**

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**Purpose:**

Staff is seeking approval from Council for early replacement of a police vehicle and authorization for a budget amendment from the Fleet Reserve Fund Contingency to the Fleet Reserve Fund Automobiles Account.

**Background/Summary:**

The Police Department currently has a vehicle in need of early replacement. Vehicle #1419 is due to be replaced in FY2014 but replacement is being requested in FY2013 due to the extensive repairs now needed on the vehicle. This vehicle needs approximately \$3,000 in transmission and front end suspension work completed. The vehicle has also been in two accidents which could affect the integrity of the vehicle. The two options are to down the vehicle until next fiscal year or request an early replacement. The Police Department requests that the vehicle be replaced in the current fiscal year.

Vehicle #1419 is the only unmarked vehicle equipped with moving radar. Officers use this vehicle to target aggressive drivers as well as intoxicated drivers. Having this vehicle out of service limits these unmarked patrols. If replaced in FY2014, it is estimated that this vehicle will be out of service for 8 to 12 months due to the ordering and configuration time required prior to putting the vehicle in service.

The FY2014 budget includes funding for the replacement of this vehicle. The vehicle replacement program includes this funding in the amount of \$27,468. Staff recommends using these funds currently programmed in the FY2014 Vehicle Replacement Program to replace the vehicle early.

**Previous Actions:**

None.

**Options:**

**A:** Council can choose to accept the recommended early replacement in FY2013 and approve the budget amendment supporting this change.

**B:** Council can choose to maintain the current vehicle replacement schedule resulting in this vehicle being out of service for approximately the next 8 to 12 months.

**Staff's Recommendation:**

Approve the early replacement of vehicle #1419 and authorize a budget amendment from the General Fund Contingency to the Fleet Reserve Fund Automobiles Account.

**Fiscal Analysis:**

Request a budget adjustment in the amount of \$29,906 from the Fleet Reserve Fund Contingency (3100-3500-570000) to the Fleet Reserve Automobiles Account (3100-3500-542501) in the amount of \$27,468 and \$2,438 to the Police Department Automobiles account (1000-1025-542501).

**Narrative:**

If approved, the vehicle replacement will be scheduled for FY2013.

**Exhibit(s):**

None

**Contact Name and Number:**

Teresa Corless, 623-773-7035

Heather Cammarata, 623-773-7069

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 9C

**Date Prepared:** January 24, 2013

**Council Meeting Date:** February 19, 2013

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**TO:** Carl Swenson, City Manager

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

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

**SUBJECT:** Easement, Salt River Project Irrigation, 75<sup>th</sup> Avenue and Thunderbird Road Intersection Widening Project (EN00089)

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**Purpose:**

This is a request for City Council to authorize the execution of an Irrigation Easement to Salt River Project (SRP) for the relocation and maintenance of irrigation facilities associated with the construction of the 75<sup>th</sup> Avenue and Thunderbird Road Intersection Widening Project.

**Background/Summary:**

The City's design consultant analyzed the existing irrigation line locations and determined that it was necessary to relocate portions of the existing SRP irrigation lines to accommodate our project.

**Previous Actions:**

SRP agreed to relocate the portions of their irrigation lines in conflict with the new roadway improvements and requested that the City grant them an easement for the portions that have been relocated.

**Options:**

**A:** City Council authorizes the execution and recordation of the Easement.

**B:** City Council chooses not to authorize the easement resulting in no public record of the existence or location of SRP's irrigation facilities.

**Staff's Recommendation:**

Staff recommends the adoption of a Resolution authorizing the City Manager to execute the SRP 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 SRP's irrigation facilities.

**Exhibit(s):**

**Exhibit 1:** Vicinity Map

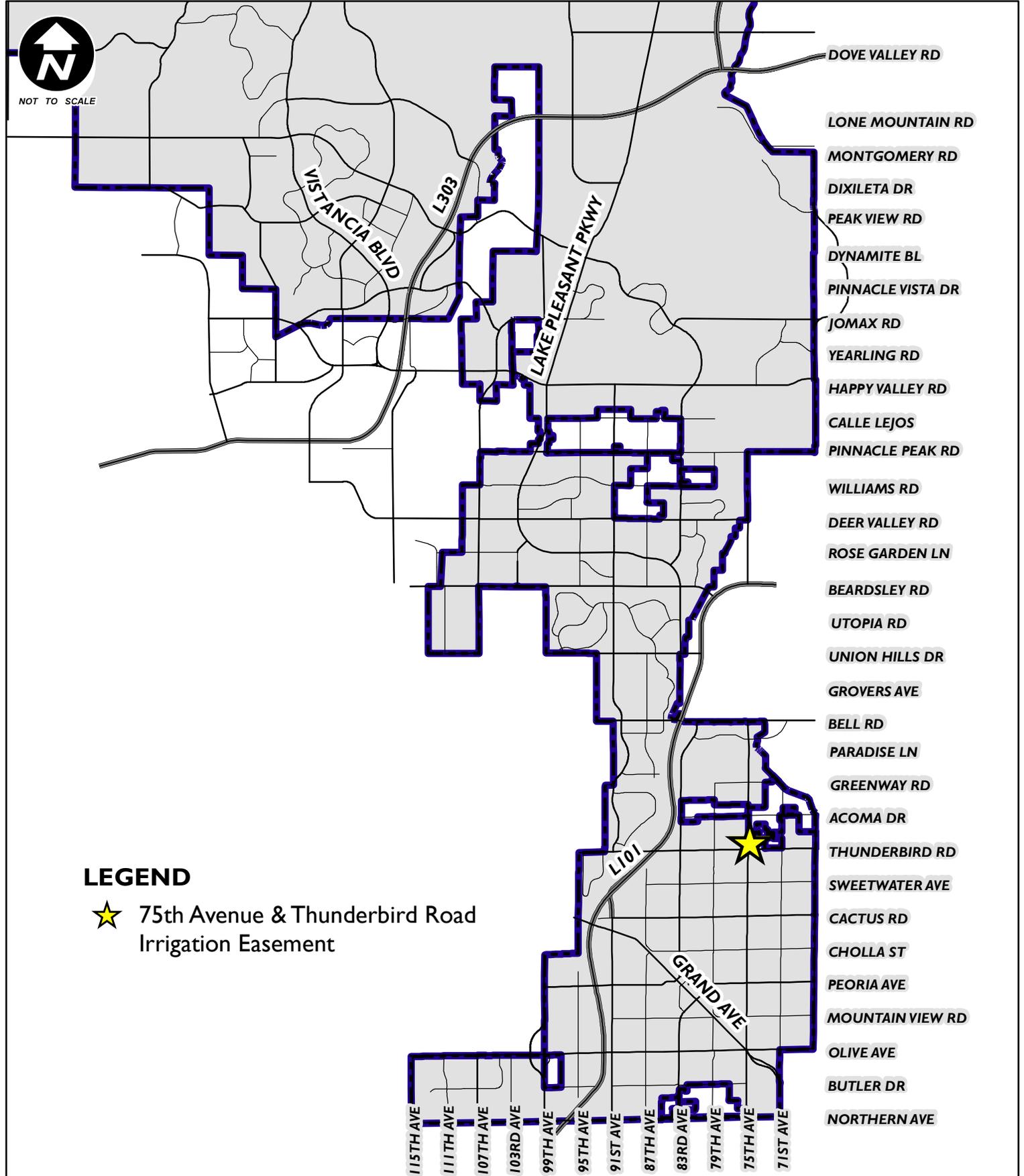
**Exhibit 2:** Location Map

**Exhibit 3:** Resolution

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



NOT TO SCALE



**LEGEND**

★ 75th Avenue & Thunderbird Road  
Irrigation Easement

- 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

VISTANCIA BLVD

L303

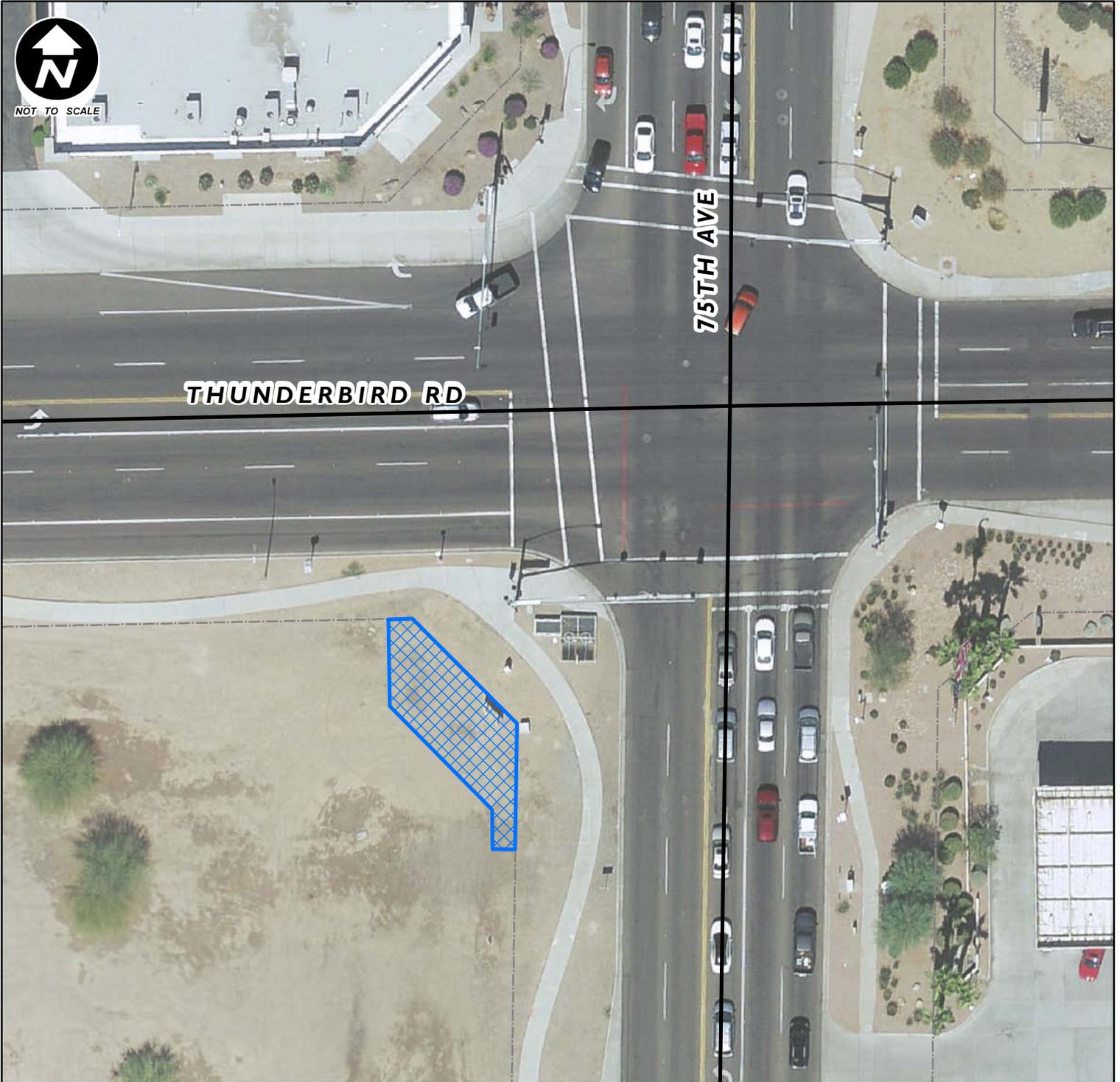
LAKE PLEASANT PKWY

L101

GRAND AVE



NOT TO SCALE



**LEGEND**



Irrigation Easement



**NOTE:**  
This Map is based on imprecise source data, subject to change and FOR GENERAL REFERENCE ONLY.

RESOLUTION NO. 2013-23

RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, ARIZONA, AUTHORIZING THE GRANTING OF AN EASEMENT TO SALT RIVER PROJECT FOR THE RELOCATION OF EXISTING IRRIGATION FACILITIES IN THE VICINITY OF 75<sup>TH</sup> AVENUE AND THUNDERBIRD ROAD.

WHEREAS, the City of Peoria has requested that Salt River Project relocate irrigation lines to accommodate the intersection widening of 75<sup>th</sup> Avenue and Thunderbird Road. Salt River Project has agreed to do so upon the granting of an easement for the location of the new irrigation lines.

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 Salt River Project, and authorize the City Manager to execute the Easement.

Resolution No. 2013-23  
75<sup>th</sup> & Thunderbird – SRP Easement  
February 19, 2013  
Page 2 of 2

PASSED AND ADOPTED by the Mayor and Council of the City of Peoria,  
Arizona this 19th day of February, 2013.

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Bob Barrett, Mayor

ATTEST:

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City Clerk

APPROVED AS TO FORM:

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Stephen M. Kemp, City Attorney

Attachment:

1. SRP Easement

**WHEN RECORDED MAIL TO:**

**SALT RIVER PROJECT**

Land Department/PAB350  
P. O. Box 52025  
Phoenix, Arizona 85072-2025

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**IRRIGATION EASEMENT**

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Maricopa County

R/W # 74 Agt. PAR

Job # RD-02912

W DMC C MSA

KNOW ALL MEN BY THESE PRESENTS:

That

**CITY OF PEORIA**, ("Grantor"),  
a municipal corporation

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 **SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT**, ("Grantee"), an agricultural improvement district organized and existing under the laws of the State of Arizona, its successors and assigns, for itself and on behalf of the United States of America and as manager of the federal Salt River Reclamation Project, the right, easement and privilege to construct, reconstruct, operate and maintain an irrigation pipeline and irrigation turnout structure together with all the necessary and appurtenant facilities through, over, under and across the following described property:

**Exhibit "A" attached hereto and made by reference a part hereof.**

Grantor shall not convey any easements or grant any permits within the easement areas in which the facilities do not comply with the specifications shown in Exhibit B attached hereto and by this reference made a part hereof.

Grantor shall not erect, construct or permit to be erected or constructed any building or other structure, plant any trees, drill any well, install swimming pools, or alter ground level by cut or fill, within the limits of said rights of way, which do not comply with said Exhibit B.

Grantee shall have the right, but not the obligation, to erect, maintain and use gates in all fences which now cross said rights of way and to trim, cut and clear away trees or brush whenever in its judgment the same shall be necessary for the convenient and safe exercise of the rights hereby granted.

The Grantee shall at all times have the right of full and free ingress and egress to said easement for the purpose heretofore specified.

Grantor and Grantee acknowledge that from time to time Grantee may find it necessary to construct, reconstruct, operate and maintain irrigation facilities and appurtenant conveniences lying within the easement areas.

Grantor shall pay Grantee all costs and expenses of any relocation of the irrigation facilities requested by Grantor, including but not limited to, the relocation of the facilities into the easement area described above.

In the event the right, privilege and easement herein granted shall be abandoned and permanently cease to be used for the purpose herein granted, all rights herein granted shall cease and revert to the Grantors, their heirs or assigns.

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, successors in ownership and estate, assigns and lessees of the respective parties hereto.

Notwithstanding any of the aforesaid provisions, the easement rights granted herein shall be further subject to the following covenants, restrictions and conditions:

1. Grantor reserves the right to construct, install, operate, maintain, repair, replace and reinstall surface parking areas, driveways, roadways, sidewalks, curbs and gutters, landscaping, irrigation lines and street lighting on the surface of the easement areas.
2. Grantor reserves the right to construct and install public utilities, and to grant easements and permits for public utility purposes, in, upon, under, over and across the easement areas subject to compliance with the specifications shown in Exhibit B attached hereto and by this reference made a part hereof.
3. In the event that any repair, maintenance, replacement or installation of the irrigation facilities and appurtenant conveniences will cause a disturbance or a disruption of any public street or paved roadway, Grantee shall notify Grantor, pursuant to existing practices, before Grantee undertakes any such action. In the event of an emergency, Grantee shall have use of any public street or paved roadway as it reasonably deems necessary and appropriate to correct, repair, replace or reconstruct irrigation facilities affected by the emergency and notify Grantor, pursuant to existing practices, as soon as practical after responding to the emergency. Grantee shall provide for advance warning signs, barricades, flagmen, flares, and other devices when necessary to protect the roadway user as set forth in the "Manual on Uniform Traffic Control Devices" and any amendments and/or revisions thereto.
4. Grantor shall warrant and defend the rights, easements and privileges hereby granted and the priority of this easement against all persons whomsoever.

IN WITNESS WHEREOF, **THE CITY OF PEORIA**, a municipal corporation, has caused its name to be executed by its duly authorized representative(s) this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**THE CITY OF PEORIA,**  
a municipal corporation

By: \_\_\_\_\_  
Carl Swenson  
Its: City Manager

APPROVED AS TO FORM:

ATTEST:

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

\_\_\_\_\_  
City Clerk

STATE OF ARIZONA        )  
                                  ) SS.  
COUNTY OF MARICOPA )

On this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, before me, the undersigned, personally appeared \_\_\_\_\_, the \_\_\_\_\_, of **THE CITY OF PEORIA**, a municipal corporation, and such authorized representative acknowledged that this document was executed on behalf of the corporation for the purposes therein contained.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

\_\_\_\_\_  
Notary Stamp/Seal

**Note: This instrument is exempt from the real estate transfer fee and affidavit of legal value required under A.R.S. Sections 11-1132 and 11-1133 pursuant to the exemptions set forth in A.R.S. Sections 11-1134(A)(2) and (A)(3).**

**EXHIBIT A**

**LEGAL DESCRIPTION: SRP IRRIGATION EASEMENT**

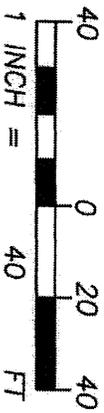
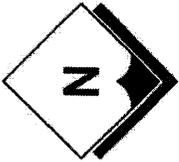
THAT PORTION OF LOT 2C OF "REPLAT OF LOTS 2A & 2B, THUNDERBIRD LANDINGS" AS RECORDED IN MARICOPA COUNTY RECORDER'S BOOK 957, PAGE 50, BEING IN A PORTION OF THE NORTHEAST QUARTER OF SECTION 14, TOWNSHIP 3 NORTH, RANGE 1 EAST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

COMMENCING AT A CITY OF PEORIA BRASS CAP IN HANDHOLE MARKING THE NORTHEAST CORNER OF SAID SECTION 14, FROM WHENCE A CITY OF PEORIA BRASS CAP IN HAND HOLE MARKING THE EAST QUARTER CORNER OF SAID SECTION 14 LIES SOUTH 00°48'51" WEST, 2633.82 FEET; THENCE SOUTH 00°48'51" WEST, ALONG THE EAST LINE OF SAID SECTION 14, A DISTANCE OF 65.04 FEET TO A POINT ON THE EASTERLY EXTENSION OF THE NORTH LINE OF SAID LOT 2C AND THE SOUTH RIGHT-OF-WAY LINE OF THUNDERBIRD ROAD; THENCE SOUTH 88°44'53" WEST, ALONG SAID EXTENSION, 98.06 FEET TO THE NORTHERLY-MOST NORTHEAST CORNER OF SAID LOT 2C, AND THE **POINT OF BEGINNING**;

THENCE CONTINUING SOUTH 88°44'53" WEST, ALONG SAID NORTH LINE OF LOT 2C AND SAID SOUTH RIGHT-OF-WAY LINE OF THUNDERBIRD ROAD, 5.75 FEET; THENCE SOUTH 01°15'07" EAST, 26.52 FEET; THENCE SOUTH 45°00'00" EAST, 42.67 FEET; THENCE SOUTH 00°00'00" WEST, 12.41 FEET; THENCE NORTH 90°00'00" EAST, 7.02 FEET TO THE EASTERLY LINE OF SAID LOT 2C AND THE WEST RIGHT-OF-WAY LINE OF 75<sup>TH</sup> AVENUE; THENCE NORTH 00°48'51" EAST ALONG SAID EASTERLY LINE, 36.97 FEET TO AN ANGLE POINT AND THE SOUTHERLY-MOST NORTHEAST CORNER OF SAID LOT 2C; THENCE NORTH 45°14'46" WEST, ALONG SAID LINE, 45.82 FEET TO THE **POINT OF BEGINNING**.

(CONTAINING 1,254 SQUARE FEET, 0.03 ACRE, MORE OR LESS)





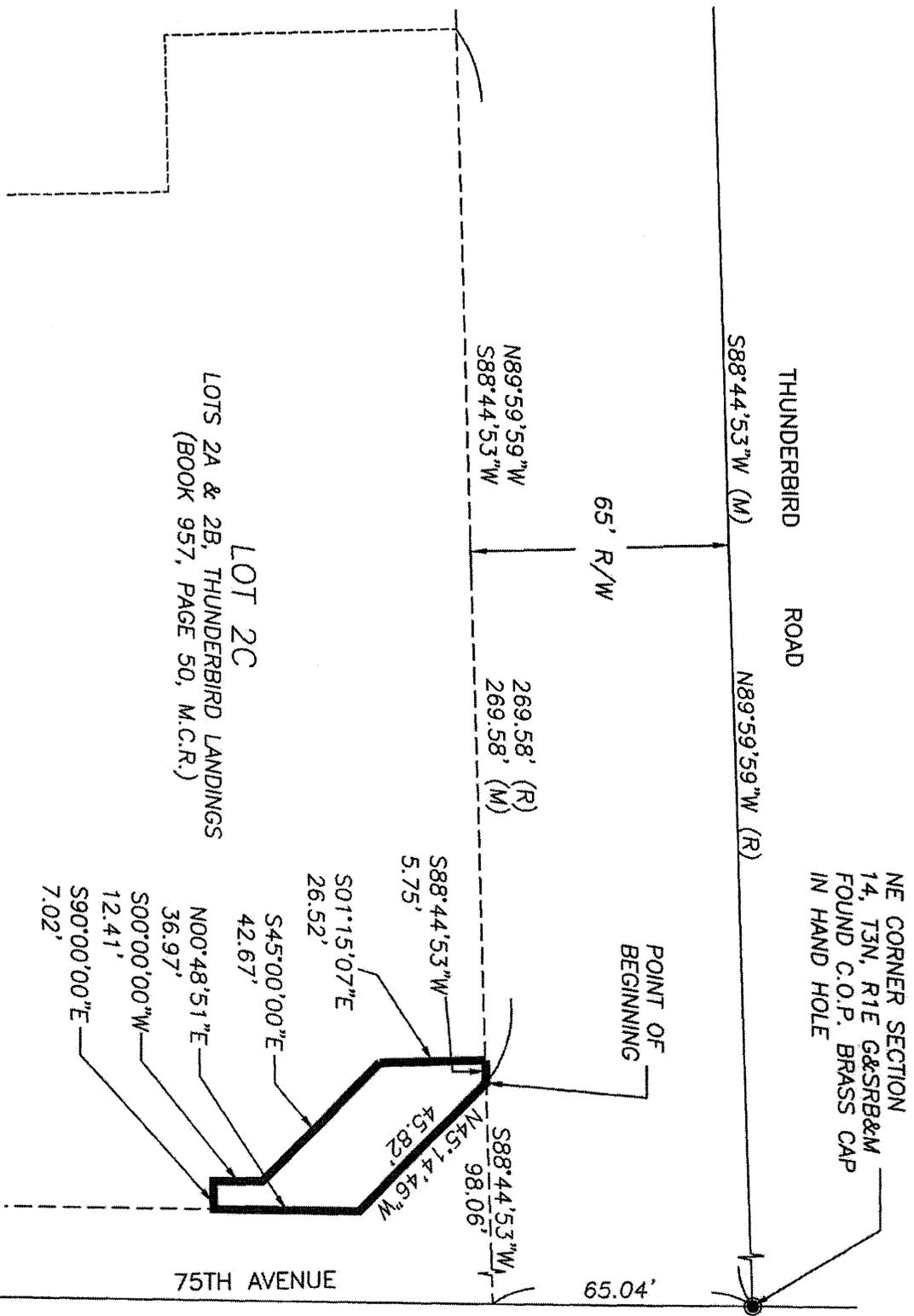
(M) = MEASURED DIMENSION.  
 (R) = RECORD DIMENSION FROM "REPLAT OF LOTS 2A & 2B, THUNDERBIRD LANDINGS", RECORDED IN BOOK 957, PAGE 50, MARICOPA COUNTY RECORDER.

E 1/4 CORNER SECTION  
 14, T3N, R1E G&SRB&M  
 FOUND C.O.P. BRASS CAP  
 IN HAND HOLE

NE CORNER SECTION  
 14, T3N, R1E G&SRB&M  
 FOUND C.O.P. BRASS CAP  
 IN HAND HOLE

THUNDERBIRD ROAD  
 S88°44'53"W (M)  
 N89°59'59"W (R)

LOT 2C  
 LOTS 2A & 2B, THUNDERBIRD LANDINGS  
 (BOOK 957, PAGE 50, M.C.R.)



75TH AVENUE

65.04'

**EXHIBIT A**  
**A PORTION OF**  
**APN 231-15-617**  
**SRP IRRIGATION EASEMENT**  
**A PORTION OF SECTION 14, T3N, R1E**



**PREMIER**  
 ENGINEERING CORPORATION  
 6437 W CHANDLER BLVD, STE 1  
 CHANDLER, AZ 85226



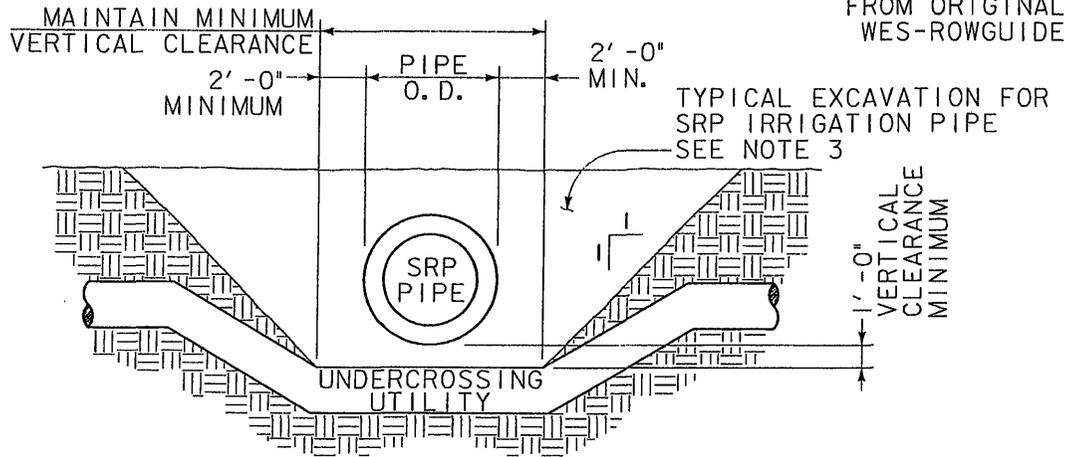
PROJECT No. <b>2010004</b>	DRAWN BY <b>DMH</b>	DATE <b>DEC., 2011</b>
PAGE No. <b>2 OF 2</b>	CHECKED BY <b>MAL</b>	

# EXHIBIT B

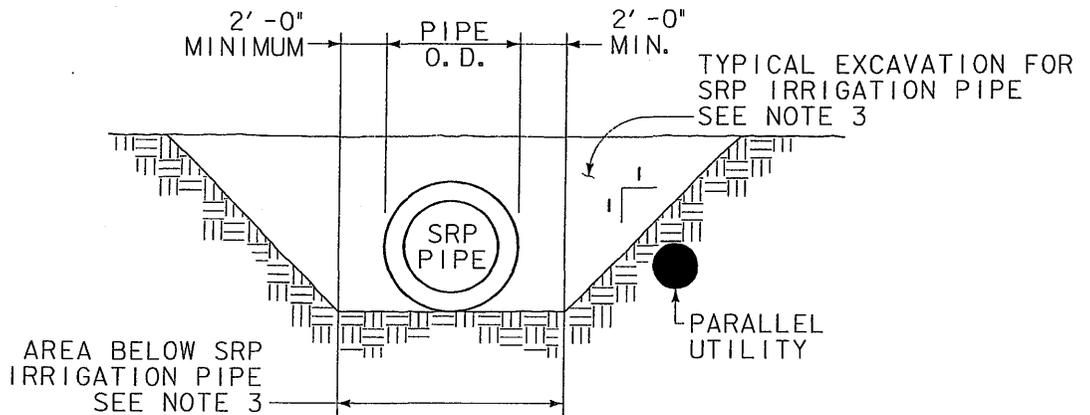
(PAGE 1 OF 2)

REV NO.	DATE
5	06/08/11

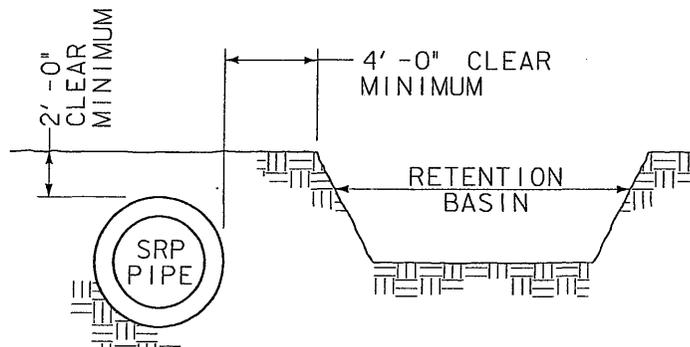
DWG REFERENCED FROM ORIGINAL WES-ROWGUIDE



PIPELINE - UTILITY CROSSING



PIPELINE - PARALLEL UTILITY



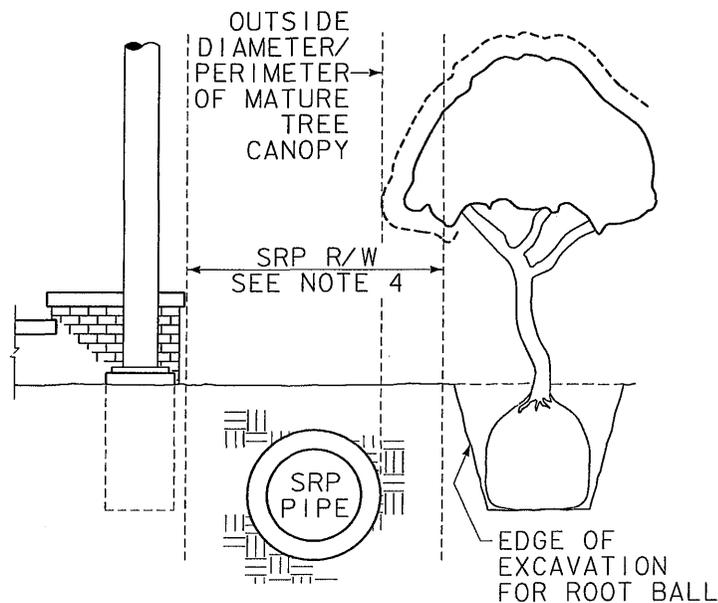
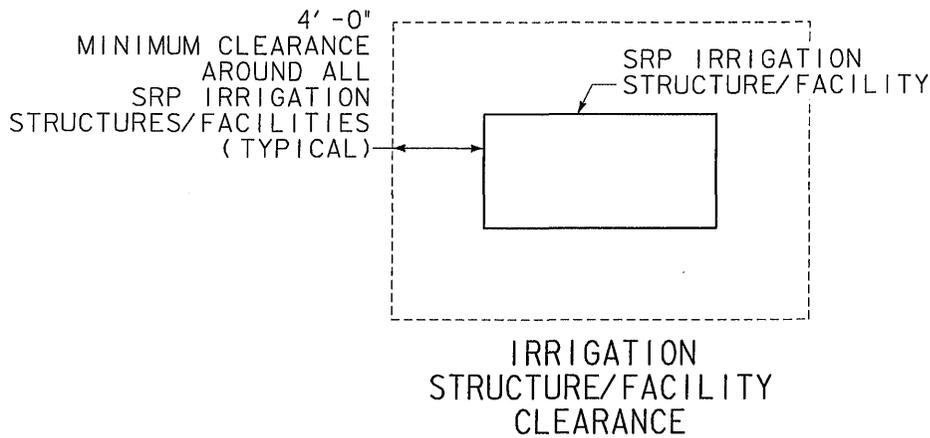
PIPELINES - RETENTION BASIN

# EXHIBIT B

(PAGE 2 OF 2)

REV NO.	DATE
5	06/08/11

DWG REFERENCED  
FROM ORIGINAL  
WES-ROWGUIDE



## PIPELINES - LANDSCAPING

### NOTES

1. THESE GUIDELINES ARE PROVIDED AS A GENERAL AID TO PLANNING. ACTUAL SRP REQUIREMENTS MAY VARY BASED ON SITE-SPECIFIC CONDITIONS, OPERATIONAL CONSIDERATIONS, ETC.
2. AN SRP LICENSE IS REQUIRED FOR UTILITIES CROSSING/PARALLEL TO SRP IRRIGATION PIPE IN SRP RIGHT-OF-WAY. SRP REQUIRES ENGINEER DESIGNED UTILITY CROSSING/LOCATION AND EXCAVATION PLAN.
3. OTHER UTILITIES ARE NOT PERMITTED IN THESE AREAS.
4. SRP MAY LICENSE LIMITED USES OF ITS RIGHT-OF-WAY SUCH AS PARKING, SIDEWALK, LAWN, ETC. POLES, STRUCTURES AND TREES ARE TYPICALLY NOT PERMITTED IN SRP RIGHT-OF-WAY. INCLUDE DESIGN DRAWINGS FOR PROPOSED USE WHEN SUBMITTING REQUEST TO SRP FOR LICENSE.
5. REQUESTS FOR SRP LICENSES ARE HANDLED ON A CASE-BY-CASE BASIS. CONTACT SRP AT 602-236-5799 REGARDING LICENSES FOR SITES LOCATED NORTH AND SOUTH OF THE SALT RIVER.

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 10C

**Date Prepared: January 22, 2013**

**Council Meeting Date: February 19, 2013**

---

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

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**Purpose:**

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

**Background/Summary:**

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

**Previous Actions:**

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

**Options:**

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

**Staff's Recommendation:**

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

**Fiscal Analysis:**

There is no fiscal impact to the City.

**Narrative:**

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

**Exhibit(s):**

**Exhibit 1:** Resolution

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

RESOLUTION NO. 2013-21

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.

Agua Fria Truck Road Reliever  
Cemex Construction Materials Pacific, LLC.  
SPECIAL WARRANTY DEED  
Maricopa County Recording No. 2012-1177126  
(Project No. EN00271)

111<sup>th</sup> Avenue Alignment south  
of Pinnacle Peak Road

Agua Fria Truck Road Reliever  
Acael, LLC.  
PUBLIC ROADWAY & PEORIA MUNICIPAL  
UTILITY EASEMENT  
Maricopa County Recording No. 2012-1149367  
(Project No. EN00271)

111<sup>th</sup> Avenue Alignment north  
of Rose Garden Lane

Resolution No. 2013-21  
Acceptance of Deeds and Easements  
February 19, 2013  
Page: 2

Agua Fria Truck Road Reliever  
Acael, LLC.  
SPECIAL WARRANTY DEED  
Maricopa County Recording No. 2012-1149594  
(Project No. EN00271)

111<sup>th</sup> Avenue Alignment north  
of Rose Garden Lane

Fire Maintenance Building  
Aloha Investments, Inc.  
SPECIAL WARRANTY DEED  
Maricopa County Recording No. 2013-0066014  
(Project No. FD00101)

8557 N. 78<sup>th</sup> Avenue

75<sup>th</sup> Ave & Thunderbird Rd Improvements  
Hong Thunderbird 75, LLC.  
FINAL ORDER OF CONDEMNATION  
Maricopa County Recording No. 2012-1098734  
(Project No. EN00089)

SWC 75<sup>th</sup> Ave & Thunderbird Rd

Clean-Up – 86<sup>th</sup> Avenue  
Stephen Wanick & Randy Jenkins  
WARRANTY DEED  
Maricopa County Recording No. 1989-0482986

86<sup>th</sup> Ave south of Jefferson St

## SECTION 2. Public Easement and Land Rights

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

## SECTION 3. Recording Authorized

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

Resolution No. 2013-21  
Acceptance of Deeds and Easements  
February 19, 2013  
Page: 3

PASSED AND ADOPTED by the Mayor and Council of the City of Peoria,  
Arizona, this 19<sup>th</sup> day of February 2013.

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Bob Barrett, Mayor

ATTEST:

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City Clerk

APPROVED AS TO FORM:

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Stephen M. Kemp, City Attorney

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 11C

**Date Prepared: January 22, 2013**

**Council Meeting Date: February 19, 2013**

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**TO:** Carl Swenson, City Manager  
**FROM:** Andy Granger, P.E., Engineering Director  
**THROUGH:** Susan J. Daluddung, Deputy City Manager  
**SUBJECT:** Designate Roadways, Establish Rights-of-Way, Various Locations

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**Purpose:**

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

**Background/Summary:**

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

**Previous Actions:**

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

**Options:**

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

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

**Staff's Recommendation:**

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

**Fiscal Analysis:**

There is no significant fiscal impact to the City.

**Narrative:**

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

**Exhibit(s):**

**Exhibit 1:** Resolution

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

RESOLUTION NO. 2013-22

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

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

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

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

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

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

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

SECTION 2. Designation of a Public Street

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

Resolution No. 2013-22  
Authorizing Establishment of Public Streets  
February 19, 2013  
Page 2

Agua Fria Truck Road Reliever  
Cemex Construction Materials Pacific, LLC.  
SPECIAL WARRANTY DEED  
*Minor Arterial*  
Maricopa County Recording No. 2012-1177126  
(Project No. EN00271)

111<sup>th</sup> Avenue Alignment south  
of Pinnacle Peak Road

Agua Fria Truck Road Reliever  
Acael, LLC.  
PUBLIC ROADWAY & PEORIA MUNICIPAL  
UTILITY EASEMENT  
*Minor Arterial*  
Maricopa County Recording No. 2012-1149367  
(Project No. EN00271)

111<sup>th</sup> Avenue Alignment north  
of Rose Garden Lane

Agua Fria Truck Road Reliever  
Acael, LLC.  
SPECIAL WARRANTY DEED  
*Minor Arterial*  
Maricopa County Recording No. 2012-1149594  
(Project No. EN00271)

111<sup>th</sup> Avenue Alignment north  
of Rose Garden Lane

75<sup>th</sup> Ave & Thunderbird Rd Improvements  
Hong Thunderbird 75, LLC.  
FINAL ORDER OF CONDEMNATION  
*Major Arterial*  
Maricopa County Recording No. 2012-1098734  
(Project No. EN00089)

SWC 75<sup>th</sup> Ave & Thunderbird Rd

Clean-Up – 86<sup>th</sup> Avenue  
Stephen Wanick & Randy Jenkins  
WARRANTY DEED  
*Local*  
Maricopa County Recording No. 1989-0482986

86<sup>th</sup> Ave south of Jefferson St

### SECTION 3. Amendment of Plans and Maps

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

SECTION 4. Signage, Posting and Effective Date

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

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

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

SECTION 5. Recording Authorized

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

PASSED AND ADOPTED by the Mayor and Council of the City of Peoria, Peoria, Arizona this 19<sup>th</sup> day of February 2013.

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

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

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

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 12C

**Date Prepared:** January 30, 2013

**Council Meeting Date:** February 19, 2013

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**TO:** Carl Swenson, City Manager

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

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

**SUBJECT:** Land Donation, Downtown Peoria Residential Lots, 86<sup>th</sup> Avenue south of Jefferson

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**Purpose:**

This is a request for City Council to discuss the adoption of a Resolution authorizing the donation of vacant residential land to Habitat for Humanity Central Arizona (Habitat).

**Background/Summary:**

This property was originally acquired for \$87,000 by Housing Our Communities, Inc. (HOC), a non-profit using CDBG federal funding from HUD; this funding is administered by the City through the Neighborhood and Revitalization Division. Due to some poor financial decisions involving a construction loan from Wells Fargo, HOC was unable to fulfill their obligation to build affordable housing on the site. HOC has since formally ceased operations.

This left the property undeveloped and subject to a lien from Wells Fargo Bank. Neighborhood and Revitalization staff and the City Attorney's Office worked with Wells Fargo to get the lien released with the assurance that the City would facilitate the development of this property for affordable housing as originally intended. Once the lien was released, the property was Quit Claimed to the City.

HOC completed the preliminary site assessment work associated with the site development, as required through the federal funding process. The property was transferred to the City by Quit Claim Deed from HOC and the City intends to convey the property to Habitat, the non-profit selected through a Materials Management Solicitation of Interest, by Quit Claim Deed. There are no known items of concern either in the public records or on the site. The property will be offered to the non-profit community in an as-is condition subject to any unknown easements or physical issues.

**Previous Actions:**

There have been no formal City Council actions associated with this property.

**Options:**

- A:** Transfer the property to Habitat under the terms and conditions outlined in the solicitation for the development of the property, preserving the original investment in the property by HUD of approximately \$87,000 for an affordable housing project.
- B:** The City keeps the property and reimburses HUD's original investment of approximately \$87,000 then holds the property for future development.

**Staff's Recommendation:**

Staff recommends that the City transfer the property to Habitat under the terms and conditions outlined in the solicitation for the development of the property for affordable housing.

**Fiscal Analysis:**

The transfer of the property to Habitat will not have a financial impact on the City.

**Narrative:**

If the Council chooses to go forward with donating this parcel to Habitat they will build affordable housing in accordance with both the City's solicitation details and the federal funding requirements of HUD. It will be necessary to execute the Quit Claim Deed to Habitat to transfer the property.

**Exhibit(s):**

**Exhibit 1:** Vicinity Map

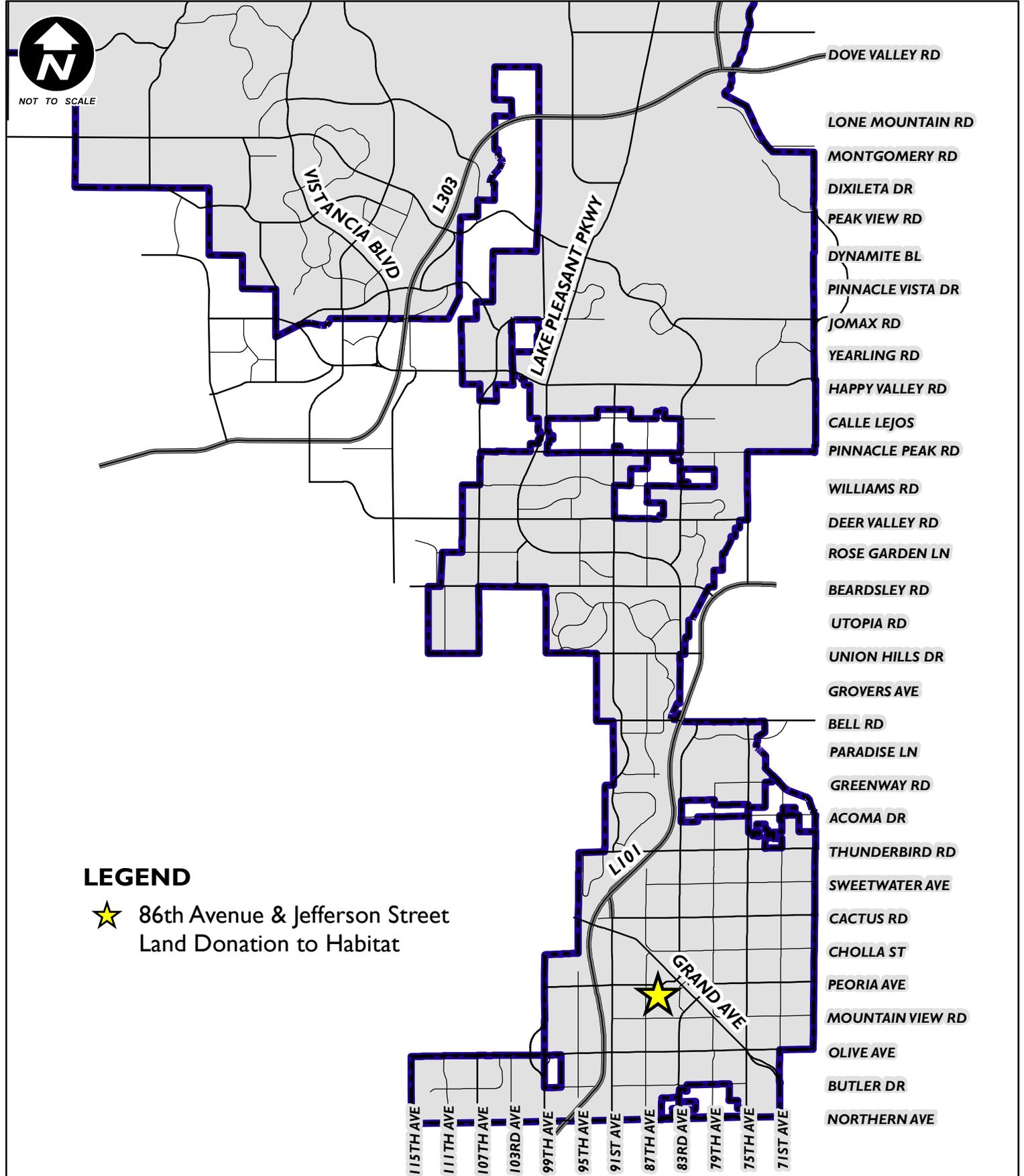
**Exhibit 2:** Location Map

**Exhibit 3:** Resolution

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



NOT TO SCALE



**LEGEND**

★ 86th Avenue & Jefferson Street  
Land Donation to Habitat

- 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



NOT TO SCALE



**LEGEND**



Land Donation to Habitat



**NOTE:**  
This Map is based on imprecise source data, subject to change and FOR GENERAL REFERENCE ONLY.

RESOLUTION NO. 2013-25

RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, ARIZONA, AUTHORIZING THE CONVEYANCE BY QUIT CLAIM DEED OF RESIDENTIAL LOTS LOCATED ON THE WEST SIDE OF 86TH AVENUE, JUST SOUTH OF JEFFERSON STREET, PEORIA, ARIZONA.

WHEREAS, Housing Our Communities, INC. has transferred residential land in the downtown area to the City by Quit Claim Deed for the construction of affordable housing; and

WHEREAS, The City is desirous of conveying this land to a non-profit organization; and

WHEREAS, The City has advertised a Request for Statement of Interest and Qualifications to non-profit organizations that would be willing to build affordable housing on this land, subject to specific criteria set forth in the request and subsequently offer this affordable housing to the public; and

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 conveyance of this residential land described in "Exhibit A" to the qualified respondent to the Request for Statement of Interest and Qualifications, and authorize the City Manager to execute any and all the documents necessary to carry out the transaction; and

THEREFORE, BE IT RESOLVED that the Mayor and Council of the City of Peoria, Arizona authorize the conveyance of the residential land described in "Exhibit A" to the qualified non-profit respondent to the Request for Statement of Interest and Qualifications, and authorize the City Manager to execute the documents necessary to carry out this transaction.

Resolution No. 2013-25  
February 19, 2013  
Page 2

PASSED AND ADOPTED by the Mayor and Council of the City of Peoria,  
Arizona this 19<sup>th</sup> day of February, 2013.

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Bob Barrett, Mayor

ATTEST:

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City Clerk

APPROVED AS TO FORM:

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Stephen M. Kemp, City Attorney

ATTACHMENT:

1. Exhibit A – Legal Description

EXHIBIT A

Parcel 1

Lot 82, ALTALOMA, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 5 of Maps, Page 19.

EXCEPT the North 91.00 feet thereof;

AND EXCEPT the South 52.25 feet thereof.

Parcel 2

Lot 83, ALTALOMA, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 5 of Maps, Page 19.

EXCEPT the North 91.00 feet thereof;

AND EXCEPT the South 52.25 feet thereof.

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 13C

Date Prepared: February 11, 2013

Council Meeting Date: February 19, 2013

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**TO:** Honorable Mayor and Council

**FROM:** Steve Kemp, City Attorney

**SUBJECT:** Outside counsel for negotiations with Peoria Sports Park, LLC for development of a mixed-use redevelopment project

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**Purpose:**

This is a request for the Mayor and City Council to approve and authorize a budget adjustment in the amount of \$30,000 to retain outside legal counsel for ongoing negotiations with Peoria Sports Park, LLC (PSP) for a mixed-used redevelopment project.

**Background/Summary:**

On January 22, 2013, the Mayor and City Council authorized the City Manager to sign a Ground Lease Agreement with Peoria Sports Park, LLC to redevelop the 17-acre parking lot west of the Peoria Sports Complex into a mixed-use entertainment location. Continuing negotiations with PSP will focus on the drafting of a complex Development Agreement, with related agreements addressing various components of the project. The development of these agreements will require a large amount of time and resources. Therefore, the City Attorney's Office is seeking to retain Dickinson Wright Mariscal Weeks as outside legal counsel to represent the City in the negotiations.

**Previous Actions:**

No previous actions.

**Options:**

**A: Approve and authorize** a budget transfer to retain outside legal counsel **for negotiations with Peoria Sports Park, LLC for development of a mixed-use redevelopment project.**

**B: Reject** a budget transfer to retain outside legal counsel **for negotiations with Peoria Sports Park, LLC for development of a mixed-use redevelopment project.**

**Staff's Recommendation:**

Approve and authorize a budget transfer to retain outside legal counsel for negotiations with Peoria Sports Park, LLC for development of a mixed-use redevelopment project.

**Fiscal Analysis:**

This request requires a budget adjustment from the Economic Development Opportunity Fund contingency account 1900-1900-570000 to the City Attorney Legal Services account 1000-0200-520001.

**Contact Name and Number:**

Steve Kemp, City Attorney (623) 773-7321

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 14C

Date Prepared: November 20, 2012

Council Meeting Date: February 19, 2013

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**TO:** Carl Swenson, City Manager  
**FROM:** Jeff Tyne, Management and Budget Director  
**THROUGH:** Susan K. Thorpe, Deputy City Manager  
**SUBJECT:** Budget Amendments

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**Purpose:**

This is a request for City Council to approve the FY 2013 Second Quarter Budget Amendments.

**Background/Summary:**

The attached schedules list budget amendments for FY 2013, under current Council and/or Administrative policy, require Council approval. These amendments have been reviewed by the Management and Budget Department and the Chief Financial Officer and are submitted to Council for approval. The following listing describes the budget amendments by category.

**FY 2013 Amendments Summary:**

**Operating** – The adjustments in the Operating category include setting up appropriation for the GITEM grant fund and for the repayment of Wastewater Impact Fees. The Operating adjustments total \$78,363.

**Capital Items** – This category includes chargebacks for Engineering, Arts Commission and Materials Management, and an adjustment to reallocate unspent bond proceeds. It also includes adjustments to properly align capital project budgets with the most appropriate G.O. Bond issue – this adjustment is purely administrative and has no financial impact. The Capital Items adjustments total \$3,927,467.

**Previous Actions:**

No previous action has been taken on these budget amendments.

**Options:**

**A:** Approve all Budget Amendments as recommended

**B:** Approve only select Budget Amendments

**C:** Do not approve the Budget Amendments and request further information from Staff.

**Staff's Recommendation:**

Management and Budget Department staff recommends approval of the attached budget amendments.

**Fiscal Analysis:**

These budget amendments have no net fiscal impact to the city. Some of the budget amendments are to provide expenditure authority for funds that have been received, i.e., through grants, IGAs, and/or reimbursements. Other budget amendments are moving existing appropriation to the proper accounts.

**Narrative:**

**Exhibit(s):**

**Exhibit 1:** FY 2013 Budget Amendment Schedule

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

# Budget Amendment Schedule

## Fiscal Year 2013 Amendments

Transfer # - Department - Division	Fund - Division - Account - Account Description - Prgm - Proj/Grant						Debit	Credit
<b><u>Operating</u></b>								
#4173 - Police - GITEM Grant								
	7420	7580	510200	Wages - Overtime			\$55,000	
	7990	7990	570000	Contingencies				\$55,000
<b>Comment:</b> Provide appropriation in the GITEM grant fund for reimbursement of overtime in the Police Department.								
<hr/>								
#4179 - Public Works - Ww Expansion (Unz)								
	2510	2630	561502	Devl/Impact Fee Repymts/Reimb		NA	NA	\$13,461
	2161	2221	570000	Contingencies		NA	NA	\$13,461
<b>Comment:</b> Contingency transfer to set up appropriation for the repayment of Wastewater Impact Fees for Phase III Sonoran Mountain Wastewater Line per development agreement LCON02304.								
<hr/>								
#4191 - Non-Departmental - N Val Pwr Cnt Id 8801 Ds								
	6040	6040	560583	Debt Interest - ID 8801			\$9,902	
	5500	5500	570000	Contingencies				\$9,902
<b>Comment:</b> Correction to the North Valley Power Center Improvement District budget as it did not include the January interest payment according to the debt service schedule. Cash is available in the Improvement District fund to pay the debt interest payment.								
<b>Subtotal for Operating Amendments:</b>							<b>\$78,363</b>	<b>\$78,363</b>

## Budget Amendment Schedule

### Fiscal Year 2013 Amendments

Transfer # - Department - Division	Fund - Division - Account - Account Description - Prgm - Proj/Grant	Debit	Credit
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#### **Capital**

#4172 - Non-Departmental - Gen Fund Capital Projects

4240	4240	543005	Park Improvements	CIPPK CS00034	\$1,400,000
4251	4251	540000	Land	CIPRT CS00089	\$873,967
4251	4251	520099	Other Professional Services	CIPRT CS00089	\$303,952
4240	4240	520099	Other Professional Services	CIPRT CS00089	\$303,952
4240	4240	540000	Land	CIPRT CS00089	\$873,967
4250	4250	543005	Park Improvements	CIPPK CS00034	\$1,400,000

**Comment:** CIP - Budget amendments needed to properly align capital project budgets with the most appropriate G.O. bond issue. This amendment is purely administrative and has no financial impact.

#4175 - Non-Departmental - Gen Fund Capital Projects

4810	4810	570000	Contingencies		\$39,728
4810	4810	543001	Street System	CIPST EN00324	\$39,728

**Comment:** CIP - Westgreen Estates Unit 9 Soundwall Project - Return excess budget in Outside Sources Fund to contingency.

#4176 - Non-Departmental - Gen Fund Capital Projects

4220	4220	543001	Street System	CIPST EN00241	\$859,591
4550	4550	543001	Street System	CIPST EN00241	\$859,591

**Comment:** CIP - Allocate unspent bond proceeds (Fund 4220) budgeted for Beardsley Connector to the Lake Pleasant Parkway project.

# Budget Amendment Schedule

## Fiscal Year 2013 Amendments

Transfer # - Department - Division	Fund - Division - Account - Account Description - Prgm - Proj/Grant	Debit	Credit
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### Capital

#4188 - Non-Departmental - Gen Fund Capital Projects

1000 0310 544001	CIPOF CS00070	\$31,240	
4550 4550 544001	CIPPK CS00034	\$19,146	
4550 4550 544001	CIPST EN00089	\$19,070	
7000 7050 544001	CIPST COP0001	\$17,843	
4550 4550 544001	CIPST EN00313	\$16,947	
2400 2550 544001	CIPWW UT00296	\$12,938	
4250 4250 544001	CIPPK CS00034	\$11,222	
7010 7075 544001	CIPST EN00395	\$9,045	
1970 1970 544001	CIPOF PW10300	\$7,975	
7010 7075 544001	CIPST EN00089	\$7,415	
7001 7051 544001	CIPST EN00177	\$7,173	
7010 7075 544001	CIPST EN00177	\$7,172	
4220 4220 544001	CIPST EN00241	\$6,629	
7010 7075 544001	CIPST EN00243	\$6,368	
1000 0310 544001	CIPOF ED00002	\$5,975	
4220 4220 544001	CIPST EN00214	\$5,535	
7010 7075 544001	CIPTC EN00170	\$5,535	
4240 4240 544001	CIPDR EN00139	\$5,400	
4550 4550 544001	CIPST EN00324	\$4,905	
4220 4220 544001	CIPST EN00313	\$4,878	
4550 4550 544001	CIPST CD00003	\$4,860	
7901 7901 544001	CIPPK CS00054	\$4,410	
2050 2140 544001	CIPWR UT00266	\$4,357	
4220 4220 544001	CIPST EN00271	\$4,321	
2161 2221 544001	CIPWR UT00117	\$3,938	
4240 4240 544001	CIPOF CS00070	\$3,904	
4250 4250 544001	CIPOF CS00070	\$3,904	
7010 7075 544001	CIPST EN00241	\$3,836	
7010 7075 544001	CIPTC EN00225	\$3,780	
7002 7052 544001	CIPST EN00241	\$3,661	
4240 4240 544001	CIPRT CS00125	\$3,368	
7000 7050 544001	CIPST PW00046	\$3,308	
4240 4240 544001	CIPDR EN00137	\$3,240	
7010 7075 544001	CIPTC PW00133	\$3,195	
2050 2140 544001	CIPWR UT00313	\$3,105	
2161 2221 544001	CIPWR UT00148	\$2,722	
2050 2140 544001	CIPWR UT00272	\$2,700	
4240 4240 544001	CIPPK CS00034	\$2,640	
2400 2550 544001	CIPWW UT00307	\$2,565	
4240 4240 544001	CIPST EN00241	\$2,441	

# Budget Amendment Schedule

## Fiscal Year 2013 Amendments

Transfer # - Department - Division	Fund - Division - Account - Account Description - Prgm - Proj/Grant	Debit	Credit
<b><u>Capital</u></b>			
2050 2140 544001	CIPWR UT00206	\$2,318	
7010 7075 544001	CIPST EN00088	\$2,315	
2400 2550 544001	CIPWW UT00191	\$2,273	
7010 7075 544001	CIPST PW13000	\$2,066	
2050 2140 544001	CIPWR EN00313	\$1,797	
2400 2550 544001	CIPWW EN00313	\$1,797	
2510 2630 544001	CIPWW UT00151	\$1,565	
7901 7901 544001	CIPPK CS00123	\$1,288	
4240 4240 544001	CIPPK CS00134	\$1,232	
1000 0310 544001	CIPST PW00025	\$1,215	
2050 2140 544001	CIPWR UT00301	\$1,170	
4240 4240 544001	CIPPK CS00123	\$1,142	
7010 7075 544001	CIPST PW11190	\$1,125	
2400 2550 544001	CIPWW UT00116	\$1,058	
2400 2550 544001	CIPWW UT00303	\$1,047	
2400 2550 544001	CIPWW UT00313	\$1,035	
2400 2550 544001	CIPWW UT00266	\$1,021	
4550 4550 544001	CIPST PW13000	\$1,017	
4220 4220 544001	CIPDR PW00185	\$990	
1000 0310 544001	CIPPK CS00134	\$928	
7010 7075 544001	CIPST EN00081	\$875	
4210 4210 544001	CIPST EN00271	\$762	
7920 7920 544001	CIPRT CS00125	\$743	
7010 7075 544001	CIPST EN00250	\$720	
4550 4550 544001	CIPST EN00241	\$697	
4240 4240 544001	CIPDR EN00134	\$630	
7930 7930 544001	CIPPS PD00021	\$585	
2050 2140 544001	CIPWR UT00253	\$540	
7010 7075 544001	CIPST EN00252	\$540	
2050 2140 544001	CIPWR UT00203	\$503	
2161 2221 544001	CIPWR UT00233	\$425	
4550 4550 544001	CIPOF ED00006	\$420	
4240 4240 544001	CIPOF PD00018	\$360	
2050 2140 544001	CIPWR UT00303	\$348	
4250 4250 544001	CIPRT CS00125	\$262	
7001 7051 544001	CIPST EN00313	\$256	
4210 4210 544001	CIPST EN00011	\$188	
7000 7050 544001	CIPST EN00241	\$174	
2050 2140 544001	CIPWR UT00143	\$135	
7010 7075 544001	CIPST PW00065	\$135	
2050 2140 544001	CIPWR UT00148	\$113	

## Budget Amendment Schedule

### Fiscal Year 2013 Amendments

Transfer # - Department - Division	Fund - Division - Account - Account Description - Prgm - Proj/Grant	Debit	Credit
<b><u>Capital</u></b>			
2400 2550 544001	CIPWW UT00151	\$100	
4210 4210 544001	CIPRT CS00091	\$100	
1000 0310 544001	CIPOF ED00006	\$98	
7920 7920 544001	CIPRT CS00091	\$96	
2161 2221 544001	CIPWR UT00233	\$90	
4240 4240 544001	CIPRT CS00091	\$29	
2050 2140 544001	CIPWR UT00271	\$23	
2400 2550 544001	CIPWW UT00271	\$22	
7930 7930 525507 Service Charges - Engineering	CIPOF CB02013		\$585
7920 7920 525507 Service Charges - Engineering	CIPOF CB02013		\$839
4210 4210 525507 Service Charges - Engineering	CIPOF CB02013		\$1,050
1970 1970 525507 Service Charges - Engineering	CIPOF CB02013		\$1,325
2510 2630 525507 Service Charges - Engineering	CIPOF CB02013		\$1,565
7002 7052 525507 Service Charges - Engineering	CIPOF CB02013		\$3,661
7901 7901 525507 Service Charges - Engineering	CIPOF CB02013		\$5,698
2161 2221 525507 Service Charges - Engineering	CIPOF CB02013		\$7,175
7001 7051 525507 Service Charges - Engineering	CIPOF CB02013		\$7,429
4250 4250 525507 Service Charges - Engineering	CIPOF CB02013		\$15,388
2050 2140 525507 Service Charges - Engineering	CIPOF CB02013		\$17,109
7000 7050 525507 Service Charges - Engineering	CIPOF CB02013		\$21,325
4220 4220 525507 Service Charges - Engineering	CIPOF CB02013		\$22,353
2400 2550 525507 Service Charges - Engineering	CIPOF CB02013		\$23,856
4240 4240 525507 Service Charges - Engineering	CIPOF CB02013		\$24,386
1000 0310 525507 Service Charges - Engineering	CIPOF CB02013		\$46,106
7010 7075 525507 Service Charges - Engineering	CIPOF CB02013		\$54,122
4550 4550 525507 Service Charges - Engineering	CIPOF CB02013		\$67,062

**Comment:** CIP - Q1 FY 2013 Engineering Chargebacks.

# Budget Amendment Schedule

## Fiscal Year 2013 Amendments

Transfer # - Department - Division	Fund - Division - Account - Account Description - Prgm - Proj/Grant	Debit	Credit
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### Capital

#4189 - Non-Departmental - Gen Fund Capital Projects

4250	4250	525515	Arts Commission Service Charge	CIPPK	CS00034	\$28,960
2400	2550	525515	Arts Commission Service Charge	CIPWW	UT00296	\$17,161
4550	4550	525515	Arts Commission Service Charge	CIPST	EN00089	\$10,042
1000	0310	525515	Arts Commission Service Charge	CIPOF	CS00070	\$8,138
4220	4220	525515	Arts Commission Service Charge	CIPST	EN00313	\$7,000
4220	4220	525515	Arts Commission Service Charge	CIPST	EN00241	\$4,176
1970	1970	525515	Arts Commission Service Charge	CIPOF	PW10300	\$1,972
7001	7051	525515	Arts Commission Service Charge	CIPST	EN00177	\$1,505
4240	4240	525515	Arts Commission Service Charge	CIPPS	PD00013	\$1,371
7010	7075	525515	Arts Commission Service Charge	CIPST	EN00089	\$1,336
4550	4550	525515	Arts Commission Service Charge	CIPOF	ED00006	\$1,333
7000	7050	525515	Arts Commission Service Charge	CIPST	PW11160	\$1,243
2050	2140	525515	Arts Commission Service Charge	CIPWR	EN00313	\$1,231
7010	7075	525515	Arts Commission Service Charge	CIPTC	EN00170	\$1,146
2400	2550	525515	Arts Commission Service Charge	CIPWW	EN00313	\$1,124
7901	7901	525515	Arts Commission Service Charge	CIPPK	CS00123	\$1,026
7000	7050	525515	Arts Commission Service Charge	CIPST	PW00138	\$1,013
7000	7050	525515	Arts Commission Service Charge	CIPST	COP0001	\$989
4550	4550	525515	Arts Commission Service Charge	CIPOF	ED00011	\$946
2050	2140	525515	Arts Commission Service Charge	CIPWR	UT00206	\$842
2510	2630	525515	Arts Commission Service Charge	CIPWW	UT00151	\$826
2400	2550	525515	Arts Commission Service Charge	CIPWW	UT00307	\$738
2050	2140	525515	Arts Commission Service Charge	CIPWR	UT00203	\$606
2161	2221	525515	Arts Commission Service Charge	CIPWR	UT00148	\$550
2050	2140	525515	Arts Commission Service Charge	CIPWR	UT00266	\$522
1000	0310	525515	Arts Commission Service Charge	CIPPK	COP0001	\$407
7901	7901	525515	Arts Commission Service Charge	CIPPK	CS00054	\$366
4550	4550	525515	Arts Commission Service Charge	CIPST	EN00313	\$338
4240	4240	525515	Arts Commission Service Charge	CIPOF	CS00070	\$325
1000	0310	525515	Arts Commission Service Charge	CIPOF	ED00006	\$306
4210	4210	525515	Arts Commission Service Charge	CIPRT	CS00091	\$207
2050	2140	525515	Arts Commission Service Charge	CIPWR	UT00204	\$190
4240	4240	525515	Arts Commission Service Charge	CIPRT	CS00125	\$170
2400	2550	525515	Arts Commission Service Charge	CIPWW	UT00116	\$142
4250	4250	525515	Arts Commission Service Charge	CIPOF	CS00070	\$109
4550	4550	525515	Arts Commission Service Charge	CIPST	PW13000	\$91
2400	2550	525515	Arts Commission Service Charge	CIPWW	UT00191	\$86
4240	4240	525515	Arts Commission Service Charge	CIPPK	CS00123	\$81
4250	4250	525515	Arts Commission Service Charge	CIPOF	IT00004	\$77
2050	2140	525515	Arts Commission Service Charge	CIPWR	UT00253	\$67

## Budget Amendment Schedule

### Fiscal Year 2013 Amendments

Transfer # - Department - Division	Fund - Division - Account - Account Description - Prgm - Proj/Grant				Debit	Credit
<b><u>Capital</u></b>						
2050 2140 525515	Arts Commission Service Charge	CIPWR	UT00324		\$67	
4240 4240 525515	Arts Commission Service Charge	CIPRT	CS00146		\$54	
7000 7050 525515	Arts Commission Service Charge	CIPST	PW00993		\$54	
2050 2140 525515	Arts Commission Service Charge	CIPWR	UT00303		\$50	
4240 4240 525515	Arts Commission Service Charge	CIPPK	CS00134		\$32	
7000 7050 525515	Arts Commission Service Charge	CIPST	PW00046		\$28	
2161 2221 525515	Arts Commission Service Charge	CIPWR	UT00117		\$26	
7010 7075 525515	Arts Commission Service Charge	CIPTC	EN00225		\$26	
7010 7075 525515	Arts Commission Service Charge	CIPST	PW00065		\$22	
1000 0310 525515	Arts Commission Service Charge	CIPPK	CS00134		\$20	
4210 4210 525515	Arts Commission Service Charge	CIPST	EN00271		\$18	
7010 7075 525515	Arts Commission Service Charge	CIPST	EN00243		\$13	
2400 2550 525515	Arts Commission Service Charge	CIPWW	UT00262		\$9	
4220 4220 525515	Arts Commission Service Charge	CIPST	PW00152		\$5	
4550 4550 525515	Arts Commission Service Charge	CIPST	EN00241		\$5	
4240 4240 525515	Arts Commission Service Charge	CIPRT	CS00142		\$4	
2050 2140 525515	Arts Commission Service Charge	CIPWR	UT00262		\$2	
4550 4550 525515	Arts Commission Service Charge	CIPPK	CS00034		\$2	
4210 4210 525515	Arts Commission Service Charge	CIPOF	AT02013			\$225
2161 2221 525515	Arts Commission Service Charge	CIPOF	AT02013			\$576
2510 2630 525515	Arts Commission Service Charge	CIPOF	AT02013			\$826
7901 7901 525515	Arts Commission Service Charge	CIPOF	AT02013			\$1,392
7001 7051 525515	Arts Commission Service Charge	CIPOF	AT02013			\$1,505
1970 1970 525515	Arts Commission Service Charge	CIPOF	AT02013			\$1,972
4240 4240 525515	Arts Commission Service Charge	CIPOF	AT02013			\$2,037
7010 7075 525515	Arts Commission Service Charge	CIPOF	AT02013			\$2,543
7000 7050 525515	Arts Commission Service Charge	CIPOF	AT02013			\$3,327
2050 2140 525515	Arts Commission Service Charge	CIPOF	AT02013			\$3,577
1000 0310 525515	Arts Commission Service Charge	CIPOF	AT02013			\$8,871
4220 4220 525515	Arts Commission Service Charge	CIPOF	AT02013			\$11,181
4550 4550 525515	Arts Commission Service Charge	CIPOF	AT02013			\$12,757
2400 2550 525515	Arts Commission Service Charge	CIPOF	AT02013			\$19,260
4250 4250 525515	Arts Commission Service Charge	CIPOF	AT02013			\$29,146

**Comment:** CIP - Q2 FY 2013 Arts Commission Service Charges.

# Budget Amendment Schedule

## Fiscal Year 2013 Amendments

Transfer # - Department - Division	Fund - Division - Account - Account Description - Prgm - Proj/Grant	Debit	Credit
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### Capital

#4190 - Non-Departmental - Gen Fund Capital Projects

7000 7050 544002	CIPST COP0001	\$3,144	
2050 2140 544002	CIPWR UT00206	\$2,937	
1000 0310 544002	CIPPK COP0001	\$2,308	
2050 2140 544002	CIPWR UT00316	\$2,308	
7000 7050 544002	CIPST PW00046	\$2,308	
7000 7050 544002	CIPST PW11160	\$2,308	
7000 7050 544002	CIPST PW00992	\$2,098	
2050 2140 544002	CIPWR UT00266	\$1,870	
2400 2550 544002	CIPWW UT00303	\$1,731	
2400 2550 544002	CIPWW UT00191	\$1,259	
7010 7075 544002	CIPTC EN00170	\$1,259	
7010 7075 544002	CIPST PW13000	\$703	
7915 7915 544002	CIPRT CS00067	\$608	
7920 7920 544002	CIPRT CS00067	\$608	
2050 2140 544002	CIPWR UT00303	\$577	
1000 0310 544002	CIPOF CS00070	\$503	
4251 4251 544002	CIPRT CS00089	\$445	
2400 2550 544002	CIPWW UT00266	\$438	
7915 7915 544002	CIPRT CS00089	\$394	
4550 4550 544002	CIPST PW13000	\$346	
7901 7901 544002	CIPRT CS00067	\$294	
7904 7904 544002	CIPRT CS00067	\$294	
7905 7905 544002	CIPRT CS00067	\$294	
4550 4550 544002	CIPOF ED00006	\$170	
4550 4550 544002	CIPST EN00089	\$152	
4550 4550 544002	CIPPK CS00034	\$123	
7001 7051 544002	CIPST EN00177	\$105	
7010 7075 544002	CIPST EN00177	\$105	
4250 4250 544002	CIPPK CS00034	\$71	
4240 4240 544002	CIPOF CS00070	\$63	
4250 4250 544002	CIPOF CS00070	\$63	
7010 7075 544002	CIPST EN00089	\$58	
1000 0310 544002	CIPOF ED00006	\$40	
4240 4240 544002	CIPPK CS00034	\$16	
4240 4240 525507	Service Charges - Engineering		\$79
7001 7051 525507	Service Charges - Engineering		\$105
4250 4250 525507	Service Charges - Engineering		\$579
7920 7920 525507	Service Charges - Engineering		\$608
4550 4550 525507	Service Charges - Engineering		\$791
7901 7901 525507	Service Charges - Engineering		\$1,884

# Budget Amendment Schedule

## Fiscal Year 2013 Amendments

Transfer # - Department - Division	Fund - Division - Account - Account Description - Prgm - Proj/Grant	Debit	Credit
<b><u>Capital</u></b>			
7010 7075 525507	Service Charges - Engineering CIPOF CB02013		\$2,125
1000 0310 525507	Service Charges - Engineering CIPOF CB02013		\$2,851
2400 2550 525507	Service Charges - Engineering CIPOF CB02013		\$3,428
2050 2140 525507	Service Charges - Engineering CIPOF CB02013		\$7,692
7000 7050 525507	Service Charges - Engineering CIPOF CB02013		\$9,858

**Comment:** CIP - Q2 FY2013 Materials Management Chargebacks.

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**Subtotal for Capital Amendments: \$3,927,467 \$3,927,467**

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

Agenda Item: 15C

**Date Prepared:** February 4, 2013

**Council Meeting Date:** February 19, 2013

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**TO:** Carl Swenson, City Manager

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

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

**SUBJECT:** Investment Report for the Quarter Ended December 31, 2012

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**Purpose:**

This is a request for City Council to review and accept the Investment Report for the Quarter Ended December 31, 2012.

**Background/Summary:**

The Finance Department has prepared a quarterly report in compliance with Peoria's adopted Investment Policy. The report summarizes the City's investment activity for the period from October 1, 2012 to December 31, 2012. The City's total investment portfolio earned an average yield of 0.39% for the 2nd quarter of FY 2013. This represents investment income of \$298,933 for the quarter. The average cash balance of the City's portfolio during the 2nd quarter was \$322,363,125 and the ending balance for the total investment portfolio was \$317,053,792 which represents all securities and money market funds.

**Previous Actions:**

There are no previous actions for this item.

**Options:**

Council may select the following options:

**A:** Accept the Quarterly Investment Report as presented

**B:** Not accept the Quarterly Investment Report and request additional information from staff

**Staff's Recommendation:**

Staff recommends that Council review and accept the Investment Report for the Quarter Ended December 31, 2012 as presented.

**Fiscal Analysis:**

This item has no financial implications.

**Narrative:**

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

**Exhibit(s):**

**Exhibit 1:** Investment Report for the Quarter Ended December 31, 2012

**Exhibit 2:** Inventory Holdings Report for the Quarter Ended December 31, 2012

**Exhibit 3:** Glossary of Security Definitions

**Contact:**

Deborah Card, Treasury Manager, X7148

# **CITY OF PEORIA, ARIZONA**



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## **INVESTMENT PERFORMANCE REPORT**

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**Annual Report**

**Period Ended**

**December 31, 2012**

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

**Finance Department**

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## I. INTRODUCTION

This report reflects investment activity for the period of October 1, 2012 to December 31, 2012 for the City's investment management program. The City's Investment and Portfolio Policies, approved and adopted in January 1992 by the City Council, with revisions approved in June 2005, requires that the City's investment program meet the following criteria, listed in order of importance:

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

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

Only after the safety and liquidity requirements are met does the Finance Department attempt to maximize earnings. For the Quarter Ended December 31, 2012, the weighted average annualized yield on investments was as follows:

**Table 1**

<b>AVERAGE ANNUALIZED INVESTMENT YIELD</b>					
	<b>FY 12 Q2</b>	<b>FY 12 Q3</b>	<b>FY 12 Q4</b>	<b>FY 13 Q1</b>	<b>FY 13 Q2</b>
General Portfolio	<b>0.58</b>	<b>0.53</b>	<b>0.47</b>	<b>0.47</b>	<b>0.40</b>
Bond Funds	<b>0.28</b>	<b>0.31</b>	<b>0.31</b>	<b>0.30</b>	<b>0.28</b>
Total Portfolio	<b>0.55</b>	<b>0.51</b>	<b>0.45</b>	<b>0.45</b>	<b>0.39</b>

This quarter's average yield of 0.39% for the total portfolio represents a decrease of 0.06% from the total portfolio annualized yield of 0.45% experienced for the Quarter Ended September 30, 2012.

## II. TOTAL INVESTMENT PORTFOLIO STRUCTURE

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

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

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

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

## III. INVESTMENT POLICY COMPLIANCE

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

## IV. INVESTMENT PERFORMANCE

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

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

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

**Table 2**

TOTAL PORTFOLIO COMPOSITION (In Millions of Dollars)								
Security Type	FY 12 – Q3		FY 12 – Q4		FY 13 – Q1		FY 13 – Q2	
	Amt	%	Amt	%	Amt	%	Amt	%
Money Market	30.3	9.4	52.0	9.4	43.4	13.4	36.0	11.4
Agency Securities	183.1	56.9	170.9	56.9	179.0	55.2	162.8	51.3
Treasury Bills	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Treasury Notes	15.5	4.8	12.1	4.8	12.1	3.7	27.3	8.6
Commercial Paper	92.3	28.7	83.8	28.7	89.9	27.7	90.9	28.7
Repurchase Agreements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State Pool	0.1	0.2	0.5	0.2	0.1	0.0	0.1	0.0
<b>TOTALS:</b>	<b>321.3</b>	<b>100.0</b>	<b>319.3</b>	<b>100.0</b>	<b>324.5</b>	<b>100.0</b>	<b>317.1</b>	<b>100.0</b>

**B. Average Invested Cash Balances.** The average investment cash balance of the overall portfolio for the Quarter Ended December 31, 2012 was \$322,363,125 as compared to \$322,629,505 for the Quarter Ended September 30, 2012.

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

**C. Investment Income.** Total investment income for the 2nd Quarter of FY13 was \$298,933, which represents a decrease of 7.7% from the \$323,991 earned in the 1st Quarter of FY13.

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

comparison purposes. The maximum maturity of securities purchased for the portfolio is restricted to five (5) years. The weighted average maturity should not exceed 365 days. The actual weighted average maturity for the 2nd Quarter of FY13 was 336 days. The average rates of comparable benchmarks are shown in the table below.

**Table 3**

COMPARATIVE ANNUALIZED INVESTMENT YIELDS				
	FY 12 Q3	FY 12 Q4	FY 13 Q1	FY 13 Q2
City of Peoria (General Portfolio)	0.53	0.47	0.47	0.40
3 Month T-Bill	0.06	0.08	0.09	0.08
6 Month T- Bill	0.11	0.14	0.14	0.13
1 Year T-Bill	0.14	0.18	0.17	0.17
2 Year Treasury	0.28	0.28	0.25	0.26

**E. Average Maturity of the Portfolio.** For the Quarter ended December 31, 2012, the average maturity of the portfolio was 362 days as compared to 358 days on September 30, 2012. Matching maturities to known cash flows requires the maintenance of a somewhat short portfolio. This assures the City's liabilities can be met as they come due. Cash not needed to match immediate cash flow needs (within a nine month rolling horizon of liabilities) is normally extended somewhat to take advantage of higher yields. Longer maturities are used to capture yields at purchase and to capture capital gains during the period.

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

Beginning Book Value.....	\$324,414,512
Beginning Market Value.....	\$324,584,465
Ending Book Value .....	\$317,053,792
Ending Market Value.....	\$317,196,294

At quarter's end, the market value of the portfolio exceeded the book value of securities resulting in an overall unrealized gain in value of \$142,502.

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

**Gross Domestic Product (GDP):** The preliminary measure of fourth quarter GDP was expected to be quite a bit weaker than the 3.1% annualized growth rate of the third quarter, but turned out to be much worse ...at least on the surface. Fourth quarter GDP actually contracted at a 0.1% annualized rate, well below the median forecast for an increase of 1.1%. Fortunately, the report improves significantly after sifting through the underlying numbers. Overall government spending fell by 6.6%, with most of the decline attributed to a 22% plunge in defense spending. Business inventories rose by \$40 billion less than in the previous quarter. Slower inventory build-up plus the drop in Federal spending subtracted a huge 2.6 percentage points from GDP. By contrast, personal consumption rose at a 2.2% pace, slightly above expectations and stronger than the 1.6% rise in the previous quarter.

**Nonfarm Payrolls:** Job creation has been lackluster over the past six months. December nonfarm payrolls increased by 155,000 after 161,000 new jobs were created in November. For all of 2012 and 2011, payroll growth averaged 153,000 per month. Although this may sound like a significant number of jobs created, most experts believe it is merely enough to satisfy the job demand of new workers entering the labor force each month, while bypassing the 12.2 million Americans currently out of work. The December unemployment rate exactly matched the revised 7.8% rate from November. Although this was the lowest level in almost 5 years, the decline is almost entirely due to a drop in the labor force participation rate. If job creation continues at the current pace, experts expect unemployment would remain above 6.5% until spring 2018. At 200,000 per month, this timeframe shortens to mid-2015.

**Home Sales:** Last year, the housing market clearly turned the corner. For all of 2012, 4.65 million existing homes were sold, the most since 2007. The median price of an existing home was up 11.5% year-over-year to \$180,800. Finally, the inventory of homes available for sale has fallen to 1.82 million, the fewest since January 2001, while the month's supply has dropped to 4.4 months. That compares to a supply of 12.1 months at its worst in July 2010. New home sales were a fraction of existing sales simply because home inventories had been bloated and there was little need to build new. This too, is changing. Housing starts soared by a 12.1% in December to a 954,000 unit annual rate, the highest level since June 2008. The year-over-year 28.1% increase represented the biggest annual gain since 1983.

**Retail Sales:** After a stellar third quarter in which monthly retail sales averaged nearly a 1.0% increase per month, purchases slowed significantly in the fourth quarter. Retail sales dropped by 0.2% in October, perhaps due in part to Hurricane Sandy barreling up the east coast during the final week. In November, sales rose by 0.4%, although this mostly disappointing number was attributed to a decline in gasoline and service station receipts resulting from a sharp drop in gasoline prices. Car and light truck sales rose to a 4½-year high of 15.5 million annualized units in November as a number of vehicles destroyed by Superstorm Sandy were replaced. In December, retail sales rose 0.5%, with the primary strength concentrated in motor vehicles. Auto sales followed a 2.7% November increase with a 1.6% rise, marking the best two-month performance for auto dealers since 2008. - Scott McIntyre, First Southwest Asset Management

## SUMMARY DATA

**Table 4**

<b>PORTFOLIO COMPOSITION General Funds</b>				
<b>Security Type</b>	<b>FY 12 – Q3 Ending 03/31/12</b>	<b>FY 12 – Q4 Ending 06/30/12</b>	<b>FY 13 – Q1 Ending 09/30/12</b>	<b>FY 13 – Q2 Ending 12/31/12</b>
Money Market	\$24,556,931	\$33,432,537	\$30,865,206	\$27,198,863
Agency Securities	\$178,078,029	\$168,842,838	\$176,951,755	\$162,819,280
Treasury Notes	\$10,030,807	\$8,053,238	\$8,044,063	\$21,252,024
Treasury Bills	\$0	\$0	\$0	\$0
Commercial Paper	\$78,366,240	\$67,872,524	\$67,893,092	\$70,919,130
Repurchase Agreements	\$0	\$0	\$0	\$0
State Pool	\$52,355	\$529,637	\$90,107	\$13,204
<b>Totals:</b>	<b>\$291,084,362</b>	<b>\$278,730,774</b>	<b>\$283,844,223</b>	<b>\$282,202,501</b>
Avg Yield	0.53	0.47	0.47	0.40
Avg Maturity (Years)	1.04	0.98	1.08	1.09
State Pool Yield	0.10	0.11	0.15	0.14

**Table 5**

<b>PORTFOLIO COMPOSITION G.O. Bonds 2007</b>				
<b>Security Type</b>	<b>FY 12 – Q3 Ending 03/31/12</b>	<b>FY 12 – Q4 Ending 06/30/12</b>	<b>FY 13 – Q1 Ending 09/30/12</b>	<b>FY 13 – Q2 Ending 12/31/12</b>
Money Market	\$1,192,802	\$1,630,677	\$1,630,674	\$1,356,551
Agency Securities	\$0	\$0	\$0	\$0
Treasury Notes	\$1,500,830	\$1,010,212	\$1,007,287	\$1,004,335
Treasury Bills	\$0	\$0	\$0	\$0
Commercial Paper	\$0	\$0	\$0	\$0
Repurchase Agreements	\$0	\$0	\$0	\$0
<b>Totals:</b>	<b>\$2,693,632</b>	<b>\$2,640,889</b>	<b>\$2,637,961</b>	<b>\$2,360,886</b>
Avg Yield	0.17	0.08	0.08	0.09
Avg Maturity (Years)	0.09	0.36	0.27	0.19

**Table 6**

<b>PORTFOLIO COMPOSITION G.O. Bonds 2009</b>				
<b>Security Type</b>	<b>FY 12 – Q3 Ending 03/31/12</b>	<b>FY 12 – Q4 Ending 06/30/12</b>	<b>FY 13 – Q1 Ending 09/30/12</b>	<b>FY 13 – Q2 Ending 12/31/12</b>
Money Market	\$2,213,087	\$3,209,367	\$3,214,099	\$2,884,463
Agency Securities	\$2,000,232	\$2,000,148	\$2,000,064	\$0
Treasury Notes	\$4,002,213	\$3,030,635	\$3,021,860	\$5,046,413
Treasury Bills	\$0	\$0	\$0	\$0
Commercial Paper	\$8,980,572	\$8,983,133	\$8,990,318	\$7,995,550
Repurchase Agreements	\$0	\$0	\$0	\$0
<b>Totals:</b>	<b>\$17,196,104</b>	<b>\$17,223,283</b>	<b>\$17,226,341</b>	<b>\$15,926,426</b>
Avg Yield	0.30	0.33	0.33	0.29
Avg Maturity (Years)	0.29	0.44	0.29	0.24

**Table 7**

<b>PORTFOLIO COMPOSITION G.O. Bonds 2010</b>				
<b>Security Type</b>	<b>FY 12 – Q3 Ending 03/31/12</b>	<b>FY 12 – Q4 Ending 06/30/12</b>	<b>FY 13 – Q1 Ending 09/30/12</b>	<b>FY 13 – Q2 Ending 12/31/12</b>
Money Market	\$2,373,419	\$2,844,971	\$2,851,290	\$1,726,301
Agency Securities	\$3,006,675	\$0	\$0	\$0
Treasury Notes	\$0	\$0	\$0	\$0
Treasury Bills	\$0	\$0	\$0	\$0
Commercial Paper	\$4,982,278	\$6,982,302	\$6,986,966	\$5,992,181
Repurchase Agreements	\$0	\$0	\$0	\$0
<b>Totals:</b>	<b>\$10,362,372</b>	<b>\$9,827,273</b>	<b>\$9,838,256</b>	<b>\$7,718,482</b>
Avg Yield	0.37	0.41	0.44	0.39
Avg Maturity (Years)	0.31	0.25	0.22	0.27

**Table 8**

<b>PORTFOLIO COMPOSITION G.O. Bonds 2012*</b>				
<b>Security Type</b>	<b>FY 12 – Q3 Ending 03/31/11</b>	<b>FY 12 – Q4 Ending 06/30/12</b>	<b>FY 13 – Q1 Ending 09/30/12</b>	<b>FY 13 – Q2 Ending 12/31/12</b>
Money Market	\$0	\$10,863,973	\$4,873,758	\$2,846,617
Agency Securities	\$0	\$0	\$0	\$0
Treasury Notes	\$0	\$0	\$0	\$0
Treasury Bills	\$0	\$0	\$0	\$0
Commercial Paper	\$0	\$0	\$5,993,973	\$5,998,880
Repurchase Agreements	\$0	\$0	\$0	\$0
<b>Totals:</b>	<b>\$0</b>	<b>\$10,863,973</b>	<b>\$10,867,731</b>	<b>\$8,845,497</b>
Avg Yield	0.00	0.00	0.18	0.22
Avg Maturity (Years)	0.00	0.00	0.22	0.10

\* Bond proceeds received 6/28/12

# City of Peoria

## Detail of Security Holdings

As of 12/31/2012

CUSIP	Settle Date	Sec. Type	Sec. Description	CPN	Mty Date	Next Call	Call Type	Par Value	Purch Price	Orig Cost	Book Value	Mkt Price	Market Value	Days to Mty
<b>General Fund</b>														
WF-ADVGOV		MMF	Wells Fargo Adv Govt MMF					27,198,862.73	100.000	27,198,862.73	27,198,862.73	100.000	27,198,862.73	1
3024A0NF8	04/20/12	CP - DISC	FCAR Owner Trust		01/15/13			8,000,000.00	99.543	7,963,400.00	7,998,102.24	99.991	7,999,264.00	15
36959HP43	08/07/12	CP - DISC	GE Capital Corp		02/04/13			8,000,000.00	99.839	7,987,128.89	7,997,582.24	99.990	7,999,224.00	35
89233GPR1	05/31/12	CP - DISC	Toyota Mtr Cr		02/25/13			10,000,000.00	99.543	9,954,250.00	9,990,680.60	99.970	9,997,040.00	56
36959HQ83	09/04/12	CP - DISC	GE Capital Corp		03/08/13			8,000,000.00	99.841	7,987,255.56	7,995,453.36	99.974	7,997,912.00	67
36959HR90	10/11/12	CP - DISC	GE Capital Corp		04/09/13			6,000,000.00	99.890	5,993,400.00	5,996,406.66	99.948	5,996,868.00	99
89233GS80	11/09/12	CP - DISC	Toyota Mtr Cr		05/08/13			8,000,000.00	99.855	7,988,400.00	7,991,815.52	99.908	7,992,608.00	128
3024A0SA4	08/13/12	CP - DISC	FCAR Owner Trust		05/10/13			10,000,000.00	99.573	9,957,250.00	9,979,575.00	99.866	9,986,640.00	130
313379NW5	11/28/12	AGCY BULET	FHLB	0.240	05/21/13			6,600,000.00	100.038	6,602,508.00	6,602,029.57	100.050	6,603,300.00	141
89233GT30	11/06/12	CP - DISC	Toyota Mtr Cr		06/03/13			5,000,000.00	99.826	4,991,291.67	4,993,625.00	99.880	4,994,010.00	154
313376KL8	03/29/12	AGCY BULET	FHLB	0.400	06/21/13			9,500,000.00	100.154	9,514,658.50	9,505,644.71	100.120	9,511,400.00	172
31331JPK3	01/30/12	AGCY BULET	FFCB	1.375	06/25/13			4,465,000.00	101.627	4,537,650.02	4,490,056.78	100.630	4,493,129.50	176
31331JPK3	03/12/12	AGCY BULET	FFCB	1.375	06/25/13			7,900,000.00	101.405	8,010,995.00	7,941,762.32	100.630	7,949,770.00	176
313376GY5	01/23/12	AGCY BULET	FHLB	0.330	07/01/13			10,000,000.00	100.084	10,008,400.00	10,002,924.00	100.090	10,009,000.00	182
3024A0V69	11/09/12	CP - DISC	FCAR Owner Trust		08/06/13			8,000,000.00	99.625	7,970,000.00	7,975,888.88	99.728	7,978,200.00	218
3135G0BR3	11/29/12	AGCY BULET	FNMA	0.500	08/09/13			7,000,000.00	100.214	7,014,980.00	7,013,064.10	100.190	7,013,300.00	221
912828PL8	06/29/12	TREAS NOTE	U.S. Treasury	0.750	12/15/13			8,000,000.00	100.668	8,053,437.50	8,034,875.60	100.530	8,042,400.00	349
3134G3BF6	02/09/12	AGCY BULET	FHLMC	0.625	12/23/13			10,000,000.00	100.548	10,054,820.00	10,028,674.40	100.400	10,040,000.00	357
912828JZ4	12/13/12	TREAS NOTE	U.S. Treasury	1.750	01/31/14			13,000,000.00	101.750	13,227,500.00	13,217,148.62	101.670	13,217,100.00	396
3134G3MM9	02/27/12	AGCY CALL	FHLMC	0.400	02/27/14	02/27/13	ONE TIME	8,000,000.00	100.000	8,000,000.00	8,000,000.00	100.050	8,004,000.00	423
313370LT3	09/19/12	AGCY BULET	FHLB	1.250	06/27/14			13,000,000.00	101.685	13,219,050.00	13,184,118.09	101.490	13,193,700.00	543
3135G0BJ1	09/25/12	AGCY BULET	FNMA	1.125	06/27/14			10,000,000.00	101.456	10,145,600.00	10,123,539.80	101.330	10,133,000.00	543
3133EAM70	10/25/12	AGCY BULET	FFCB	0.300	08/21/14			10,000,000.00	99.972	9,997,200.00	9,997,482.30	100.060	10,006,000.00	598
31398A3G5	03/29/12	AGCY BULET	FNMA	1.500	09/08/14			7,025,000.00	102.382	7,192,335.50	7,140,774.53	101.810	7,152,152.50	616
3134G3W71	11/26/12	AGCY CALL	FHLMC	0.350	11/26/14	11/26/13	ONE TIME	8,000,000.00	100.000	8,000,000.00	8,000,000.00	99.990	7,999,200.00	695
3134G3NL0	12/12/12	AGCY CALL	FHLMC	0.500	02/24/15	02/24/14	ONE TIME	7,190,000.00	100.239	7,207,184.10	7,206,430.16	100.160	7,201,504.00	785
3135G0SQ7	12/24/12	AGCY CALL	FNMA	0.400	06/24/15	12/24/13	QRTLY	10,650,000.00	99.998	10,649,752.49	10,649,754.41	100.010	10,651,065.00	905
3134G3K25	09/25/12	AGCY CALL	FHLMC	0.500	09/25/15	09/25/13	QRTLY	10,000,000.00	100.000	10,000,000.00	10,000,000.00	100.070	10,007,000.00	998
3135G0RS4	11/06/12	AGCY CALL	FNMA	0.500	11/06/15	11/06/14	ONE TIME	5,000,000.00	100.000	5,000,000.00	5,000,000.00	100.100	5,005,000.00	1,040
3133EAUE6	07/26/12	AGCY CALL	FFCB	0.875	06/14/16	06/14/13	CONT	10,000,000.00	100.150	10,015,000.00	10,007,706.10	100.270	10,027,000.00	1,261
313380S57	10/22/12	AGCY CALL	FHLB	0.700	10/11/16	01/11/13	CONT	7,930,000.00	99.938	7,925,083.40	7,925,318.84	99.950	7,926,035.00	1,380
<b>Total for General Fund</b>								<b>281,458,862.73</b>		<b>282,367,393.36</b>	<b>282,189,296.56</b>		<b>282,325,684.73</b>	<b>399</b>
<b>GO Bond - Series 2007 A</b>														
WF-ADVGOV		MMF	Wells Fargo Adv Govt MMF					1,356,550.82	100.000	1,356,550.82	1,356,550.82	100.000	1,356,550.82	1
912828NC0	04/30/12	TREAS NOTE	U.S. Treasury	1.375	05/15/13			1,000,000.00	101.219	1,012,187.50	1,004,335.32	100.470	1,004,700.00	135
<b>Total for GO Bond - Series 2007 A</b>								<b>2,356,550.82</b>		<b>2,368,738.32</b>	<b>2,360,886.14</b>		<b>2,361,250.82</b>	<b>58</b>
<b>GO Bond - Series 2009</b>														
WF-ADVGOV		MMF	Wells Fargo Adv Govt MMF					2,884,463.26	100.000	2,884,463.26	2,884,463.26	100.000	2,884,463.26	1
3024A0NF8	04/20/12	CP - DISC	FCAR Owner Trust		01/15/13			2,000,000.00	99.543	1,990,850.00	1,999,525.56	99.991	1,999,816.00	15

City of Peoria  
**Detail of Security Holdings**  
*As of 12/31/2012*

CUSIP	Settle Date	Sec. Type	Sec. Description	CPN	Mty Date	Next Call	Call Type	Par Value	Purch Price	Orig Cost	Book Value	Mkt Price	Market Value	Days to Mty
36959HP43	08/07/12	CP - DISC	GE Capital Corp		02/04/13			3,000,000.00	99.839	2,995,173.33	2,999,093.34	99.990	2,999,709.00	35
89233GS80	11/09/12	CP - DISC	Toyota Mtr Cr		05/08/13			3,000,000.00	99.855	2,995,650.00	2,996,930.82	99.908	2,997,228.00	128
912828NC0	04/30/12	TREAS NOTE	U.S. Treasury	1.375	05/15/13			3,000,000.00	101.219	3,036,562.50	3,013,005.96	100.470	3,014,100.00	135
912828JZ4	12/13/12	TREAS NOTE	U.S. Treasury	1.750	01/31/14			2,000,000.00	101.750	2,035,000.00	2,033,407.48	101.670	2,033,400.00	396
<b>Total for GO Bond - Series 2009</b>								<b>15,884,463.26</b>		<b>15,937,699.09</b>	<b>15,926,426.42</b>		<b>15,928,716.26</b>	<b>109</b>
<b>GO Bond - Series 2010</b>														
WF-ADVGOV		MMF	Wells Fargo Adv Govt MMF					1,726,301.00	100.000	1,726,301.00	1,726,301.00	100.000	1,726,301.00	1
3024A0QB4	06/14/12	CP - DISC	FCAR Owner Trust		03/11/13			2,000,000.00	99.558	1,991,150.00	1,997,738.34	99.944	1,998,872.00	70
89233GS80	11/09/12	CP - DISC	Toyota Mtr Cr		05/08/13			2,000,000.00	99.855	1,997,100.00	1,997,953.88	99.908	1,998,152.00	128
89233GSU1	09/04/12	CP - DISC	Toyota Mtr Cr		05/28/13			2,000,000.00	99.682	1,993,645.56	1,996,488.34	99.893	1,997,862.00	148
<b>Total for GO Bond - Series 2010</b>								<b>7,726,301.00</b>		<b>7,708,196.56</b>	<b>7,718,481.56</b>		<b>7,721,187.00</b>	<b>90</b>
<b>GO Bond - Series 2012</b>														
WF-ADVGOV		MMF	Wells Fargo Adv Govt MMF					2,846,617.13	100.000	2,846,617.13	2,846,617.13	100.000	2,846,617.13	1
36959HNN3	07/25/12	CP - DISC	GE Capital Corp		01/22/13			6,000,000.00	99.839	5,990,346.67	5,998,879.98	99.994	5,999,634.00	22
<b>Total for GO Bond - Series 2012</b>								<b>8,846,617.13</b>		<b>8,836,963.80</b>	<b>8,845,497.11</b>		<b>8,846,251.13</b>	<b>15</b>
State Pool								13,204.00	100.00	13,204.00	13,204.00	100.000	13,204.00	1
<b>Total for City of Peoria</b>								<b>316,285,999</b>		<b>317,196,294</b>	<b>317,053,792</b>		<b>317,196,294</b>	<b>364</b>



### Security Acronyms:

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

### Security Definitions:

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

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

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

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

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

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

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

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

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

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

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

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



# City Council Calendar

Color Key:  
City Council

<a href="#">&lt; January</a>	February 2013					<a href="#">March &gt;</a>
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1	2
3	4	<b>5</b>  <a href="#">Regular City Council Meeting</a>  <a href="#">Special Meeting &amp; Study Session</a>	6	7	8	9
10	11	12	13	14	15	16
17	<b>18</b> Presidents' Day Holiday - City Hall Closed	<b>19</b>  <a href="#">Regular City Council Meeting</a>  <a href="#">Special Meeting &amp; Study Session</a>	20	21	22	23
24	25	26	27	28		



# City Council Calendar

Color Key:  
City Council

< February	March 2013					April >
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					<b>1</b>  <a href="#">City Council Workshop</a>	2
3	4	<b>5</b>  <a href="#">Regular City Council Meeting</a>  <a href="#">Special Meeting &amp; Study Session</a>	6	7	8	9
10	11	12	13	14	15	16
17	18	<b>19</b>  <a href="#">Regular City Council Meeting</a>  <a href="#">Special Meeting &amp; Study Session</a>	20	21	22	23
24	25	26	27	28	29	30
31						

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

Agenda Item: 17A

**Date Prepared: January 17, 2013**

**Council Meeting Date: February 19, 2013**

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**TO:** Carl Swenson, City Manager  
**FROM:** John R. Sefton, Jr., Community Services Director  
**THROUGH:** Susan J. Daluddung, Deputy City Manger  
**SUBJECT:** P83 Party

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**Summary:**

The Community Services Department is proud to announce the 2013 “P83 Party” to be held on Saturday, February 23<sup>rd</sup>. This event, in its fourth year, continues to grow in prominence, reputation and participant satisfaction.

The “P83 Party” event title reflects the City’s P83 identity effort to create a destination experience for events and activities in Peoria’s entertainment district. The event includes various amusement activities, food booths, a beer garden, and musical acts. Headlining this year’s show is *Mark McGrath and Sugar Ray*. Exciting new elements this year are *Flavors of Peoria* featuring food samples and signature dishes by local restaurants and *Arizona SCITECH Festival* demonstrating STEM (science, technology, engineering, and math) as participants learn about the science of making beer, music, baseball and biomedical devices.

Event prices are \$10 for general admission tickets and \$25 for VIP seating. Children 12 and under are free. Attendees to the Seattle Mariners vs. San Diego Padres Spring Training game receive free general admission to the P83 Party with their Spring Training ticket stub.

The P83 Party will take place on 83<sup>rd</sup> Avenue between Stadium Way and Mariners Way (south of Bell Road), west of the Peoria Sports Complex. Entertainment will kick off following the Spring Training game and will end before 9:30 p.m. Traffic detours will be in effect beginning at 4:00 a.m. on February 23<sup>rd</sup> with all streets re-opening at 1:00 a.m. on February 24<sup>th</sup>.

**Exhibit :** Mark McGrath & Sugar Ray flyer for the P83 Party

**Contact:** Kelli Kincaid 623-773-7178

# Mark McGrath &

# Swamp Party



**GENERAL  
ADMISSION  
\$10**

(Children 12 and  
under free  
in general  
admission ONLY)

**VIP  
TICKETS  
\$25**

83rd Avenue at  
Peoria Sports Complex  
16101 North 83rd  
Avenue

# P83 PARTY

**PEORIA EIGHTY THREE**

**Saturday 3-9 pm  
February 23, 2013**

Featuring **Flavors of Peoria**  
*Sample the signature dishes of local restaurants*

**Interactive Zone, Food and Beer Garden**



Purchase tickets at Peoria Sports  
Complex ticket office or online  
at [p83.com](http://p83.com). For information



ARIZONA  
**SCITECH**



**MINUTES OF THE VISTANCIA COMMUNITY FACILITIES DISTRICT BOARD**  
CITY OF PEORIA, ARIZONA  
COUNCIL CHAMBER  
November 13, 2012

A **Special Meeting** of the Vistancia Community Facilities District Board was convened at 8401 West Monroe Street in open and public session at 9:57 p.m.

**Members Present:** Board Chairperson Bob Barrett; Vice Chairperson Ron Aames; Board Members Cathy Carlat, Joan Evans, Carlo Leone, Dave Pearson and Tony Rivero.

**Members Absent:** None.

**Other Municipal Officials Present:** Carl Swenson, District Manager; Susan Daluddung, Deputy District Manager; Susan Thorpe, Deputy District Manager; Steve Kemp, District Counsel; Rhonda Geriminsky, Interim District Clerk; Andy Granger, Engineering Director; Chris Jacques, Planning and Community Development Director; Bo Larsen, Public Information Manager; Bill Mattingly, Public Works and Utilities Director; Brent Mattingly, Finance Director; Roy Minter, Police Chief; Bobby Ruiz, Fire Chief; John Sefton, Community Services Director; Jeff Tyne, Management and Budget Director; Claudia Luján, Assistant to the District Manager; and Linda Blas; Deputy District Clerk.

**Audience:** Approximately three 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 Carlat, 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.

28C **Minutes**

Approved the August 21, 2012 Vistancia Community Facilities District meeting minutes.

29C **Fiscal Year 2012 District Annual Financial Report**

Received and filed the District Annual Financial Report for the fiscal year ended June 30, 2012.

30C **Investment Report for the Quarter Ended September 30, 2012**

Accepted the Investment Report for the Quarter Ended September 30, 2012.

**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 9:58 p.m.

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Bob Barrett, Board Chairperson

ATTEST:

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Rhonda Geriminsky, Interim 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 13<sup>th</sup> day of November, 2012. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 19<sup>th</sup> day of February, 2013.

(Seal)

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Rhonda Geriminsky, Interim District Clerk

**CITY OF PEORIA, ARIZONA  
VISTANCIA COMMUNITY FACILITIES DISTRICT  
DISTRICT COMMUNICATION**

Agenda Item: 19C

Date Prepared: February 4, 2013

District Meeting Date: February 19, 2013

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**TO:** Carl Swenson, District Manager  
**FROM:** Brent D. Mattingly, Chief Financial Officer   
**THROUGH:** Susan Thorpe, Deputy District Manager  
**SUBJECT:** Investment Report for the Quarter Ended December 31, 2012

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**Purpose:**

This is a request for the District Board to review and accept the Investment Report for the Quarter Ended December 31, 2012.

**Background/Summary:**

The Finance Department has prepared a quarterly report in compliance with Peoria's adopted Investment Policy. The report summarizes the District's investment activity for the period from October 1, 2012 to December 31, 2012. The District's total investment portfolio earned an average yield of 0.35% for the 2nd Quarter of FY 2013. This represents investment income of \$16,050 for the quarter. The average cash balance of the District's portfolio during the quarter was \$18,201,887 and the ending balance for the total investment portfolio was \$18,204,808 which represents all securities and money market funds.

**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:**

Staff recommends that the District Board review and accept the Investment Report for the Quarter ended December 31, 2012 as presented.

**Fiscal Analysis:**

This item has no financial implications.

**Narrative:**

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

**Exhibit(s):**

**Exhibit 1:** Investment Report for the Quarter Ended December 31, 2012

**Exhibit 2:** Inventory Holdings Report for the Quarter Ended December 31, 2012

**Exhibit 3:** Glossary of Security Definitions

**Contact:**

Deborah Card, Treasury Manager, X7148

**VISTANCIA COMMUNITY FACILITIES  
DISTRICT  
PEORIA, ARIZONA**



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**INVESTMENT PERFORMANCE REPORT**

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**Annual Report**

**Period Ended**

**December 31, 2012**

**Brent D. Mattingly**

**District Chief Financial Officer**

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## I. INTRODUCTION

This report reflects investment activity for the period of October 1, 2012 to December 31, 2012 for the District's investment management program. The District's funds are invested in accordance with the City's Investment and Portfolio Policies, approved and adopted in January 1992 by the City Council, with revisions approved in June 2005. The policy requires that the investment program meet the following criteria, listed in order of importance:

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

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

Only after the safety and liquidity requirements are met does staff attempt to maximize earnings. For the Quarter Ended December 31, 2012, the weighted average annualized yield on investments was as follows:

**Table 1**

<b>AVERAGE ANNUALIZED INVESTMENT YIELD</b>					
	<b>FY12 Q2</b>	<b>FY12 Q3</b>	<b>FY12 Q4</b>	<b>FY13 Q1</b>	<b>FY13 Q2</b>
CFD Bonds, Series 2002 (Reserve)	<b>0.68</b>	<b>0.67</b>	<b>0.57</b>	<b>0.60</b>	<b>0.54</b>
CFD Bonds, Series 2005 (Reserve)	<b>0.49</b>	<b>0.69</b>	<b>0.67</b>	<b>0.69</b>	<b>0.64</b>
CFD Bonds, Series 2006	<b>0.30</b>	<b>0.31</b>	<b>0.30</b>	<b>0.33</b>	<b>0.27</b>
Total Portfolio	<b>0.36</b>	<b>0.40</b>	<b>0.38</b>	<b>0.41</b>	<b>0.35</b>

The quarter's average yield of 0.35% for the total portfolio represents a decrease of 0.06% from the total portfolio annualized yield of 0.41% experienced for the Quarter Ended September 30, 2012.

## II. INVESTMENT POLICY COMPLIANCE

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

## III. INVESTMENT PERFORMANCE

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

The table below illustrates the diversification structured into the portfolio composition with dollar amounts and percentages by investment type (market sector). The table shows the overall conservative nature of the portfolio and its diversified structure. The fluctuation in percentages between fiscal quarters represents a shifting of value between market sectors from the varying economic conditions throughout the year. The concentration on Treasury Notes and Agency Securities illustrates the portfolio's safety priority.

**Table 2**

TOTAL PORTFOLIO COMPOSITION (In Millions of Dollars)								
Security Type	FY 12 – Q3		FY 12 – Q4		FY 13 – Q1		FY 13 – Q2	
	Amt	%	Amt	%	Amt	%	Amt	%
Money Market	3.8	20.9	3.3	18.2	3.1	17.1	3.2	17.5
Agency Securities	6.4	35.2	10.4	57.2	10.6	58.1	10.5	57.8
Treasury Bills	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Treasury Notes	3.0	16.5	0.0	0.0	0.0	0.0	0.0	0.0
Commercial Paper	5.0	27.4	4.5	24.6	4.5	24.8	4.5	24.7
Repurchase Agreements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTALS:</b>	<b>18.2</b>	<b>100.0</b>	<b>18.2</b>	<b>100.0</b>	<b>18.2</b>	<b>100.0</b>	<b>18.2</b>	<b>100.0</b>

**B. Average Invested Cash Balances.** The average investment cash balance for the portfolio for the Quarter Ending December 31, 2012 was \$18,201,887 as compared to \$18,198,814 for the Quarter Ended September 30, 2012.

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

**C. Investment Income.** Total investment income for the 2nd Quarter of FY13 was \$16,050 which represents an decrease of 11.56% from the \$18,147 earned in the 1st Quarter of FY13.

**D. Comparative Investment Yields.** Since the Investment Policy restricts investment primarily to the U.S. fixed income and money markets, the portfolio performance is measured directly against these markets for comparison purposes. The maximum maturity of securities purchased for the portfolio is restricted to five (5) years. The weighted average maturity should not exceed 365 days. The actual weighted average maturity for the 2nd Quarter of FY13 was 363 days. The average rates of comparable benchmarks are shown in the table below:

**Table 3**

COMPARATIVE ANNUALIZED INVESTMENT YIELDS				
	FY 12 Q3	FY 12 Q4	FY 13 Q1	FY 13 Q2
Total Portfolio	0.40	0.38	0.41	0.35
3 Month T-Bill	0.06	0.08	0.09	0.08
Money Market Fds	0.01	0.01	0.01	0.01
6 Month T- Bill	0.11	0.14	0.14	0.13
1 Year T-Bill	0.14	0.18	0.17	0.17
2 Year Treasury	0.28	0.28	0.25	0.26

**E. Average Maturity of the Portfolio.** For the Quarter ended December 31, 2012, the average maturity of the portfolio was 363 days as compared to 365 days on September 30, 2012. Cash not needed to match immediate cash flow needs (within a nine month rolling horizon of liabilities) is normally extended somewhat longer (debt reserve funds) to take advantage of higher yields. Longer maturities are used to capture yields at purchase and to capture capital gains during the period.

**F. Comparison of Market Value and Book Value.** The book value of the portfolio is captured on an amortized cost basis recognizing the position in the

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

Beginning Book Value .....	\$18,162,233
Beginning Market Value .....	\$18,214,708
Ending Book Value.....	\$18,204,808
Ending Market Value .....	\$18,214,807

At quarter's end, the market value of the portfolio exceeded the book value of securities resulting in an overall unrealized gain in value of \$9,999.

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

**Gross Domestic Product (GDP):** The preliminary measure of fourth quarter GDP was expected to be quite a bit weaker than the 3.1% annualized growth rate of the third quarter, but turned out to be much worse ...at least on the surface. Fourth quarter GDP actually contracted at a 0.1% annualized rate, well below the median forecast for an increase of 1.1%. Fortunately, the report improves significantly after sifting through the underlying numbers. Overall government spending fell by 6.6%, with most of the decline attributed to a 22% plunge in defense spending. Business inventories rose by \$40 billion less than in the previous quarter. Slower inventory build-up plus the drop in Federal spending subtracted a huge 2.6 percentage points from GDP. By contrast, personal consumption rose at a 2.2% pace, slightly above expectations and stronger than the 1.6% rise in the previous quarter.

**Nonfarm Payrolls:** Job creation has been lackluster over the past six months. December nonfarm payrolls increased by 155,000 after 161,000 new jobs were created in November. For all of 2012 and 2011, payroll growth averaged 153,000 per month. Although this may sound like a significant number of jobs created, most experts believe it is merely enough to satisfy the job demand of new workers entering the labor force each month, while bypassing the 12.2 million Americans currently out of work. The December unemployment rate exactly matched the revised 7.8% rate from November. Although this was the lowest level in almost 5 years, the decline is almost entirely due to a drop in the labor force participation rate. If job creation continues at the current pace, experts expect unemployment would remain above 6.5% until spring 2018. At 200,000 per month, this timeframe shortens to mid-2015.

**Home Sales:** Last year, the housing market clearly turned the corner. For all of 2012, 4.65 million existing homes were sold, the most since 2007. The median price of an existing home was up 11.5% year-over-year to \$180,800. Finally, the inventory of homes available for sale has fallen to 1.82 million, the fewest since January 2001, while the month's supply has dropped to 4.4 months. That compares to a supply of 12.1 months at its worst in July 2010. New home sales were a fraction of existing sales simply because home inventories had been bloated and there was little need to build new. This too, is changing. Housing starts soared by a 12.1% in December to a 954,000 unit annual rate, the highest level since June 2008. The year-over-year 28.1% increase represented the biggest annual gain since 1983.

**Retail Sales:** After a stellar third quarter in which monthly retail sales averaged nearly a 1.0% increase per month, purchases slowed significantly in the fourth quarter. Retail sales dropped by 0.2% in October, perhaps due in part to Hurricane Sandy barreling up the east coast during the final week. In November, sales rose by 0.4%, although this mostly disappointing number was attributed to a decline in gasoline and service station receipts resulting from a sharp drop in gasoline prices. Car and light truck sales rose to a 4½-year high of 15.5 million annualized units in November as a number of vehicles destroyed by Superstorm Sandy were replaced. In December, retail sales rose 0.5%, with the primary strength concentrated in motor vehicles. Auto sales followed a 2.7% November increase with a 1.6% rise, marking the best two-month performance for auto dealers since 2008. - Scott McIntyre, First Southwest Asset Management

# SUMMARY DATA

**Table 4**

<b>PORTFOLIO COMPOSITION</b>				
<b>Vistancia CFD Bonds, Series 2002*</b>				
<b>Security Type</b>	<b>FY 12 – Q3 Ending 3/31/12</b>	<b>FY 12 – Q4 Ending 6/30/12</b>	<b>FY 13 – Q1 Ending 9/30/12</b>	<b>FY 13 – Q2 Ending 12/31/12</b>
Money Market	\$13,167	\$14,543	\$8,742	\$10,473
Agency Securities	\$2,049,320	\$2,046,839	\$2,044,954	\$2,043,210
Treasury Notes	\$0	\$0	\$0	\$0
Treasury Bills	\$0	\$0	\$0	\$0
Commercial Paper	\$0	\$0	\$0	\$0
Repurchase Agreements	\$0	\$0	\$0	\$0
<b>Totals:</b>	<b>\$2,062,487</b>	<b>\$2,061,382</b>	<b>\$2,053,696</b>	<b>\$2,053,683</b>
Avg Yield	0.67	0.57	0.60	0.54
Avg Maturity (Years)	2.06	1.79	2.24	1.95

\* Represents Debt Service Reserve Funds

**Table 5**

<b>PORTFOLIO COMPOSITION</b>				
<b>Vistancia CFD Bonds, Series 2005*</b>				
<b>Security Type</b>	<b>FY 12 – Q3 Ending 03/31/12</b>	<b>FY 12 – Q4 Ending 06/30/12</b>	<b>FY 13 – Q1 Ending 09/30/12</b>	<b>FY 13 – Q2 Ending 12/31/12</b>
Money Market	\$1,910	\$3,910	\$0	\$5,481
Agency Securities	\$2,358,277	\$2,357,435	\$2,357,189	\$2,357,086
Treasury Notes	\$0	\$0	\$0	\$0
Treasury Bills	\$0	\$0	\$0	\$0
Commercial Paper	\$0	\$0	\$0	\$0
Repurchase Agreements	\$0	\$0	\$0	\$0
<b>Totals:</b>	<b>\$2,360,187</b>	<b>\$2,361,345</b>	<b>\$2,357,189</b>	<b>\$2,362,567</b>
Avg Yield	0.69	0.67	0.69	0.64
Avg Maturity (Years)	1.96	2.35	2.71	2.42

\* Represents Debt Service Reserve Funds

**Table 6**

<b>PORTFOLIO COMPOSITION</b>				
<b>Vistancia CFD Bonds, Series 2006</b>				
<b>Security Type</b>	<b>FY 12 – Q3 Ending 03/31/12</b>	<b>FY 12 – Q4 Ending 06/30/12</b>	<b>FY 13 – Q1 Ending 09/30/12</b>	<b>FY 13 – Q2 Ending 12/31/12</b>
Money Market	\$3,776,340	\$3,302,568	\$3,103,890	\$3,165,981
Agency Securities	\$2,000,000	\$5,999,129	\$6,153,625	\$6,129,079
Treasury Notes	\$3,001,660	\$0	\$0	\$0
Treasury Bills	\$0	\$0	\$0	\$0
Commercial Paper	\$4,988,789	\$4,486,920	\$4,493,833	\$4,493,497
Repurchase Agreements	\$0	\$0	\$0	\$0
<b>Totals:</b>	<b>\$13,766,789</b>	<b>\$13,788,617</b>	<b>\$13,751,348</b>	<b>\$13,788,557</b>
Avg Yield	0.31	0.30	0.33	0.27
Avg Maturity (Years)	0.33	0.39	0.59	0.61

# City of Peoria

## Detail of Security Holdings

As of 12/31/2012

CUSIP	Settle Date	Sec. Type	Sec. Description	CPN	Mty Date	Next Call	Call Type	Par Value	Purch Price	Orig Cost	Book Value	Mkt Price	Market Value	Days to Mty
<b>Vistancia Project 2002 - Debt Service Re</b>														
WF-ADVG0V		MMF	Wells Fargo Adv Govt MMF					10,472.54	100.000	10,472.54	10,472.54	100.000	10,472.54	1
3135G0BR3	11/29/12	AGCY BULET	FNMA	0.500	08/09/13			500,000.00	100.214	501,070.00	500,933.15	100.190	500,950.00	221
31398A3G5	03/29/12	AGCY BULET	FNMA	1.500	09/08/14			1,025,000.00	102.382	1,049,415.50	1,041,892.37	101.810	1,043,552.50	616
3133EAUE6	07/26/12	AGCY CALL	FFCB	0.875	06/14/16	06/14/13	CONT	500,000.00	100.150	500,750.00	500,385.31	100.270	501,350.00	1,261
<b>Total for Vistancia Project 2002 - Debt Service Re</b>								<b>2,035,472.54</b>		<b>2,061,708.04</b>	<b>2,053,683.37</b>		<b>2,056,325.04</b>	<b>674</b>
<b>Vistancia Project 2005 - Reserve Fund</b>														
WF-ADVG0V		MMF	Wells Fargo Adv Govt MMF					5,480.58	100.000	5,480.58	5,480.58	100.000	5,480.58	1
3135G0BR3	11/29/12	AGCY BULET	FNMA	0.500	08/09/13			500,000.00	100.214	501,070.00	500,933.15	100.190	500,950.00	221
31398A3G5	03/29/12	AGCY BULET	FNMA	1.500	09/08/14			350,000.00	102.382	358,337.00	355,768.13	101.810	356,335.00	616
3136G0EJ6	04/30/12	AGCY CALL	FNMA	0.750	10/30/15	04/30/13	QRTLY	1,000,000.00	100.000	1,000,000.00	1,000,000.00	100.210	1,002,100.00	1,033
3133EAUE6	07/26/12	AGCY CALL	FFCB	0.875	06/14/16	06/14/13	CONT	500,000.00	100.150	500,750.00	500,385.31	100.270	501,350.00	1,261
<b>Total for Vistancia Project 2005 - Reserve Fund</b>								<b>2,355,480.58</b>		<b>2,365,637.58</b>	<b>2,362,567.17</b>		<b>2,366,215.58</b>	<b>844</b>
<b>Vistancia Project 2006 - Construction</b>														
WF-ADVG0V		MMF	Wells Fargo Adv Govt MMF					3,165,981.46	100.000	3,165,981.46	3,165,981.46	100.000	3,165,981.46	1
313376TL9	06/28/12	AGCY BULET	FHLB	0.125	01/17/13			2,000,000.00	99.956	1,999,116.00	1,999,928.92	100.000	2,000,000.00	17
3024A0QB4	06/14/12	CP - DISC	FCAR Owner Trust		03/11/13			2,000,000.00	99.558	1,991,150.00	1,997,738.34	99.944	1,998,872.00	70
89233GUH7	10/23/12	CP - DISC	Toyota Mtr Cr		07/17/13			2,500,000.00	99.770	2,494,252.08	2,495,759.03	99.841	2,496,012.50	198
3128X23A1	09/26/12	AGCY BULET	FHLMC	4.500	04/02/14			2,000,000.00	106.334	2,126,680.00	2,104,674.28	105.240	2,104,800.00	457
3135G0BJ1	09/26/12	AGCY BULET	FNMA	1.125	06/27/14			2,000,000.00	101.440	2,028,800.00	2,024,475.38	101.330	2,026,600.00	543
<b>Total for Vistancia Project 2006 - Construction</b>								<b>13,665,981.46</b>		<b>13,805,979.54</b>	<b>13,788,557.41</b>		<b>13,792,265.96</b>	<b>198</b>
<b>Total for City of Peoria</b>								<b>18,056,935</b>		<b>18,233,325</b>	<b>18,204,808</b>		<b>18,214,807</b>	<b>336</b>



### Security Acronyms:

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

### Security Definitions:

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

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

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

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

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

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

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

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

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

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

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

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