



## **NOTICE OF SPECIAL COUNCIL MEETING**

In accordance with §38-431.01 of the Arizona Revised Statutes of the State of Arizona, notice is hereby given to the Members of City Council and to the general public that the Mayor and Council of the City of San Luis, Arizona, will hold a Special City Council meeting at 6:30 p.m., Wednesday, November 21, 2017. The meeting will take place at the City Council Chambers, located at 1090 E. Union Street, San Luis, Arizona, 85349. Everyone from the public is invited to attend the open meeting.

In accordance with the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973, the City of San Luis does not discriminate on the basis of disability in the admission of or access to, or treatment of employment in its programs, activities, or services. For information regarding rights and provisions of the ADA or Section 504, or to request reasonable accommodations for participation in City programs, activities or services contact: ADA/Section 504 Coordinator, City of San Luis Human Resources Department, 1090 E. Union Street, San Luis, Arizona, 85349; (928) 341-8520.

Notice is hereby given that pursuant to A.R.S. §1-602.A.9, subject to certain specified statutory exceptions, parents have a right to consent before the State or any of its political subdivisions make a video or audio recording of a minor child. Meetings of the City Council are audio and/or video recorded, and, as a result, proceedings in which children are present may be subject to such recording. Parents in order to exercise their rights may either file written consent with the City Clerk to such recording, or take personal action to ensure that their child or children are not present when a recording may be made. If a child is present at the time a recording is made, the City will assume that the rights afforded parents pursuant to A.R.S. §1-602.A.9 have been waived.

THIS NOTICE IS GIVEN BY:

/s/ Sonia Cornelio, City Clerk

## **AVISO DE JUNTA ESPECIAL**

De acuerdo con los Estatutos del Estado de Arizona A.R.S. §38-431.01, se le informa a los miembros del Cabildo y al público en general que el Alcalde y el Cabildo, tendrán una Junta Especial a las 6:30 p.m., el día Miercoles, 21 de Noviembre del 2017. La junta se llevará a cabo en la Sala del Cabildo, ubicada en el 1090 E. Union Street, San Luis, Arizona, 85349. El público está cordialmente invitado a la junta.

De acuerdo con el Acta de Americanos con Discapacidades y la Sección 504 del Acta de Rehabilitación del 1973, la Ciudad de San Luis, Arizona no discrimina por causa de discapacidad la admisión y acceso a sus programas, actividades, servicios o en el trato en cuanto a empleo. Para más información referente a derechos y provisiones del Acta de Americanos con Discapacidades o Sección 504, o para solicitar adaptaciones que sean razonables para la participación en programas, actividades o servicios de la Ciudad, contactar al: Coordinador del Acta de Americanos con Discapacidades/Sección 504, Departamento de

Recursos Humanos de la Ciudad de San Luis, Arizona, ubicado en el 1090 E. Union Street, San Luis, Arizona, 85349; (928) 341-8520.

Por medio de este aviso y de acuerdo con los Estatutos del Estado de Arizona A.R.S §1-602.A.9, sujeto a ciertas excepciones reglamentarias, los padres de familia tienen el derecho de dar el consentimiento ante el Estado o cualquiera de sus subdivisiones políticas para hacer una grabación de audio o video de su hijo menor de edad. Las juntas del Cabildo se graban en audio y/o video y como resultado, el hecho de que haya menores presentes puede ser sujeto a que sean grabados. Para que los padres de familia puedan ejercer sus derechos pueden dar el consentimiento por escrito con la Secretaria de la Ciudad a tal grabación, o tomar acción personal para asegurarse que su hijo menor no esté presente cuando la grabación se lleve a cabo. Si un menor de edad está presente en el momento de la grabación, la Ciudad asumirá que los padres de familia están cediendo los derechos sobre una posible grabación de acuerdo con los Estatutos del Estado de Arizona A.R.S. §1-602.A.9.

ESTE AVISO ES DADO POR:

/f/ Sonia Cornelio, Actuaría de la Ciudad



**AGENDA**  
**Special Meeting**  
**San Luis City Council**  
**San Luis Council Chambers**  
**1090 E. Union Street**  
**San Luis, AZ 85349**  
**November 21, 2017**  
**6:30 p.m.**

**PLEASE TAKE NOTICE THAT MEMBERS OF THE CITY COUNCIL WILL ATTEND EITHER IN PERSON, TELEPHONE, OR VIDEO CONFERENCE COMMUNICATION. THE MAYOR OR ACTING MAYOR FOR THIS MEETING MAY CHANGE THE ORDER OF THE ITEMS; IF AUTHORIZED BY LAW AND BY A MAJORITY VOTE OF A QUORUM OF CITY COUNCIL MEMBERS PRESENT, AN EXECUTIVE SESSION WILL BE HELD IMMEDIATELY FOLLOWING THE VOTE IN ACCORDANCE WITH A.R.S. §38-431.03(A) AND THE MEETING WILL BE TEMPORARILY RECESSED WHILE THE CITY COUNCIL RETIRES TO EXECUTIVE SESSION WHICH WILL NOT BE OPEN TO THE PUBLIC.**

- 1. CALL TO ORDER/ROLL CALL 6:38 p.m.**
- 2. PLEDGE OF ALLEGIANCE**
- 3. INVOCATION**
- 4. PROCLAMATION**
- 4. A. -Dia Del Campesino December 2, 2017 **Approved****
- 5. CONSENT AGENDA**  
All matters are considered to be routine by the City Council and will be enacted by one motion. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.
- 5. A. MINUTES OF **Approved****
  - Work Session held August 2, 2017
  - Regular City Council meeting held August 9, 2017
  - Work Session held August 16, 2017
  - Regular City Council meeting held August 23, 2017

- Special City Council meeting held August 30, 2017

- 5. B. DISBURSEMENTS FROM OCTOBER 30, 2017 THROUGH NOVEMBER 12, 2017** **Approved**  
Total Disbursements \$472,991.06  
(Four Hundred Seventy-Two Thousand, Nine Hundred Ninety-One Dollars and Six Cents)
- 6. DISCUSSION AND POSSIBLE ACTION ITEMS:**
- 6. A.** Discussion and possible action on any and all matters regarding the City of San Luis accepting and ratifying slurry seal application services from American Pavement Preservation for application of Type 2 and Type 3 slurry seal as part of the 2018 Pavement Preservation Project. **(Eulogio Vera, Director of Public Works)** **Approved**
- 6. B.** Discussion and possible action on any and all matters regarding approval of the Proposal for Engineering Services for the design of new lines to improve the reliability of the water system in east San Luis. **(Eulogio Vera, Director of Public Works)** **Approved**
- 6. C.** Discussion and possible action on any and all matters regarding Resolution No. 2018. A resolution of the Mayor and City Council of the City of San Luis, Arizona authorizing and directing the entering into an intergovernmental agreement with the Yuma County Flood Control District relating to the San Luis Area Phase II Drainage Improvements. **(Eulogio Vera, Director of Public Works)** **Approved**
- 6. D.** Discussion and possible action on any and all matters regarding the approval of the organizational audits and assessments contract for the San Luis Police Department by Exceptional Training, LLC. **(Richard Jessup, Acting Chief of Police)** **Approved**
- 6. E.** Discussion and possible action on any and all matters regarding Resolution No. 2017. A resolution of the Mayor and City Council of the City of San Luis, Arizona to authorize the City of San Luis Police Department to receive funding for the Impaired Driver/DUI Alcohol Enforcement and STEP/Selective Traffic Enforcement **Approved**

projects by approving Highway Safety Contracts 2018-405d-045 & 2018-PTS-060 between the City of San Luis, Arizona through the San Luis Police Department and the Governor's Office of Highway Safety. **(Richard Jessup, Acting Chief of Police)**

- 6. F.** Discussion and possible action on any and all matters regarding Second Reading of Ordinance No. 370. An ordinance of the Mayor and City Council of the City of San Luis, Arizona, enacting and adopting the Third Supplement to the Code of Ordinances for the City of San Luis, Arizona; repealing any conflicting provisions, and providing for severability. **(Sonia Cornelio, City Clerk)** **Approved**

A. Approval of Second Reading of Ordinance No. 370 by title only

(City Clerk to read Ordinance by title only)

B. Approval and adoption of Ordinance No. 370

- 6. G.** Discussion and possible action on any and all matters regarding the Second Reading of Ordinance No. 371. An ordinance of the Mayor and City Council of the City of San Luis, Arizona relating to adopting the "2012-2014 Amendments and 2016 Amendment of Local Option V (Tier Tax) to the San Luis Tax Code " by reference; establishing effective dates; providing for severability; and providing penalties for violations. **(Kay Marion Macuil, City Attorney)** **Approved**

A. Approval of Second Reading of Ordinance No. 371 by title only

(City Clerk reads Ordinance by title only)

B. Approval and adoption of Ordinance No. 371

- 6. H.** Discussion and possible action on any and all matters regarding Subdivision Case No. 2015-0482F. A request by Nicklaus Engineering on behalf of San Luis Port L.L.C., Stephen Shadle, owner, for the final plat approval of San Luis Port Subdivision. The property is located at the northeast corner of Avenue E and County 24th Street. **(Jose A. Guzman, Acting Director of Planning and Zoning)** **Approved**

**6. I.** Discussion and possible action on any all matters regarding Second Reading of Ordinance No. 372. An ordinance of the Mayor and City Council of the City of San Luis, Arizona, amending the San Luis City Code, Chapter 152 Zoning Regulations Section 152.078(E) - Table No. 3 Development Standards to amend the provisions for side yard setback for R1-6 zoning district; Amending Subsections 152.091(A) and (B)(1) to clarify applicability of design and development standards for single detached residence dwelling lots created prior to March 1, 2016; repealing any conflicting provisions; and providing for severability. **(Jose A. Guzman, Acting Director of Planning and Zoning)** **Approved**

- A. Second Reading of Ordinance No. 372 by title only.  
(City Clerk will read Ordinance No. 372 by title only)
- B. Approval and adoption of Ordinance No. 372.

**6. J.** Discussion and possible action on any and all matters regarding First Reading of Ordinance No. 373. An ordinance of the Mayor and City Council of the City of San Luis, Arizona changing the San Luis City Code by deleting Section 30.076 on prohibiting same day passage of ordinances, by amending sections 30.77 and 30.78 to allow for one reading and same day passage of ordinances; repealing any conflicting provisions; and providing for severability. **(Kay Marion Macuil, City Attorney)** **Approved**

- A. Approval of First Reading of Ordinance 373 by title only  
(City Clerk to read Ordinance by title only)

**6. K.** Discussion and possible action on any and all matters regarding First Reading of Ordinance No. 374. An ordinance of the Mayor and City Council of the City of San Luis, Arizona amending Section 30.075 of the San Luis City Code by requiring prior approval of suggested orders and Section 30.078 providing that orders are effective immediately upon passage; repealing any conflicting provisions; and providing severability. **(Kay Marion Macuil, City Attorney)** **Approved**

- A. Approval of First Reading of Ordinance 374 by title only  
(City Clerk to read the Ordinance by title only)

- 7. SUMMARY OF CURRENT EVENTS**  
Events by Mayor, Council Members and/or City Manager pursuant to A.R.S. §38-431.02 (K). **Informational Update**
- 8. CALL TO THE PUBLIC**  
This is the time for the public to comment. Members of the City Council may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. §38-431.01 (H), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism or scheduling the matter for further consideration and decision at a later date. **No Legal Action Permitted**
- 9. ADJOURNMENT 7:29 p.m.**



## PROCLAMATION

### Special City Council Meeting

**4.A.**

Meeting Date: 11/21/2017

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Title:

-Dia Del Campesino December 2, 2017

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#### Attachments

Proclamation Dia Del Campesino 2017

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# *Proclamation*

OFFICE OF THE  
MAYOR  
CITY OF SAN LUIS

## **DIA DEL CAMPESINO (FARM WORKER'S DAY) December 2, 2017**

**WHEREAS**, the economic contributions made by Farm Workers to our local, state, national, and international economies are significant;

**WHEREAS**, their contributions are honored with the 23rd Annual "Dia Del Campesino" Health and Informational fair;

**WHEREAS**, the event acknowledges the need to provide information and services to all Farm Workers of the region; and on both sides of the border

**WHEREAS**, Campesinos Sin Fronteras was established to promote familial, social and economic stability among the low-mid income, and migrant and seasonal farm worker community and together with more than 60 organizations have collaborated to sponsor this service to the community;

**NOW THEREFORE**, I, Gerardo Sanchez, Mayor of the City of San Luis, Arizona, on behalf of the people of the City of San Luis, do hereby proclaim the 2<sup>nd</sup> Day of December of 2017 as the **Dia Del Campesino (Farm Worker's Day)**, in San Luis, Arizona.

\_\_\_\_\_  
Gerardo Sanchez, Mayor

ATTEST:

\_\_\_\_\_  
Sonia Cornelio, City Clerk



## AGENDA ITEM REVIEW FORM

### Special City Council Meeting

5.A.

Meeting Date: 11/21/2017

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#### Summary

#### **MINUTES OF**

- Work Session held August 2, 2017
  - Regular City Council meeting held August 9, 2017
  - Work Session held August 16, 2017
  - Regular City Council meeting held August 23, 2017
  - Special City Council meeting held August 30, 2017
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#### Attachments

8/2/2017 WS

8/9/2017 RCM

8/16/2017 WS

8/23/2017 RCM

8/30/2017 SCM

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**MINUTES**  
**Work Session**  
**San Luis City Council**  
**San Luis Council Chambers**  
**1090 E. Union Street**  
**August 2, 2017**  
**6:30 p.m.**

**1. CALL TO ORDER/ROLL CALL:** Mayor Gerardo Sanchez called the Regular City Council meeting to order at approximately 6:33 p.m.

**PRESENT:** Mayor Gerardo Sanchez  
Vice-Mayor Maria Cecilia Ramos  
Council Member Ruben Walshe  
Council Member Gloria Torres  
Council Member Matias Rosales  
Council Member Mario Buchanan Jr.

**ABSENT:** Council Member Africa Luna-Carrasco

**OTHERS PRESENT:** Tadeo De La Hoya, City Manager  
Sonia Cornelio, City Clerk  
Kay Macuil, City Attorney  
Aracely De La Hoya, Senior Services  
Derek Dueñas, Information Technology Manager  
Eulogio Vera, Director of Public Works  
Hank Green, Fire Chief  
Isaac Gutierrez, GIS Technician  
Jenny Torres, Economic Development Manager  
Jonathan Dumadag, Information Technology Department  
Jorge Perez, Billing & Collections Manager  
Jose Guzman, Acting Director of Planning & Zoning  
Jesus Meza, Assistant Director of Parks & Recreation  
Katie St. Louis, Director of Finance  
Laura Herrera, Assistant to Council / PIO  
Manuel Rojas, Assistant Director of Public Works  
Miguel Alvarez, Police Department  
Olivia Jenkins, Director of Human Resources  
Ralph Velez, Consultant  
Ric Bauermann, Fire Department  
Robert Solis, Fire Department

## **2. AGENDA ITEMS:**

### **2. A. Discussion and possible directions to staff on any and all matters regarding marketing efforts to increase public awareness of the City's activities, services, and promotion of economic development. (Jenny Torres, Economic Development Manager)**

Ms. Jenny Torres, Economic Development Manager, informed that as per Council's request a Marketing and Public Relations Committee was formed. This committee is made up of staff from Economic Development, Public Works, Public Information Officer, Parks and Recreation, Information Technology, and Planning & Zoning Departments. The committee will work in focusing on providing communication and marketing expertise to improve the city's image. City Council will select which strategies could be implemented per funding availability. Furthermore, added that one of the ideas proposed by the committee is the purchase and installation of an LED sign, which will be utilized to promote special news, programs, and other projects. Ms. Torres informed that about the different departments willing to contribute towards the cost of the sign. She mentioned that City Council allocated \$24,000.00 in the marketing budget, with these funds some of the proposed marketing strategies can be accomplished, but if Council decides to go with the LED sign, then staff will be asking Council for approximately \$17,000.00 for the purchase of the sign as other departments are willing to contribute approximately \$6,000.00 each. Ms. Torres informed that the total amount for the proposal is \$77,200.00, but it is up to Council to decide which marketing strategies will be implemented if not all of them. Moreover, Ms. Torres informed that the sign would be installed at the corner of Juan Sanchez Boulevard and Main Street, the sign already in place at that location will be relocated to another area.

Mayor Gerardo Sanchez asked that the committee be proactive and if they see that something is not working to move to a different project and not get stuck in the same project.

### **2. B. Discussion and possible directions to staff on any and all matters regarding a contract with GIS Planning to provide ZoomProspector Enterprise Web Services. (Jenny Torres, Economic Development Manager)**

Ms. Jenny Torres, Economic Development Manager, informed that she had received complaints that the city's website specifically the Economic Development web page, does not provide accurate information for when businesses want to come into the city. She stated that the web application will provide comprehensive information to help new and relocating business to find a location in the community. This will also provide real estate search, demographics, workforce analysis, and industry reports, along with

dynamic tools. Ms. Torres presented a video from GIS Planning regarding their services. Ms. Torres explained that ZoomProspector will improve economic development's webpage image and it will provide high-quality services to businesses. She stated that staff is recommending an annual subscription with a cost of \$8,100.00 and three years of technical support for \$1,500.00 for a total amount of \$26,800.00 over a three-year contract. She informed that this company is a sole source provider, for this reason under Section 36.02 of the San Luis City Code three (3) quotes are not required.

Mayor Gerardo Sanchez asked if the company has the most accurate information about the cities they have business with.

Ms. Torres replied that the company utilizes different agencies to obtain their information to provide the most up-to-date information.

Council Member Matias Rosales stated that he believes that this information is very beneficial to the city to attract business to the community.

Ms. Torres mentioned that she has money in her budget that can be utilized to test out the program for one (1) year, then it will be decided to whether or not it was useful.

Vice-Mayor Maria Cecilia Ramos stated that this project will be beneficial to the city.

Council Member Mario Buchanan Jr. asked if the city starts utilizing this company to promote the city, will the city still be funding Greater Yuma Economic Development Corporation (GYEDC), even though they are also using this same company? Will the funding to GYEDC be reduced?

Mayor Gerardo Sanchez asked if GYEDC is utilizing this program then who is benefiting from it. The city is funding GYEDC, but there have been no benefits from this. He stated that staff should contract for three (3) years to be able to see results.

**2. C. Discussion and possible directions to staff on any and all matters regarding authorization to purchase a new Chevy Silverado for Building Safety Division. (Jose A. Guzman, Acting Director of Planning and Zoning)**

Mr. Jose A. Guzman, Acting Director of Planning and Zoning, explained that this purchase will be replacing a GMC Canyon truck purchased in 2005 currently being utilized by the Building Safety Division. He informed that this purchase was approved in Fiscal Year 2017-2018 budget.

**2. D. Discussion and possible directions to staff on any and all matters regarding Resolution No. 2000. A resolution of the Mayor and City Council of the City of San Luis, Arizona, creating a street lighting improvement district and declaring its intention to purchase electricity, and maintain poles, luminaries, and underground conduit together with a charge for use of lighting facilities, for lighting public streets within an area described as Santa Cecilia Subdivision, Yuma County, Arizona. (Jose A. Guzman, Acting Planning and Zoning Director)**

Mr. Jose A. Guzman, Acting Director of Planning and Zoning, informed that a Street Lighting Improvement District is a requirement of the City of San Luis subdivision regulations, this district is for Santa Cecilia Subdivision.

Vice-Mayor Matias Rosales asked is this will include the maintenance of the easement since they are located in an easement and who determines how many poles will be installed.

Mr. Eulogio Vera, Director of Public Works, replied that Public Works does the maintenance of the right-of-way and also Public Works determines how many poles are needed, how far apart they will be installed and the intensity of the light bulb.

**2. E. Discussion and possible directions to staff on any and all matters regarding Resolution No. 2001. A resolution of the Mayor and City Council of the City of San Luis, Arizona, declaring its intention to provide the enhanced municipal services of operating and maintaining specific retention basins within the area described as Santa Cecilia Subdivision, Yuma County, Arizona. (Jose A. Guzman, Acting Director of Planning & Zoning)**

Mr. Jose Guzman, Acting Director of Planning and Zoning, informed that this item is for the enhanced municipal services improvement district for Santa Cecilia Subdivision.

**2. F. Discussion and possible directions to staff on any and all matters regarding Resolution No. 2002. A resolution of the Mayor and City Council of the City of San Luis, Arizona, authorizing and directing the City Engineer to order the purchase of electricity and to order the maintenance of poles, luminaries and underground conduit incident to the installation of street lights for lighting public streets within an area described as Santa Cecilia Subdivision, Yuma County, Arizona. (Jose A. Guzman, Acting Director of Planning & Zoning)**

Mr. Jose Guzman, Acting Director of Planning and Zoning, informed that once the Street Lighting Improvement District has been approved, a resolution authorizing work and approving the implementation of the district is required.

**2. G. Discussion and possible directions to staff on any and all matters regarding Resolution No. 2003. A resolution of the Mayor and City Council of the City of San Luis, Arizona, authorizing and directing the City Engineer to order the operation and maintenance of certain retention basins for an area described as Santa Cecilia Subdivision, Yuma County, Arizona. (Jose A. Guzman, Acting Director of Planning & Zoning)**

Mr. Jose Guzman, Acting Director of Planning and Zoning, informed that once the Enhanced Municipal Services District has been approved, a resolution authorizing work and approving the implementation of the district is required.

**3. DISCUSSION ITEMS:**

**3. A. Discussion and possible directions to staff on any and all matters regarding residential construction setbacks. (Mayor Gerardo Sanchez; Jose Guzman, Acting Director of Planning & Zoning; Eulogio Vera, Director of Public Works; and Hank Green, Fire Chief)**

Mayor Gerardo Sanchez stated that the city has been strict on setbacks, and other communities such as Somerton and Yuma have been very practical on their setbacks.

Mr. Jose Guzman, Acting Director of Planning and Zoning, explained staff might be able to work in changing the setback to 5-foot setbacks and put restrictions. He mentioned that also staff could look into different options and present them to Council at a future meeting.

Council Member Matias Rosales asked if this will also apply to existing homes.

Mr. Guzman replied that once staff starts working on the text amendment, a section can be added explaining that this will also apply for empty lots.

Mayor Gerardo Sanchez stated that once staff starts working on the text amendments, other department's input should be taken.

Mr. Hank Green, Fire Chief, stated that some amendments could be done to the setbacks, but it will have to be consistent throughout the subdivision. He mentioned that existing lots will become a problem as they will not have enough space to go into the lot in case of an emergency.

Mayor Gerardo Sanchez stated that this could be done if it is done correctly and if rules are followed. He asked staff to look closely at existing subdivisions and find out what are the options and start concentrating on new developments.

**3. B. Update on any and all matters regarding bond projects. (Mayor Gerardo Sanchez and Eulogio Vera, Director of Public Works)**

Mayor Gerardo Sanchez asked Mr. Eulogio Vera, Director of Public Works to please give a report on finished bond projects.

Mr. Eulogio Vera informed that projects completed with bond funds are a lift station project, a filtering system in Bienestar 9A and 9B, a sewer force main project and a water tank on east mesa.

Mayor Gerardo Sanchez asked if all bond funds have been spent.

Mr. Vera replied that all funds designated for water projects had been spent and there are wastewater funds left because the force main replacement was not done as it was not needed. He informed that with the leftover funds the C street sewer line was replaced, for the vapex in lift station 300, and improvements were done to the east wastewater treatment plant. He stated that by the end of Fiscal Year 2017-2018 all funds should be spent.

Mayor Gerardo Sanchez thanked Mr. Vera and staff for doing a great job in investing funds on infrastructure.

**3. C. Discussion and possible instructions to staff on any and all matters regarding the End of Year Report for completed and future road maintenance projects. (Mayor Gerardo Sanchez and Eulogio Vera, Director of Public Works)**

Mr. Eulogio Vera, Director of Public Works, summarized to the Mayor and Council of road maintenance done during Fiscal Year 2016-2017. He informed that city invested approximately \$450,000.00 worth of pavement preservation, this included part of Bienestar II, Bienestar 8, Urtuzuastegui Street, 8<sup>th</sup> Avenue, 4<sup>th</sup> Avenue; overlays were done in Plaza II, Hidalgo Street, Los Oros Street, and Merrill Street. Other projects finished during fiscal year was phase I of the intersections of 1<sup>st</sup> and 4<sup>th</sup> Avenues and Juan Sanchez Boulevard; Juan Sanchez Boulevard reconstruction between Main Street and Merrill Avenue; finished design for Union Street; reconstructed Lakin Drive; and designed expansion of County 22<sup>nd</sup> and 8<sup>th</sup> Avenue to add a turn lane.

Mayor Gerardo Sanchez asked Mr. Vera to start taking pictures of all projects so that the community can see the before and after of what has been done in the community and show them that the money is spent wisely.

Mr. Vera summarized projects that are included in the budget for Fiscal Year 2017-2018. Those projects are the intersection of Juan Sanchez Boulevard and 4<sup>th</sup> Avenue; this will consist of a turn lane on Union Street and 4<sup>th</sup> Avenue; completion of Juan Sanchez Boulevard reconstruction between Merrill Avenue and Main Street; and the reconstruction of Union Street to 6<sup>th</sup> Avenue. Furthermore, he added that council approved \$450,000.00 for pavement preservation projects, this will include chip seal on Main Street between County 22<sup>nd</sup> Street and Juan Sanchez Boulevard; chip seal on Avenue B near the State Prison; and Bienestar I and some downtown streets will be maintained. Mr. Vera informed that as part of the HURF match funds with CDBG grants, phase II of Merrill Avenue from Villa Street to Los Oros Street will provide a new street in the city. He also informed that a project for Plaza I was submitted to the state, but the project was not awarded, as this was a competitive selection of projects. He stated that the matching funds allocated for this project are still available, but staff will look into other possible projects that can be completed with the available funds.

Mayor Gerardo Sanchez thanked Mr. Vera and staff for doing a great job.

#### **4. ADJOURNMENT**

**MOTION:** Council Member Mario Buchanan Jr. / Council Member Gloria Torres to adjourn the meeting at approximately 8:07 p.m. Motion passed unanimously.

**MINUTES**  
**Regular Meeting**  
**San Luis City Council**  
**San Luis Council Chambers**  
**1090 E. Union Street**  
**August 9, 2017**  
**7:00 p.m.**

**1. CALL TO ORDER/ROLL CALL:** Mayor Gerardo Sanchez called the Regular City Council meeting to order at approximately 7:02 p.m.

**PRESENT:** Mayor Gerardo Sanchez  
Vice Mayor Maria Cecilia Ramos  
Council Member Mario Buchanan Jr.  
Council Member Africa Luna-Carrasco  
Council Member Ruben Walshe

**ABSENT:** Council Member Matias Rosales  
Council Member Gloria Torres

**OTHERS PRESENT:** Tadeo A. De La Hoya, City Manager  
Melissa Lopez, Deputy City Clerk  
Aracely De La Hoya, Senior Services Director  
Derek Duenas, I.T. Manager  
Eulogio Vera, Public Works Director  
Hank Green, Fire Chief  
Jenny Torres, Community Development Director  
Jonathan Dumadag, I.T. Technician  
Jorge Perez, Billing and Collection Manager  
Jose Guzman, Acting Planning and Zoning Director  
Katie St. Louis, Finance Director  
Kristin McManus, Magistrate  
Olivia Jenkins, Human Resources Director  
Richard Jessup, Acting Chief of Police  
Ric Bauermann, Fire Department  
Cesar Neyoy, Reporter  
Eduardo Garcia, Factor Sales  
Francisca Guzman, Translation  
Guillermina Fuentes, Resident

## **2. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Vice Mayor Maria Cecilia Ramos

## **3. INVOCATION**

The Invocation was led by Mr. Hank Green, Fire Chief.

## **4. OATH & SWEARING-IN CEREMONY**

**Oath & Swearing-in of office for newly appointed Vice Mayor Maria Cecilia Ramos to be officiated by the Honorable Kristin McManus, City Magistrate.**

Judge Kristin McManus performed the swearing-in to Vice Mayor Maria Cecilia Ramos.

Vice Mayor Maria Cecilia Ramos thanked everyone for their support and thanked Council Member Africa Luna Carrasco and Council Member Gloria Torres for their nominations. She added that she would continue working on the progress of the City.

Mayor Gerardo Sanchez congratulated Vice Mayor Maria Cecilia Ramos and added that the position has matured into an important role.

## **5. PROCLAMATION/PRESENTATION**

### **5. A. Proclamation- Arizona Education Progress Meter**

Ms. Nubia Enriquez, Expect More Arizona, provided a short PowerPoint presentation on the Arizona Education Progress Meter and its purpose. Ms. Enriquez added that the proclamation purpose is to adopt the Education Progress Meter.

Mayor Gerardo Sanchez thanked Ms. Enriquez for her presentation and added that the City would be using the information.

Ms. Melissa Lopez, Deputy City Clerk, read the proclamation in it's entirety.

### **5. B. Presentation of the award to Officer Luis Marquez for his participation and dedication to the Arizona Special Olympics. (Lisa Ball, Tim Martin and Kelsey Hawker - Special Olympics Arizona)**

Item was moved to the next Regular Council Meeting.

## **6. CONSENT AGENDA**

### **6. A. MINUTES OF**

-Regular City Council meeting held May 10, 2017

### **6. B. DISBURSEMENTS FROM JULY 15, 2017 THROUGH JULY 28, 2017**

Total Disbursements \$1,174,154.18

(One Million, One Hundred Seventy-Four Thousand, One Hundred Fifty-Four Dollars and Eighteen Cents)

**6. C. Discussion and possible action on any and all matters regarding a contract with GIS Planning to provide ZoomProspector Enterprise Web Services. (Jenny Torres, Community Development Director)**

**6. D. Discussion and possible action on any and all matters regarding Resolution No. 2000. A resolution of the Mayor and City Council of the City of San Luis, Arizona, creating a street lighting improvement district and declaring its intention to purchase electricity, and maintain poles, luminaries, and underground conduit together with a charge for use of lighting facilities, for lighting public streets within an area described as Santa Cecilia Subdivision, Yuma County, Arizona. (Jose A. Guzman, Acting Planning and Zoning Director)**

**6. E. Discussion and possible action on any and all matters regarding Resolution No. 2001. A resolution of the Mayor and City Council of the City of San Luis, Arizona, declaring its intention to provide the enhanced municipal services of operating and maintaining certain retention basins within the area described as Santa Cecilia Subdivision, Yuma County, Arizona. (Jose A. Guzman, Acting Planning & Zoning Director)**

**6. F. Discussion and possible action on any and all matters regarding Resolution No. 2002. A resolution of the Mayor and City Council of the City of San Luis, Arizona, authorizing and directing the City Engineer to order the purchase of electricity and to order the maintenance of poles, luminaries and underground conduit incident to the installation of street lights for lighting public streets within an area described as Santa Cecilia Subdivision, Yuma County, Arizona. (Jose A. Guzman, Acting Planning & Zoning Director)**

**6. G. Discussion and possible action on any and all matters regarding Resolution No. 2003. A resolution of the Mayor and City Council of the City of San Luis, Arizona, authorizing and directing the City Engineer to order the operation and**

**maintenance of certain retention basins for an area described as Santa Cecilia Subdivision, Yuma County, Arizona. (Jose A. Guzman, Acting Planning & Zoning Director)**

**6. H. Discussion and possible action on any and all matters regarding authorization to purchase a 2018 Chevrolet Silverado for Building Safety Division. (Jose A. Guzman, Acting Planning and Zoning Director)**

**6. I. Discussion and possible action on any and all matters regarding the approval of a six (6) month renewal agreement between the City of San Luis and Border Gym Fitness, L.L.C. (Noel Chavez, Fire Fighter and Wellness Committee Member)**

**MOTION:** Council Member Mario Buchanan Jr./Council Member Africa Luna-Carrasco to approve the Consent Agenda. Motion passed unanimously.

## **7. SUMMARY OF CURRENT EVENTS**

Vice Mayor Maria Cecilia Ramos reported that City Manager Tadeo De La Hoya and she attended the Cross-Border Connected Cities Work Session. She stated that there were several different pilots that could include in the city.

## **CALL TO THE PUBLIC**

Ms. Socorro Perrucho, 1468 Beach Street, San Luis AZ, requested city council to better the streets and lighting at San Luis Plaza I.

Ms. Erdemin Orgullo, 1374 Beach Street, San Luis AZ, stated that she feels that the residents in San Luis Plaza I are too abandoned. She added that several different things need to be improved.

Mayor Gerardo Sanchez thanked Ms. Perrucho and Ms. Orgullo for coming to the Council Meeting.

## **9. EXECUTIVE SESSION**

**MOTION:** Council Member Africa Luna-Carrasco/Council Member Mario Buchanan Jr. to go to Executive Session at approximately 7:30 p.m. Motion passed unanimously.

**Discussion and possible action to hold an Executive Session pursuant to A.R.S. §§38-431.03(A)(3) and 38-431.03(A)(4) on any and all matters relating to the City's litigation with Arizona Public Service (APS) and related contracts for discussion or consultation for legal advice with the City Attorney or the City's Attorneys and in order to consider the City's position and instruct its Attorneys regarding the City's position. (Kay Marion Macuil, City Attorney and Outside Counsel Pat Irvine)**

#### **10. MOTION TO GO BACK TO REGULAR SESSION**

**MOTION:** Council Member Mario Buchanan Jr./Council Member Africa Luna-Carrasco to go back to Regular Session at approximately 8:41 p.m. Motion passed unanimously.

#### **11. ADJOURNMENT**

**MOTION:** Council Member Mario Buchanan Jr./Council Member Africa Luna-Carrasco to adjourn the Regular Council meeting at approximately 8:42 p.m. Motion passed unanimously.

**MINUTES**  
**Work Session**  
**San Luis City Council**  
**San Luis Council Chambers**  
**1090 E. Union Street**  
**August 16, 2017**  
**6:30 p.m.**

**1. CALL TO ORDER/ROLL CALL:** Mayor Gerardo Sanchez called the Work Session to order at approximately 6:32 p.m.

**PRESENT:** Mayor Gerardo Sanchez  
Vice-Mayor Maria Cecilia Ramos  
Council Member Ruben Walshe  
Council Member Matias Rosales  
Council Member Africa Luna-Carrasco  
Council Member Mario Buchanan Jr.

**ABSENT:** Council Member Gloria Torres

**OTHERS PRESENT:** Tadeo A. De La Hoya, City Manager  
Sonia Cornelio, City Clerk  
Kay Macuil, City Attorney  
Angel Ramirez, Fire Department  
Carlos Cortes, Assistant Director of Finance  
Derek Dueñas, IT Manager  
Eulogio Vera, Director of Public Works  
Hank Green, Fire Chief  
Isaac Gutierrez, GIS Specialist  
Jenny Torres, Economic Development Manager  
Jonathan Dumadag, IT Technician  
Jorge Perez, Billing and Collections Manager  
Jose Guzman, Acting Director of Planning and Zoning  
Jesus Meza, Assistant Director of Parks and Recreation  
Katie St. Louis, Director of Finance  
Laura Herrera, Assistant to Council / PIO  
Manuel Rojas, Assistant Director of Public Works  
Olivia Jenkins, Director of Human Resources  
Richard Jessup, Acting Chief of Police  
Ric Bauermann, Fire Department

## **2. AGENDA ITEMS:**

Mayor Gerardo Sanchez moved item #2. C. to be the first item on the agenda.

**2. C. Discussion and possible directions to staff on any and all matters regarding a work session to discuss and consider a plan to refinance taxable and tax-exempt loans from the Greater Arizona Development Authority entered into in 2009 which financed and refinanced the costs of an approximately 84,000 square foot building, portions of which have been leased by the city, by entering into refunding installment purchase agreements, the interest paid on which will be either taxable or tax-exempt as would be most advantageous to the city. (Mark Reader, Managing Director in Public Finance, Stifel)**

Mr. Mark Reader, Managing Director in Public Finance, Stifel, presented options for City Council's consideration for spending less money on paying off the loans on the Price Center building and explained the tax implications. He informed that at this time staff is requesting directions to whether to proceed with refinancing the building known as the Price Center debt. Mr. Reader made a presentation, a copy of this presentation is on file with the complete agenda packet in the City Clerk's Office.

There was some discussion between Mayor, Council and Mr. Mark Reader.

**2. A. Discussion and possible directions to staff on any and all matters regarding Conditional Use Permit Case No. 2017-0432. A request by Arely Cardenas on behalf of Robert Bruce and Ivonne Jackson, property owners, for a conditional use permit to allow outdoor sales and displays on property located at 588 N. Main Street, San Luis, Arizona. (Jose A. Guzman, Acting Director of Planning and Zoning)**

Mr. Jose A. Guzman, Acting Director of Planning and Zoning, informed that this request is to display electronics and clothes outside Gomart store located at 588 N. Main Street, San Luis, Arizona. He mentioned that this conditional use request was presented to the Planning and Zoning Commission on July 11, 2017, and they recommended denial of the request. However, the item was continued to the meeting scheduled for August 2017, this will give the applicant to explore more options and address staff concerns. This item was presented again to the commission on August 8, 2017, with new comments from the Fire Department and a new site plan, but the recommendation from staff was to deny the request as it does not meet the criteria for approval.

Mayor Gerardo Sanchez stated that staff worked very hard to create a good image of the Downtown area and it only takes one business to start the problem again and a temporary permit tends to become a permanent permit. He mentioned that the City of Yuma and City of Somerton do not allow this type of permits.

Council Member Mario Buchanan Jr. and Vice-Mayor Maria Cecilia Ramos agreed with Mayor Gerardo Sanchez.

Mr. Hank Green, Fire Chief, stated that the San Luis Fire Department (SLFD) does not support this request as merchandise staged in front of the store tend to lead to block egress routes and pedestrian congestions, this will make it difficult for the SLFD to respond to an emergency that may occur in the premises.

Ms. Kay Marion Macuil, City Attorney, informed for the record that the applicant is not present during this meeting.

**2. B. Discussion and possible directions to staff on any and all matters regarding the authority to contract for services to validate, codify, develop and provide ongoing consultation and training for the City of San Luis, San Luis Fire Department, base hospital and State of Arizona's policies, department guidelines, procedures, and protocols. (Hank Green, Fire Chief)**

Mr. Hank Green, Fire Chief, informed that this contract with LEXIPOL will codify the San Luis Fire Department guidelines and will ensure compliance and compatibility with the City of San Luis policies and procedures, base hospital protocols, Arizona Regulations and best practices of the Fire Service. This organization will provide policies and training that will be delivered through a unique web-based development system. He stated that there are two (2) different contracts, one (1) for the initial review and set up of the guidelines and one (1) for the ongoing validation of guidelines and continuous training and record keeping. He informed that the total cost is approximately \$13,861.00.

**3. DISCUSSION ITEMS:**

**3. A. Discussion and possible directions to staff on any and all matters regarding the new monthly Street Sweeper Schedule for the Department of Public Works, Highway Users Division. (Manuel Rojas, Assistant Director of Public Works)**

Mr. Manuel Rojas, Assistant Director of Public Works, informed that staff had developed a new monthly street sweeper schedule with the new sweeper, new staff, and new

Global Positioning System. He added that Public Works and Fleet Services staff attended a training in Alabama as recommended by the manufacturer. He mentioned that with consistency and adequate training the city would improve operations. Mr. Rojas added that with the collaboration of staff the residents will receive better service. He mentioned that he has been working with Mr. Isaac Gutierrez, GIS Planner, in an interactive schedule being developed.

Mr. Isaac Gutierrez, GIS Planner, made a presentation which included the web application that will be utilized. He informed the in the upcoming months the website will be expanded to incorporate the holiday schedule, community clean-up and other schedules vital to the Public Works operations. This application will work on any electronic device.

Mr. Rojas informed that as part of the outreach, staff will post the schedule in social media, will create flyers and will post on the city's website. He added that the holiday schedule will also be included and will post the schedules on the solid waste trucks.

Council Member Africa Luna-Carrasco asked what it will take to have the sweepers go out to a subdivision twice a month.

Mr. Rojas replied that the department will need additional manpower and additional equipment to be able to go twice a month.

Mayor Gerardo Sanchez thanked the Public Works Department for working on this very much needed schedule.

**3. B. Discussion and possible directions to staff on any and all matters regarding the implementation of the new Interactive Voice Response (IVR) system from XpressBillPay. (Jorge Perez, Billing & Collections Manager)**

Mr. Jorge Perez, Billing & Collections Manager, informed that this system was presented to Mayor and Council during the budget retreat. He stated that the implementation of this system intends to provide customer with an alternate option to pay the utility bill. He informed that the interactive voice response system will provide a faster and convenient way for customers to pay their bills 24/7 and also will have the options to pay their bill with a live operator. He added that this will also help staff with the daily operations and also will help improve customer service for walk-in customers. The total cost for the implementation of the program will be \$10,800.00.

#### 4. **ADJOURNMENT**

**MOTION:** Council Member Matias Rosales/Council Member Ruben Walshe to adjourn the meeting at approximately 7:38 p.m. Motion passed unanimously.

**MINUTES**  
**Regular Meeting**  
**San Luis City Council**  
**San Luis Council Chambers**  
**1090 E. Union Street**  
**August 23, 2017**  
**7:00 p.m.**

**1. CALL TO ORDER/ROLL CALL:** Mayor Gerardo Sanchez called the Regular City Council meeting to order at approximately 7:00 p.m.

**PRESENT:** Mayor Gerardo Sanchez  
Council Member Africa Luna-Carrasco  
Council Member Mario Buchanan Jr.  
Council Member Matias Rosales  
Council Member Ruben Walshe

**ABSENT:** Vice Mayor Maria Cecilia Ramos  
Council Member Gloria Torres

**OTHERS PRESENT:** Chris Hagen, Acting City Manager  
Sonia Cornelio, City Clerk  
Angel Ramirez, Fire Department  
Carlos Cortes, Assistant Director of Finance  
Derek Dueñas, I.T. Manager  
Edgar Esparza, Fire Department  
Eduardo Lopez, Fire Department  
Eulogio Vera, Director of Public Works  
Jenny Torres, Economic Development Manager  
Jesus Meza, Assistant Director of Parks & Recreation  
Jonathan Dumadag, I.T. Technician  
Jorge Mungaray, I.T. Technician  
Kay Macuil, City Attorney  
Laura Herrera, PIO/Assistant to City Council  
Manuel Rojas, Assistant Director of Public Works  
Noel Chavez, Fire Department  
Olivia Jenkins, Director of Human Resources  
Richard Jessup, Acting Chief of Police  
Ric Bauermann, Fire Department  
Yolanda Dueñas, Facilities Supervisor  
Michelle Boucher, Fleet Services Office Assistant

Francisca Guzman, Translator  
Marco Ramirez, Frontera Rotary Club

## **2. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Council Member Ruben Walshe.

## **3. INVOCATION**

The invocation was led by Mr. Richard Jessup, Acting Chief of Police.

## **4. PROCLAMATIONS/PRESENTATION**

### **4. A. Proclamation - September 2017 Library Card Sign-Up Month**

Mrs. Sonia Cornelio, City Clerk, read the proclamation in its entirety.

Mayor Gerardo Sanchez thanked the San Luis Library Representative for her hard work to the community.

Library representative of the San Luis Library thanked Mayor Gerardo Sanchez for his support to the Library and invited Mayor and City Council to the grand opening for the 4<sup>th</sup> Annual Hispanic Heritage that will be held on September 14, 2017.

### **4. B. Proclamation - September 2017 Cocopah Month**

Mayor Gerardo Sanchez read the proclamation in its entirety.

Mayor Gerardo Sanchez introduced Council Member Rosa Long/Council Member Edmund Long of the Cocopah Tribe and thanked them for the economic help to the community.

### **4. C. Proclamation - August 26, 2017 Portable Practical Educational Preparation, Inc. Day**

Mrs. Sonia Cornelio, City Clerk, read the proclamation in its entirety.

Mayor Gerardo Sanchez congratulated Portable Practical Educational Preparation.

### **4. D. Introduction to the Mayor and City Council of the 2017 first and second quarter new hires. City of San Luis new city employees as of January through June 2017. (Olivia Jenkins, Director of Human Resources.)**

Ms. Olivia Jenkins, Director of Human Resources, presented the new hires for the 2017 first and second quarter.

Mayor Gerardo Sanchez welcomed the new employees to the City of San Luis.

## **5. CONSENT AGENDA**

### **5. A. MINUTES OF**

Special City Council meeting held May 17, 2017

### **5. B. DISBURSEMENTS FROM JULY 29, 2017 THROUGH AUGUST 23, 2017**

Total Disbursements \$1,079,799.75  
(One Million, Seventy-Nine Thousand, Seven Hundred Ninety-  
Nine Dollars and Seventy-Five Cents)

**5. C. Discussion and possible action on any and all matters regarding the authority to contract for services to validate, codify, develop and provide ongoing consultation and training for City of San Luis, San Luis Fire Department base hospital policies, State of Arizona policies, and department guidelines, which include department procedures and protocols. (Hank Green, Fire Chief)**

**Motion:** Council Member Matias Rosales/Council Member Mario Buchanan Jr. to approve the Consent Agenda as presented. Motion passed unanimously.

## **6. DISCUSSION AND POSSIBLE ACTION ITEMS:**

**6. A. Public hearing followed by discussion and possible actions on any and all matters regarding Conditional Use Permit Case No. 2017-0432. A request by Arely Cardenas on behalf of Robert Bruce and Ivonne Jackson, property owners, for a conditional use permit to allow outdoor sales and displays on property located at 558 N. Main Street, San Luis, Arizona. (Jose A. Guzman, Acting Planning and Zoning Director)**

### **A. Open public hearing**

**MOTION:** Council Member Africa Luna-Carrasco/Council Member Ruben Walshe to open public hearing. Motion passed unanimously.

### **1. Staff presentation and possible presentation by applicant or applicant's representative.**

Mrs. Kay Macuil, City Attorney, outlined the location where the applicant was going to do the outdoor sales. Mrs. Macuil also noted the concern about the egress in the place.

Mr. Hank Green, Fire Chief, proceeded to mention the egress hazard with the holidays around the corner.

Ms. Areli Cardenas, Representative of the store, stated the outdoor sales business has an open sidewalk and that when customers came, they did not block the crosswalk. She added that allowing the outdoor sales will increase the company's sales as it is hidden. Ms. Cardenas commented that increased sales during the winter will increase employment in her store and restated that outdoor sales will not take matter on the sidewalk and will only happen on the perimeter.

## **2. Call to the public on this item**

Council Member Matias Rosales asked that if a wall could be built. Council Member Matias Rosales suggested putting a sign in front of the store to make the store more visible.

### **B. Close public hearing**

**Motion:** Council Member Mario Buchanan Jr./Council Member Ruben Walshe to close public hearing. Motion passed unanimously.

### **C. Action on Conditional Use Permit Case No. 2017-0432**

**Motion:** Council Member Matias Rosales/Council Member Mario Buchanan Jr. to deny the request. Motion passed unanimously.

## **6. B. Public hearing followed by discussion and possible action on any and all matters regarding recommendation of an Application For Extension of Premises/Patio Permit to the Arizona Department of Liquor Licenses and Control to authorize La Bodega Kitchen and Bar to sell alcohol on September 8-9, 2017 during the Off-Road Expo San Luis 2017 promotional event. (Ruben Walshe, La Bodega Kitchen and Bar)**

Council Member Ruben Walshe stepped down from the dais to address Mayor and City Council as a resident/business owner.

### **A. Open public hearing**

**MOTION:** Council Member Mario Buchanan Jr./Council Member to open public hearing. Motion passed unanimously.

## **1. Staff / Applicant Presentation**

Mr. Ruben Walshe, La Bodega Kitchen & Bar owner, stated that the extension will allow customers to enjoy the Off-Road Expo promotional event, adding that the premises will be gated. Mr. Walshe also noted that the event would start September 8 at 5:00 p.m. and end on September 9 at 2:00 a.m.

## **2. Call to the public on this item**

There were no comments from the public.

## **B. Close public hearing**

**Motion:** Council Member Mario Buchanan Jr./Council Member Africa Luna-Carrasco to close public hearing. Motion passed unanimously.

## **C. Action on Application for Extension of Premises/Patio Permit to the Arizona Department of Liquor Licenses & Control**

**Motion:** Council Member Mario Buchanan Jr./Africa Luna-Carrasco to recommend approval to the Arizona Department of Liquor Licenses for La Bodega Kitchen and Bar LLC as presented. Motion passed unanimously.

## **7. SUMMARY OF CURRENT EVENTS**

Mayor Gerardo Sanchez commented that there were no hard feelings for the President's speech because the City of San Luis was not on the agenda. He also stated that the City of San Luis would support and work with the Federal Government to improve the Port of Entry. Mayor Gerardo Sanchez also reported that both Democrat and Republican parties are going to work together to hold on to the \$234,000,000. Furthermore, he stated that the City of San Luis would work together with the State and State's Governor.

Council Member Matias Rosales stated that he agreed with Mayor Gerardo Sanchez.

## **8. CALL TO THE PUBLIC**

There were no comments from the public.

## **11. ADJOURNMENT**

**MOTION:** Council Member Matias Rosales/Council Member Mario Buchanan Jr. to adjourn the Regular Council meeting at approximately 7:44 p.m. Motion passed unanimously.

**MINUTES**  
**Special Meeting**  
**San Luis City Council**  
**San Luis Council Chambers**  
**1090 E. Union Street**  
**August 30, 2017**  
**6:30 p.m.**

**1. CALL TO ORDER/ROLL CALL:** Mayor Gerardo Sanchez called the Regular City Council meeting to order at approximately 6:36 p.m.

**PRESENT:** Mayor Gerardo Sanchez  
Vice Mayor Maria Cecilia Ramos  
Council Member Mario Buchanan Jr.  
Council Member Africa Luna-Carrasco  
Council Member Matias Rosales  
Council Member Gloria Torres  
Council Member Ruben Walshe

**OTHERS PRESENT:** Tadeo De La Hoya, City Manager  
Melissa Lopez, Deputy City Clerk  
Aracely De La Hoya, Senior Services Manager  
Derek Dueñas, I.T. Manager  
Eulogio Vera, Director of Public Works  
Francia Alonso, Administrative Coordinator  
Hank Green, Fire Chief  
Janet Taylor, Legal Secretary  
Jenny Torres, Director of Economic Development  
Jonathan Dumadag, I.T. Technician  
Jorge Perez, Billing & Collections Manager  
Jesus Meza, Assistant Parks & Recreation Director  
Kay Macuil, City Attorney  
Katie St. Louis, Director of Finance  
Laura Herrera, PIO/Assistant to Council  
Lizandro Galaviz, Parks & Recreation Director  
Manuel Rojas, Assistant Director of Public Works  
Olivia Jenkins, Director of Human Resources  
Ralph Velez, City Consultant  
Richard Jessup, Acting Chief of Police  
Ric Bauermann, Fire Department  
Yolanda Dueñas, Facilities Supervisor

Francisca Guzman, Translator  
Mark Reader, Stifel, Nicolaus & Company, Inc.  
Pamela Green, Visitor

## **2. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Vice Mayor Maria Cecilia Ramos.

## **3. DISCUSSION AND POSSIBLE ACTION ITEMS:**

**3. A. Public hearing followed by discussion and possible action on any and all matters regarding recommendation of an Application of Extension of Premises/Patio Permit to the Arizona Department of Liquor Licenses and Control to authorize La Bodega Kitchen and Bar to sell alcohol on September 16, 2017 during the Canelo vs. Golovkin boxing event. (Ruben Walshe, La Bodega Kitchen and Bar)**

### **A. Open Public hearing**

**MOTION:** Council Member Mario Buchanan Jr./Council Member Gloria Torres to open public hearing. Motion passed unanimously.

#### **1. Staff/ Applicant Presentation**

Mr. Ruben Walshe, La Bodega Kitchen and Bar, stated that they will be hosting a special event on September 16 for the boxing match. He added that they would like to expand the patio area for alcohol consumption.

#### **2. Call to the public on this item**

There were no question or concerns from the public

### **B. Close public hearing**

**MOTION:** Council Member Mario Buchanan Jr./Council Member Africa Luna Carrasco to close public hearing. Motion passed unanimously.

### **C. Action on application of Premises/Patio Permit to the Arizona Department of Liquor Licenses & Control**

**MOTION:** Council Member Mario Buchanan Jr./Council Member Africa Luna Carrasco to recommend approval to the Arizona Department of Liquor Licenses and Control the application for extension of premises/patio permit of La Bodega, LLC as presented. Motion passed with four (4) aye votes, one (1) nay vote from Vice Mayor Maria Cecilia Ramos.

**3. B. Discussion and possible action on any and all matters regarding Resolution No. 2007. A resolution of the Mayor and City Council of City of San Luis, Arizona, approving the sale and execution and delivery of pledged excise tax revenue refunding obligations in one or more series evidencing a proportionate interest of the owners thereof in a second excise tax purchase agreement; approving the form and authorizing the execution and delivery of such purchase agreement, a second excise tax trust agreement, an escrow trust agreement, a continuing disclosure undertaking, an obligation purchase contract and other necessary agreements; delegating authority to the Mayor, City Manager and Director of Finance of the city to determine certain matters and terms with respect to the foregoing; adopting post-issuance tax compliance procedures in connection with issuance of obligations of the city; authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this resolution and declaring an emergency. (Mark Reader, Underwriter, a Managing Director in Public Finance for Stifel, Nicolaus & Company, Inc.)**

Mr. Mark Reader, Stifel, Nicolaus & Company, provided a quick update to Mayor and City Council on the bonds and refinancing. Mr. Reader also stated that Resolution No. 2007 covers all the legal decisions relating to the transaction.

Mayor Gerardo Sanchez stated that the city should not be subsidizing adding that it is a good idea to refinance at a lower rate.

**MOTION:** Council Member Gloria Torres/Council Member Mario Buchanan Jr. to approve and adopt Resolution No. 2007 as an emergency. Motion passed unanimously.

#### **4. ADJOURNMENT**

**MOTION:** Council Member Africa Luna-Carrasco/ Council Member Ruben Walshe to adjourn the Special Meeting at approximately 6:50 p.m.



## AGENDA ITEM REVIEW FORM

### Special City Council Meeting

5.B.

Meeting Date: 11/21/2017

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#### Summary

### **DISBURSEMENTS FROM OCTOBER 30, 2017 THROUGH NOVEMBER 12, 2017**

Total Disbursements \$472,991.06

(Four Hundred Seventy-Two Thousand, Nine Hundred Ninety-One Dollars and Six Cents)

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#### Attachments

Disbursements 11/21/2017

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# City of San Luis

Finance Department

## COUNCIL MEETING NOVEMBER 21, 2017 Disbursement Reports from 10/30/2017 to 11/12/2017

<u>Bank Accounts</u>	<u>Check Date</u>	<u>Amount</u>	<u>Schedule</u>
Payroll Check Account	11/01/2017	\$ 276,024.05	Schedule A
Accounts Payable Check Account	11/02/2017	\$ 85,027.65	Schedule B
Accounts Payable Check Account	10/08/2017	\$ 111,939.36	Schedule C

**Total Disbursements: \$ 472,991.06**

Please contact Mr. Carlos Cortes prior to the meeting if additional information is needed.

Prepared by Angelica V. Castro:

*Angelica V. Castro*

Verified by Director of Finance:

*C Cortes*

For Council approval on: \_\_\_\_\_

Mayor: \_\_\_\_\_

Council: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

RECEIVED

2017 NOV 16 A 9:17

CITY OF SAN LUIS  
OFFICE OF THE CITY CLERK



# Schedule A

## Pay Day Register

Pay Date Range 10/14/17 - 10/27/17

Pay Batch 201722

U.S. MEX DENTAL - EE &	84.64
UNITED WAY	19.00
US & MEX DENTAL= FAMILY	634.08
US & MEX HEALTH = C	6,241.68
US & MEX HEALTH = FAMILY	4,124.70
US & MEX HEALTH = SP	898.80
VSP - VISION FAMILY	639.60
Net	<u>\$276,024.05</u> ✓

.00 MUNICIPAL/ TOWN/	75.22	4,298.40
.00 PARKS- NOC ALL EMPLOYEES	493.65	15,923.89
.00 POLICE OFFICERS	3,491.76	79,720.80
.00 RECREATION- ALL EMPLOYEES/	211.79	15,457.84
.00 SEWAGE DISPOSAL/ PLANT	651.75	18,946.16
.00 Street or Road Construction	1,322.25	16,466.09
.00 WATERWORKS OPERATIONS	<u>576.19</u>	16,604.53
Total	<u>\$11,602.80</u>	

Direct Deposits	Amount
1st Bank Yuma	21,627.80
ACADEMY BANK	1,407.57
Bank of America	400.00
Chase Bank	116,896.91
CHASE BANK CA	4,089.02
CHASE BANK MORGAN	1,461.39
chase bank somerton	1,868.25
chase centro	650.73
Federal Credit Union	34,380.44
HUGHES FCU	100.00
National Bank	730.65
Navy Federal	6,736.24
NetSpend Corporation DD	120.00
NORTH ISLAND CREDIT UNION	975.11
PNC BANK	40.00
Sunbank	100.00
WASHINGTON FEDERAL	1,043.69
Wells Fargo	<u>60,941.25</u>
Total	<u>\$253,569.05</u>

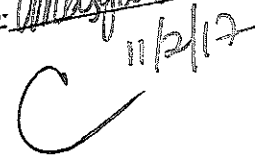
Check \$22,455.00

City of San Luis

# Payment Register

From Payment Date: 10/30/2017 - To Payment Date: 11/2/2017

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
					Stopped		0	\$0.00	\$0.00
					Total		66	\$85,027.65	\$0.00
<b>Grand Totals:</b>									
		All			Status		Count	Transaction Amount	Reconciled Amount
					Open		66	\$85,027.65	\$0.00
					Reconciled		0	\$0.00	\$0.00
					Voided		0	\$0.00	\$0.00
					Stopped		0	\$0.00	\$0.00
					Total		66	\$85,027.65	\$0.00
		Checks			Status		Count	Transaction Amount	Reconciled Amount
					Open		66	\$85,027.65	\$0.00
					Reconciled		0	\$0.00	\$0.00
					Voided		0	\$0.00	\$0.00
					Stopped		0	\$0.00	\$0.00
					Total		66	\$85,027.65	\$0.00
		All			Status		Count	Transaction Amount	Reconciled Amount
					Open		66	\$85,027.65	\$0.00
					Reconciled		0	\$0.00	\$0.00
					Voided		0	\$0.00	\$0.00
					Stopped		0	\$0.00	\$0.00
					Total		66	\$85,027.65	\$0.00

Prepared By:  
*Maggie Dominguez*  
 Date: *11/2/17*  


# Payment Register

From Payment Date: 10/30/2017 - To Payment Date: 11/2/2017

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
1BYPAYABLE - 1st BY Accounts Payable									
Check									
82334	10/31/2017	Open			Accounts Payable	AYALA, SOCORRO	\$150.00		
82335	10/31/2017	Open			Accounts Payable	CASTRO, GRETA	\$150.00		
82336	10/31/2017	Open			Accounts Payable	DE LA HOYA, TADEO	\$87.00		
82337	10/31/2017	Open			Accounts Payable	RAMOS, MARIA, CECILIA	\$87.00		
82338	10/31/2017	Open			Accounts Payable	ROSALES, MATIAS	\$87.00		
82339	11/01/2017	Open			Accounts Payable	ARIZONA DEPARTMENT OF REVENUE	\$3,127.02		
82340	11/02/2017	Open			Accounts Payable	ZARAGOZA, GERARDO	\$523.44		
82341	11/02/2017	Open			Accounts Payable	FACTOR SALES, INC.	\$376.65		
82342	11/02/2017	Open			Accounts Payable	ALBERT HOLLER & ASSOCIATES	\$2,000.00		
82343	11/02/2017	Open			Accounts Payable	ALSCO, INC	\$301.75		
82344	11/02/2017	Open			Accounts Payable	AMBERLY'S PLACE	\$4,423.33		
82345	11/02/2017	Open			Accounts Payable	AMBROSE, BRYAN, A.	\$1,037.49		
82346	11/02/2017	Open			Accounts Payable	ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY	\$65.00		
82347	11/02/2017	Open			Accounts Payable	AZ LAW ENFORCEMENT RECORDS MANAGERS ASSOC.	\$50.00		
82348	11/02/2017	Open			Accounts Payable	CARBAJAL, EDGAR	\$91.00		
82349	11/02/2017	Open			Accounts Payable	CELAYA, PAOLA	\$80.00		
82350	11/02/2017	Open			Accounts Payable	CENTURYLINK	\$1,267.00		
82351	11/02/2017	Open			Accounts Payable	CENTURYLINK	\$264.97		
82352	11/02/2017	Open			Accounts Payable	CITY OF SOMERTON	\$12,837.99		
82353	11/02/2017	Open			Accounts Payable	CORTES, CARLOS	\$91.00		
82354	11/02/2017	Open			Accounts Payable	DESERT DOCUMENT SHREDDERS, LLC	\$164.40		
82355	11/02/2017	Open			Accounts Payable	DIRECTV, INC	\$67.84		
82356	11/02/2017	Open			Accounts Payable	EAP PREFERRED	\$403.20		
82357	11/02/2017	Open			Accounts Payable	ESPARZA, MARIA	\$348.00		
82358	11/02/2017	Open			Accounts Payable	FENCING BY S.K. L.L.C.	\$243.90		
82359	11/02/2017	Open			Accounts Payable	GOMEZ-DOMINGUEZ, FRANCISCO	\$4,939.51		
82360	11/02/2017	Open			Accounts Payable	GUERRA, RUTH	\$500.00		
82361	11/02/2017	Open			Accounts Payable	HEINFELD, MEECH & CO., P.C.	\$240.00		
82362	11/02/2017	Open			Accounts Payable	JENKINS, OLIVIA	\$91.00		
82363	11/02/2017	Open			Accounts Payable	LA PEQUENA	\$342.00		
82364	11/02/2017	Open			Accounts Payable	LAGUNA, JOSE, LUZ	\$3,560.00		
82365	11/02/2017	Open			Accounts Payable	LAWSON PRODUCTS INC.	\$577.59		
82366	11/02/2017	Open			Accounts Payable	LEAGUE OF AZ CITIES & TOWNS	\$435.00		
82367	11/02/2017	Open			Accounts Payable	LUNA, DEBORA	\$91.00		
82368	11/02/2017	Open			Accounts Payable	MACHADO, IVAN	\$4,100.00		
82369	11/02/2017	Open			Accounts Payable	MARTINEZ, JOSE ALFREDO	\$160.00		
82370	11/02/2017	Open			Accounts Payable	MASSMUTUAL FINANCIAL GROUP	\$120.00		
82371	11/02/2017	Open			Accounts Payable	MEDINA, JOSE	\$140.00		
82372	11/02/2017	Open			Accounts Payable	NEW YORK LIFE INSURANCE CO.	\$169.12		
82373	11/02/2017	Open			Accounts Payable	PINNACLE MEDICAL GROUP, AZ- P.C	\$35.00		
82374	11/02/2017	Open			Accounts Payable	PREPAID LEGAL SERVICES	\$144.50		
82375	11/02/2017	Open			Accounts Payable	PRIETO, ERNESTO	\$146.00		
82376	11/02/2017	Open			Accounts Payable	ROBLES, MARIA	\$1,000.00		


# Payment Register

From Payment Date: 10/30/2017 - To Payment Date: 11/2/2017

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
82377	11/02/2017	Open			Accounts Payable	SABORI, MARIA	\$91.00		
82378	11/02/2017	Open			Accounts Payable	SAN LUIS AIR CONDITIONING LLC	\$16,271.00		
82379	11/02/2017	Open			Accounts Payable	SANCHEZ, GERARDO	\$118.05		
82380	11/02/2017	Open			Accounts Payable	SEGOVIA, ALMA	\$70.00		
82381	11/02/2017	Open			Accounts Payable	SOUTHWEST SANITATION SERVICES	\$715.70		
82382	11/02/2017	Open			Accounts Payable	STANDARD INSURANCE CO.	\$1,502.00		
82383	11/02/2017	Open			Accounts Payable	TORRES, CRISTIAN	\$325.00		
82384	11/02/2017	Open			Accounts Payable	TRANSWESTERN INSURANCE ADMIN	\$96.00		
82385	11/02/2017	Open			Accounts Payable	USA BLUE BOOK	\$2,580.82		
82386	11/02/2017	Open			Accounts Payable	VELAZQUEZ QUEZADA, THOMAS	\$1,000.00		
82387	11/02/2017	Open			Accounts Payable	WAXIE SANITARY SUPPLY	\$2,880.66		
82388	11/02/2017	Open			Accounts Payable	CALIFORNIA STATE DISBURSEMENT UNIT	\$324.91		
82389	11/02/2017	Open			Accounts Payable	CHARGO PA, GURSTEL	\$52.21		
82390	11/02/2017	Open			Accounts Payable	CHILD SUPPORT SERVICES	\$274.62		
82391	11/02/2017	Open			Accounts Payable	FOP/ALC	\$255.00		
82392	11/02/2017	Open			Accounts Payable	INTERNAL REVENUE SERVICE	\$50.00		
82393	11/02/2017	Open			Accounts Payable	PUBLIC SAFETY PERSONNEL RET SY	\$156.33		
82394	11/02/2017	Open			Accounts Payable	SAN LUIS POLICE OFFICERS ASSOC	\$495.00		
82395	11/02/2017	Open			Accounts Payable	SUPPORT PAYMENT CLEARINGHOUSE	\$4,092.10		
82396	11/02/2017	Open			Accounts Payable	UNITED WAY OF YUMA COUNTY INC.	\$19.00		
82397	11/02/2017	Open			Accounts Payable	UNITED YUMA FIRE FIGHTERS- IAFF	\$675.00		
82398	11/02/2017	Open			Accounts Payable	ARREOLA, LUISA	\$1,000.00		
82399	11/02/2017	Open			Accounts Payable	STANDARD INSURANCE CO.	\$6,867.55		
Type Check Totals:									
1BYPAYABLE - 1st BY Accounts Payable Totals								\$85,027.65	

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	66	\$85,027.65	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00

Prepared By:  
*Maggie Dominguez*  
 Date: *11/2/17*



City of San Luis

# Payment Register

From Payment Date: 11/6/2017 - To Payment Date: 11/8/2017

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
					Voided		0	\$0.00	\$0.00
					Stopped		0	\$0.00	\$0.00
					Total		86	\$111,939.36	\$0.00

Grand Totals:

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	86	\$111,939.36	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	Total	86	\$111,939.36	\$0.00

All	Status	Count	Transaction Amount	Reconciled Amount
	Open	86	\$111,939.36	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	Total	86	\$111,939.36	\$0.00

Prepared By:  
Maggie Dominguez  
Date: 11/8/17

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# Payment Register

From Payment Date: 11/6/2017 - To Payment Date: 11/8/2017

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
1BYPAYABLE - 1st BY Accounts Payable									
<u>Check</u>									
82400	11/08/2017	Open			Utility Management Refund	AMADOR, IRIS, B	\$125.76		
82401	11/08/2017	Open			Utility Management Refund	APODACA, YENNICA	\$93.46		
82402	11/08/2017	Open			Utility Management Refund	BERMUDEZ, ERNESTO M	\$103.54		
82403	11/08/2017	Open			Utility Management Refund	CANDELA, JONATHAN & MARIA E	\$79.86		
82404	11/08/2017	Open			Utility Management Refund	CARDONA , ERNESTO & MANUELITA	\$137.09		
82405	11/08/2017	Open			Utility Management Refund	CELAYA, IVAN, A	\$168.50		
82406	11/08/2017	Open			Utility Management Refund	CHAIRA, EDGARDO & SOFIA	\$1.36		
82407	11/08/2017	Open			Utility Management Refund	CHAVOLLA, JOSE & ROSA	\$169.73		
82408	11/08/2017	Open			Utility Management Refund	COTA, RAQUEL	\$128.65		
82409	11/08/2017	Open			Utility Management Refund	EDGAR URIARTE & FRANCIS AVILES	\$143.75		
82410	11/08/2017	Open			Utility Management Refund	FIGUEROA, MIGUEL A & ROSARIO	\$231.85		
82411	11/08/2017	Open			Utility Management Refund	FOURCADEZ, JUAN E & CECILIA LARA	\$93.97		
82412	11/08/2017	Open			Utility Management Refund	GUTIERREZ, RICARDO, J	\$133.14		
82413	11/08/2017	Open			Utility Management Refund	LOPEZ , MARTHA PEREZ	\$228.61		
82414	11/08/2017	Open			Utility Management Refund	LOPEZ, ASCENCION, F	\$168.53		
82415	11/08/2017	Open			Utility Management Refund	LUNA, CYNTHIA & SANDRA	\$83.88		
82416	11/08/2017	Open			Utility Management Refund	MEGUI, ELVIA	\$237.76		
82417	11/08/2017	Open			Utility Management Refund	MONTIJO, MARY E	\$124.92		
82418	11/08/2017	Open			Utility Management Refund	PACHECO, RODOLFO	\$181.49		
82419	11/08/2017	Open			Utility Management Refund	RABAGO, MARTHA	\$46.14		
82420	11/08/2017	Open			Utility Management Refund	RODRIGUEZ, MAURO & RUBYCELL	\$35.63		
82421	11/08/2017	Open			Utility Management Refund	RUIZ, GUADALUPE	\$199.32		
82422	11/08/2017	Open			Utility Management Refund	SUAREZ, JOSE , L	\$53.89		
82423	11/08/2017	Open			Utility Management Refund	VERDUGO, CRUZ	\$55.19		
82424	11/08/2017	Open			Utility Management Refund	VIRAMONTES ALEJANDRO & MARY	\$185.44		

# Payment Register

From Payment Date: 11/6/2017 - To Payment Date: 11/8/2017

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
82425	11/08/2017	Open			Accounts Payable	ALSCO, INC	\$951.45		
82426	11/08/2017	Open			Accounts Payable	ANGEL'S TOWING SERVICE/AUTO SALES	\$375.00		
82427	11/08/2017	Open			Accounts Payable	ARCTIC GLACIER USA INC	\$118.16		
82428	11/08/2017	Open			Accounts Payable	AUTOZONE STORES, INC	\$2,440.22		
82429	11/08/2017	Open			Accounts Payable	AZ STATE PRISON COMPLEX - YUMA	\$312.00		
82430	11/08/2017	Open			Accounts Payable	AZ STATE PRISON COMPLEX - YUMA	\$80.10		
82431	11/08/2017	Open			Accounts Payable	BINGHAM AUTO & TRUCK PARTS	\$424.68		
82432	11/08/2017	Open			Accounts Payable	BINGHAM EQUIPMENT CO	\$266.67		
82433	11/08/2017	Open			Accounts Payable	BLT READY MIX CONCRETE LLC	\$462.99		
82434	11/08/2017	Open			Accounts Payable	BLUE TARP FINANCIAL, INC	\$1,161.83		
82435	11/08/2017	Open			Accounts Payable	BORDER CONSTRUCTION SPECIALTIES	\$1,573.84		
82436	11/08/2017	Open			Accounts Payable	CENTURYLINK	\$6,724.84		
82437	11/08/2017	Open			Accounts Payable	CORNELIO, SONIA	\$91.00		
82438	11/08/2017	Open			Accounts Payable	CORTES, CARLOS	\$231.00		
82439	11/08/2017	Open			Accounts Payable	CSC OF YUMA	\$152.16		
82440	11/08/2017	Open			Accounts Payable	DE LA HOYA, TADEO	\$22.36		
82441	11/08/2017	Open			Accounts Payable	DESERT DOCUMENT SHREDDERS, LLC	\$55.00		
82442	11/08/2017	Open			Accounts Payable	DESERT WATER	\$56.17		
82443	11/08/2017	Open			Accounts Payable	ED WHITEHEAD'S TIRE	\$3,119.35		
82444	11/08/2017	Open			Accounts Payable	EMPIRE MACHINERY	\$1,296.81		
82445	11/08/2017	Open			Accounts Payable	EXCEPTIONAL WATER SYSTEMS, LLC	\$1,727.07		
82446	11/08/2017	Open			Accounts Payable	FREIGHTLINER OF ARIZONA, LLC	\$852.72		
82447	11/08/2017	Open			Accounts Payable	FRESH TERRA SERVICES LLC	\$1,585.00		
82448	11/08/2017	Open			Accounts Payable	GILA ELECTRONIC	\$2,869.67		
82449	11/08/2017	Open			Accounts Payable	GUERRA, RUTH	\$500.00		
82450	11/08/2017	Open			Accounts Payable	GUZMAN, FRANCISCA	\$75.00		
82451	11/08/2017	Open			Accounts Payable	JOUANNE DE ENCINAS, ROULA	\$231.00		
82452	11/08/2017	Open			Accounts Payable	KREDIT AUTOMATION & CONTROLS, INC.	\$2,942.00		
82453	11/08/2017	Open			Accounts Payable	LAWSON PRODUCTS INC.	\$351.48		
82454	11/08/2017	Open			Accounts Payable	LOPEZ, MELISSA	\$91.00		
82455	11/08/2017	Open			Accounts Payable	LUZANILLA BORBOA, ALEJANDRO	\$129.64		
82456	11/08/2017	Open			Accounts Payable	MASTER AUTO GLASS LLC	\$306.04		
82457	11/08/2017	Open			Accounts Payable	MCDONALD, JULIE, M	\$2,600.00		
82458	11/08/2017	Open			Accounts Payable	MCNEECE BROS. OIL COMPANY, INC	\$25,319.98		
82459	11/08/2017	Open			Accounts Payable	MUSCO CORPORATION	\$1,089.98		
82460	11/08/2017	Open			Accounts Payable	NEWEGG BUSINESS INC.	\$928.56		
82461	11/08/2017	Open			Accounts Payable	O'REILLY AUTO PARTS	\$806.84		
82462	11/08/2017	Open			Accounts Payable	ON TRACK OVERHEAD DOORS	\$301.35		
82463	11/08/2017	Open			Accounts Payable	PRECISION ELECTRIC CO. INC.	\$666.73		
82464	11/08/2017	Open			Accounts Payable	PROFESSIONAL PEST CONTROL LLC	\$735.00		
82465	11/08/2017	Open			Accounts Payable	PURCELL TIRE CO.	\$719.10		
82466	11/08/2017	Open			Accounts Payable	QUINONEZ, FRANCISCO	\$565.00		

# Payment Register

From Payment Date: 11/6/2017 - To Payment Date: 11/8/2017

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
82467	11/08/2017	Open			Accounts Payable	R.L. JONES INSURANCE SERVICES INC.	\$60.00		
82468	11/08/2017	Open			Accounts Payable	RAMIREZ, MIGUEL	\$231.00		
82469	11/08/2017	Open			Accounts Payable	RAMON MOSQUEDA	\$7.50		
82470	11/08/2017	Open			Accounts Payable	REYNOSO, NIGEL	\$268.00		
82471	11/08/2017	Open			Accounts Payable	RIVERA, MARIA , ELENA	\$75.00		
82472	11/08/2017	Open			Accounts Payable	RUSH TRUCK CENTER	\$102.01		
82473	11/08/2017	Open			Accounts Payable	SAN LUIS SPEAR POINT SOLAR I, LLC	\$18,300.56		
82474	11/08/2017	Open			Accounts Payable	SANFORD, JAMES	\$287.59		
82475	11/08/2017	Open			Accounts Payable	SANTANA, MARCO	\$268.00		
82476	11/08/2017	Open			Accounts Payable	SPECTRUM BUSINESS	\$40.28		
82477	11/08/2017	Open			Accounts Payable	THE LOZANO LAW FIRM PLLC	\$2,000.00		
82478	11/08/2017	Open			Accounts Payable	UNIVERSAL BACKGROUND SCREENING INC	\$166.60		
82479	11/08/2017	Open			Accounts Payable	VERIZON WIRELESS MESSAGING SVC	\$8,674.03		
82480	11/08/2017	Open			Accounts Payable	WAL-MART RESTITUTION RECOVERY	\$20.00		
82481	11/08/2017	Open			Accounts Payable	YUMA AUTO REBUILDERS	\$627.20		
82482	11/08/2017	Open			Accounts Payable	YUMA COUNTY HUMANE SOCIETY	\$8,150.00		
82483	11/08/2017	Open			Accounts Payable	YUMA PRINTING & GRAPHIC DEPT.	\$98.18		
82484	11/08/2017	Open			Accounts Payable	YUMA WINNELSON CO.	\$3,664.91		
82485	11/08/2017	Open			Accounts Payable	INDUSTRIAL SCIENTIFIC CORPORATION	\$378.25		
Type Check Totals:							86 Transactions	\$111,939.36	
1BYPAYABLE - 1st BY Accounts Payable Totals									

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	86	\$111,939.36	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	Total	86	\$111,939.36	\$0.00

All	Status	Count	Transaction Amount	Reconciled Amount
	Open	86	\$111,939.36	\$0.00
	Reconciled	0	\$0.00	\$0.00

Prepared By:  
*Maggie Dominguez*  
 Date: *11/08/17*



## AGENDA ITEM REVIEW FORM

### Special City Council Meeting

6.A.

**Meeting Date:** 11/21/2017

**Department Head:** Eulogio Vera, Director of Public Works, Public Works Department

**Submitted By:** Eulogio Vera, Director of Public Works, Public Works Department

**Action Requested:** Motion

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#### ITEM:

Discussion and possible action on any and all matters regarding the City of San Luis accepting and ratifying slurry seal application services from American Pavement Preservation for application of Type 2 and Type 3 slurry seal as part of the 2018 Pavement Preservation Project.  
**(Eulogio Vera, Director of Public Works)**

#### SUMMARY:

In continuance of the 2018 Pavement Preservation Program, staff recommends that the City accepts services offered by American Pavement Preservation, for a total amount of **\$220,000.00**. The City would piggyback on a contract that the City of Yuma has with American Pavement Preservation, Slurry Seal Service, BID#2016-20000024. The contract will comply with the ceiling for road construction without going out for a separate bid under A.R.S. §34-201(D)(1). The ceiling for this fiscal year under the State law is more than \$222,000.00 (specifically \$227,925.00).

This request also complies with the San Luis Purchasing Code Section 36.09, Cooperative Purchasing. The justification for Cooperative Purchasing under San Luis Purchasing Code is that another entity (in this case the City of Yuma) went out to bid, so duplicating the expense of the bidding process is not cost effective where the result will likely be the same cost Yuma already got under its bid.

Some services have already been paid so staff is asking for ratification for past payment and approval to go forward with more pavement preservation while American Pavement Preservation is in our area. Staff is still working on the selection of streets that will receive slurry seal but attached is a map which shows streets that have received either slurry or chip seal in the last three (3) years.

#### RECOMMENDATION / SUGGESTED MOTION:

**I MOVE TO RATIFY, APPROVE AND ACCEPT THE SERVICES OF AMERICAN PAVEMENT PRESERVATION FOR THE APPLICATION OF SLURRY SEAL IN THE AMOUNT OF \$220,000.00 AS PRESENTED.**

**Supporting information not attached to the Agenda Item Review Form:**

N/A

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**Fiscal Impact**

**IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:** Yes  
**CITY/STATE/FEDERAL FUNDS:** State HURF  
**TOTAL:** \$220,000.00  
**BUDGETED AMOUNT:** \$450,000.00  
**AVAILABLE AMOUNT TO TRANSFER:** N/A  
**ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:** State HURF Funds GL  
Account  
#200-210-90010 /  
Remaining balance  
\$1,045,055.51

**FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):**

State HURF Funds  
GL#200-210-90010  
\$1,045,055.51

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**Attachments**

City of Yuma 5 Year Contract  
Map

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**CITY OF YUMA  
PURCHASING DIVISION  
NOTICE OF INVITATION FOR FORMAL BID**



**BID NUMBER: 2016-20000024**

**BID TITLE: Slurry Seal Services**

**BID DUE DATE AND TIME:**

**Tuesday, September 15, 2015 @ 2:00 pm Arizona Time**

**SCOPE OF WORK: Purchase and Delivery of Slurry Seal Services. This will be a one-year contract with the option to renew for four additional one-year periods, one period at a time based on performance and availability of funds.**

**BID OPENING AND SUBMITTAL LOCATION:**

Please submit your bid to:

City of Yuma  
Purchasing Division  
One City Plaza  
Yuma, AZ 85364-1436

Vendor shall return the Bid Form in a sealed envelope that clearly identifies the bid number, vendor's name and address. Bids must be received in the office of Purchasing Division, One City Plaza, Yuma, Arizona 85364 no later than the time stated in the bid. The time/date recorder located in the Purchasing Division Office will be used to record the official time of receipt.

SPECIAL NOTE: All Bidders must register with [www.AZPurchasing.org](http://www.AZPurchasing.org). Please be advised if this solicitation is received by other than downloading the solicitation directly from [www.AZPurchasing.org](http://www.AZPurchasing.org), you may not receive all the required documents. The City of Yuma will not accept any bids that are not on a City of Yuma Bid Form, which accompanies this solicitation.

**VENDORS ARE STRONGLY ENCOURAGED TO  
CAREFULLY READ THE ENTIRE BID.**

**CITY OF YUMA  
Slurry Seal Services  
Bid #2010000419**

**2/3/2016**

**American Pavement Preservation, LLC  
Las Vegas, NV**

**Vendor Contact:  
ericr@americanpave.com**

**Eric Reimschiessel @ (702) 249-5811 or**

**Delivery: 45 Days ARO**

**Payment: Net 30 Days**

- |  |          |
|--|----------|
| 1. Emulsified Asphalt to be CQS-1H   |          |
| 2. Type II Slurry Seal with CQS-1H TR (Tire Rubber Modified) or LMCQS                                      |          |
| 12 lbs   | \$1.1530 |
| 13 lbs   | \$1.2490 |
| 14 lbs   | \$1.3450 |
| 15 lbs   | \$1.4400 |
| 16 lbs   | \$1.5300 |
| 3. Type III Slurry Seal CQS-1H (TR) (Tire Rubber Modified)   | \$1.9200 |
| 18 to 20 lbs   |          |
| 4. Any additional lbs per sq yd of aggregate would be \$.0961 per lb per sq yd over the 12 lb agreed price |          |

016012



**City of YUMA**

Purchase Order Number Must Appear  
On All Invoices, Bill of Lading and Any  
Correspondence.

**Bill To**  
City of Yuma - Accounting  
One City Plaza  
YUMA, AZ 85364  
[Payables@YumaAZ.Gov](mailto:Payables@YumaAZ.Gov)

**Ship To**  
Street Division  
155 W 14th St  
Yuma, AZ 85364

**Purchase Order**  
No. 2016-40000388  
  
11/22/15

**Vendor** 112143 AMERICAN PAVEMENT PRESERVATION  
LLC

**Deliver by** 10/20/16

**Contact**  
AMERICAN PAVEMENT PRESERVATION LLC  
4725 E CARTIER AVENUE  
LAS VEGAS, NV 89115

**Bid #** 2016-20000024 1 of 5  
**Freight Terms**  
**Buyer** MARY E ROMAN  
**Contract #**  
**Purchasing** (928) 373-5114

Quantity	U/M	Description	Unit Cost	Total Cost
250000.0000	DL	Reseal	\$1.0000	\$250,000.00
<b>Item Description</b> TYPE 2 AND TYPE 3 SLURRY SEAL				
<b>Detail Description</b> To be ordered as needed:				
		1. Emulsified Asphalt CQS -1H -	\$1.017	
		2. Type II Slurry Seal with CQS-1H TR -	\$1.153	
		(TR - Tire Rubber Modified)		
<b>G/L Account</b>		<b>Project</b>	<b>Amount</b>	<b>Percent</b>
101-40-31-STPM.6501 (Maintenance of Facilities)				100.00%

**Total** \$250,000.00

**Authorized Signature** 

**Special Instructions**  
Approved by Council - October 21, 2015  
Vendor Contact: Eric Reimschuessel @ (702)507-5444; [ericr@americanpave.com](mailto:ericr@americanpave.com)  
City of Yuma Contact Martin Agundez @ (928) 373-4548

**SLURRY SEAL SERVICES  
BID FORM**

**COPY**

**INSTRUCTIONS: COMPLETE THE SHADED AREAS ONLY.** Return this completed document in a sealed envelope by mail to: City of Yuma, Purchasing Division, One City Plaza, Yuma, Arizona 85364-1436, with the bid number, vendor's name and address. Return no later than the time and date as stated in the bid. For best results, please complete this as a fill form and do not hand write your data. No other price pages or format acceptable.

The Vendor hereby offers and agrees to furnish, deliver and install materials, labor and all costs associated and in compliance with all terms, conditions, specifications, and any addenda to this bid. Failure to comply with the aforementioned may result in disqualification of the bid.

Prices quoted must remain firm - fixed prices for the first TWELVE (12) months, renewable for four (4) additional one year terms, one year at a time. It will be the vendor's responsibility to notify City of any price change thirty (30) days prior to the anniversary date of contract renewal. Failure to do so may result in the denial of any increase requested. The contract will automatically be renewed annually at the same price (s) if no request has been received.

In the event of an unpredictable change in the market that affects the then current contract price, the Vendor may submit justification for a price adjustment. The Contract Administrator and Purchasing Agent will review the justification and determine applicable price adjustment. Upon return to normal market conditions, the price will be adjusted to the price established by the original contract terms. The Purchasing Agent will be the final authority on any price adjustment due to unpredictable market change. If the Vendor, Manufacturer or Supplier at anytime during the course of this contract, makes a general price decrease to the Vendor, the Vendor must promptly notify the City in writing and extend such decrease to the City effective on the date of such general price decrease.

**SPECIAL NOTE:** All Bidders must register with [www.AZPurchasing.org](http://www.AZPurchasing.org). Please be advised if the solicitation accompanying this Bid Form is received by other than downloading the solicitation directly from [www.AZPurchasing.org](http://www.AZPurchasing.org), you may not receive all the required documents. The City of Yuma will not accept any bids that are not on this Bid Form.

**Delivery is guaranteed within: 15 days, after Receipt of Order (ARO)?**

Date **September 15, 2015**

To: City of Yuma, Yuma, Arizona

From: Vendor (Business Name)	Owner's Name
<b>American Pavment Preservation</b>	<b>APP Holdings</b>

Physical Business Address (No PO Box)

**4725 East Cartier Avenue**

Mark if City or Town

City  Town

County

**Clark County Nevada**

City

**Las Vegas**

State & ZIP

**Nevada 89115**

Telephone Number

**702-507-5444**

Cellular Telephone Number

**702-249-5811**

Fax

**702-644-0128**

E-mail Address

**ericr@americanpave.com**

## SLURRY SEAL SERVICES BID FORM

ITEM NO.	DESCRIPTION	EST QTY	UOM	UNIT COST	TOTAL COST
1.	Emulsified Asphalt to be CQS-1H	200,000	Sq Yds	\$1.017	\$203,400.00
2.	Type II Slurry Seal with CQS-1H TR (Tire Rubber Modified)	200,000	Sq Yds	\$1.153	\$230,600.00
PROMPT PAYMENT DISCOUNT: As stated in the "Standard Terms & Conditions", "Discounts" the price(s) quoted herein can be discounted by:		0	%, if payment is made within	30	<u>days.</u>
NOTE: Unless Prompt Payment Discount is specified above, A NET/30 will be considered in determining the bid award.					
Federal Taxpayer ID # 88-0453460					
This number will be in the format of XX-XXXXXXX or XXX-XX-XXXX, meaning that a taxpayer ID number is nine numbers only, no letters, and the format is for an employer ID number or a social security number. Do not list your State tax license number here.					
Name of your City Las Vegas Nevada					
Your City's Sales Tax % 8.10%					
City of Yuma Business License # CNTR 006718 01 2015					
Is your Business located in the City Limits of Yuma?					
YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>					
By signing this document, Vendor agrees that the offered products complies with all specifications and additional requirements as stated in this bid. If there are any specifications or requirements, which you cannot comply with, please name and describe the nonconformance in the area provided below.					
I hereby state the products I am offering complies with all specifications and requirements as stated in this bid, and any nonconformance issued have been recorded below:					
Item No.	Found on Page #				
If additional space is needed, please attach another sheet.					

# SLURRY SEAL SERVICES BID FORM

### Arizona Revised Statutes Compliance - Verification of Employment Eligibility

**Verification of Employment Eligibility:** Pursuant to A.R.S. § 41-4401, "After September 30, 2008, a government entity shall not award a contract to any Company or subcontractor that fails to comply with" the requirements of A.R.S. § 23-214. Section 23-214 imposes requirements upon employers to verify the employment eligibility of all its employees as set forth in that statute and its related definitions.

The City of Yuma will not enter into a contract with any Company or its providers or subcontractors that is/are not in compliance with the requirements of A.R.S. § 23-214. All bidders and proposers agree and acknowledge that the City of Yuma is relying on the representations set forth in this Verification of Employment Eligibility form and would not consider a bid or proposal without the completion of this form by the bidder or proposer.

By signing below, Company, as named below, represents and warrants that this company is in full compliance with all federal, state, and local laws, rules, and regulations regarding employment eligibility of all its employees, including use of the requirements of A.R.S. § 23-214, and Company shall remain in compliance during the term of any (Contract)(Agreement) that it is awarded by the City of Yuma.

Company further represents and warrants that all providers or subcontractors providing goods or services under this (Contract)(Agreement) are in compliance with all federal, state, and local laws, rules and regulations regarding employment eligibility of all employees, including A.R.S. § 23-214, and that Company shall require all providers and subcontractors to remain in compliance during the term of any (Contract)(Agreement) that Company has with the City of Yuma.

Company shall defend, indemnify and hold the City of Yuma harmless from any loss, damage, expense, liability, penalty, claim, or fee (including reasonable attorneys fees) caused by or arising from, directly or indirectly, in whole or in part, any false or inaccurate representation set forth above, breach of any warranties set forth above, and/or any other failure to comply with A.R.S. § 23-214 or any other requirements of this Verification of Employment Eligibility form.

Under the provisions of A.R.S. § 41-4401, Company hereby warrants to the City that the Company and each of its subcontractors ("Subcontractors") will comply with, and are contractually obligated to comply with, all Federal Immigration laws and regulations that relate to their employees and AIR'S. § 23-214(A) (hereinafter "Company Immigration Warranty").

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

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

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

Neither the Company nor any Subcontractor shall be deemed to have materially breached the Company Immigration Warranty if the Company or Subcontractor establishes that it has complied with the employment verification provisions prescribed by section 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. § 23-214, Subsection A.

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

Respectfully Submitted (Physical Signature required below by Person Authorized to sign)



Vendor (Business Name)

**AMERICAN PAVEMENT PRESERVATION LLC**

Contact Name & Title

**Eric M. Reimschiessel**

Date **September 15, 2015**

**CITY OF YUMA**  
**BID #2016-20000024**  
**SLURRY SEAL SERVICES**

		<b>American Pavement Preservation Las Vegas, NV</b>	<b>Southwest Slurry Seal, Inc. Phoenix, AZ</b>	<b>VSS International Chandler, AZ</b>
	Est Qty - Sq Yds			
1.	Emulsified Asphalt to be CQS-1H	\$1.017 \$203,400.00	\$1.210 \$242,000.00	\$1.480 \$296,000.00
2.	Type II Slurry Seal with CQS-1H TR (Tire Rubber)	\$1.15 \$230,600.00	\$1.28 \$256,000.00	\$1.56 \$312,000.00

This information is not the official results but is for informational purposes only.  
Please contact the Purchasing Division for further information.

**Recommended Performance  
Guideline  
For  
Emulsified Asphalt Slurry Seal  
A105  
(Revised February 2010)**



**NOTICE**

It is not intended or recommended that this guideline be used as a verbatim specification. It should be used as an outline, helping user agencies establish their particular project specification. Users should understand that almost all geographical areas vary as to the availability of materials. An effort should be made to determine what materials are reasonably available, keeping in mind system compatibility and specific job requirements. Contact ISSA for answers to questions and for a list of ISSA member contractors and companies.

**International Slurry Surfacing Association  
#3 Church Circle, PMB 250  
Annapolis, MD 21401  
(410) 267-0023  
[www.slurry.org](http://www.slurry.org)**

## RECOMMENDED PERFORMANCE GUIDELINE FOR EMULSIFIED ASPHALT SLURRY SEAL

### 1. SCOPE

The intent of this guideline is to aid in the design, testing, quality control, measurement and payment procedures for the application of Emulsified Asphalt Slurry Seal Surfacing.

### 2. DESCRIPTION

Slurry seal shall consist of a mixture of an emulsified asphalt, mineral aggregate, water, and additives, proportioned, mixed and uniformly spread over a properly prepared surface as directed by the Buyer's Authorized Representative (B.A.R.). The slurry seal shall be applied as a homogeneous mat, adhere firmly to the prepared surface, and have a skid-resistant texture throughout its service life.

### 3. SPECIFICATIONS

It is not normally required to run all tests on every project. A compilation of results from the listed tests should be indicative of system performance. Failure to meet specification for an individual test does not necessarily disqualify the system. If, for example, the system to be used on the project has a record of good performance, individual requirements for testing may be waived. Agency and testing methods are listed in the appendix (see Appendix A) and form a part of this guideline.

### 4. MATERIALS

#### 4.1 EMULSIFIED ASPHALT

The emulsified asphalt, and emulsified asphalt residue, shall meet the requirements of AASHTO M 140 or ASTM D 977 for SS-1 or SS-1h. For CSS-1, CSS-1h, or CQS-1h, it shall meet the requirements of AASHTO M 208 or ASTM D 2397.

Each load of emulsified asphalt shall be accompanied with a Certificate of Analysis/Compliance to indicate that the emulsion meets the specifications.

#### 4.2 AGGREGATE

##### 4.2.1 GENERAL

The mineral aggregate used shall be the type specified for the particular application requirements of the slurry seal. The aggregate shall be crushed stone such as granite, slag, limestone, chat, or other high-quality aggregate, or combination thereof. To assure the material is 100 percent crushed, the parent aggregate will be larger than the largest stone in the gradation to be used.

#### 4.2.2 QUALITY TESTS

The aggregate should meet agency specified polishing values and these minimum requirements:

TEST	TEST METHOD		SPECIFICATION
	AASHTO	ASTM	
Sand Equivalent Value of Soils and Fine Aggregate	T 176	D 2419	45 Minimum
Soundness of Aggregates by Use of Sodium Sulfate or Magnesium Sulfate	T 104	C 88	15% Maximum w/Na <sub>2</sub> SO <sub>4</sub> 25% Maximum w/MgSO <sub>4</sub>
Resistance to Degradation of Small-Size Coarse Aggregate by Abrasion and Impact in the Los Angeles Machine <sup>1</sup>	T 96	C 131	35% Maximum

<sup>1</sup>The abrasion test is run on the parent aggregate.

#### 4.2.3 GRADATION

When tested in accordance with AASHTO T 27 (ASTM C 136) and AASHTO T 11 (ASTM C 117), the mix design aggregate gradation shall be within one of the following bands (or one recognized by the local paving authority):

SIEVE SIZE	TYPE I PERCENT PASSING	TYPE II PERCENT PASSING	TYPE III PERCENT PASSING	STOCKPILE TOLERANCE FROM THE MIX DESIGN GRADATION
3/8 (9.5 mm)	100	100	100	
# 4 (4.75 mm)	100	90 - 100	70 - 90	± 5%
# 8 (2.36 mm)	90 - 100	65 - 90	45 - 70	± 5%
# 16 (1.18 mm)	65 - 90	45 - 70	28 - 50	± 5%
# 30 (600 um)	40 - 65	30 - 50	19 - 34	± 5%
# 50 (300 um)	25 - 42	18 - 30	12 - 25	± 4%
#100 (150 um)	15 - 30	10 - 21	7 - 18	± 3%
#200 (75 um)	10 - 20	5 - 15	5 - 15	± 2%

The gradation of the aggregate stockpile shall not vary by more than the stockpile tolerance from the mix design gradation (indicated in the table above) while also remaining within the specification gradation band. The percentage of aggregate passing any two successive sieves shall not change from one end of the specified range to the other end.

The aggregate will be accepted at the job location or stockpile based on five gradation tests sampled according to AASHTO T 2 (ASTM D 75). If the average of the five tests is within the stockpile tolerance from the mix design gradation, the material will be

accepted. If the average of those test results is out of specification or tolerance, the contractor will be given the choice to either remove the material or blend additional aggregate with the stockpile material to bring it into compliance. Materials used in blending must meet the required aggregate quality test specifications in Section 4.2.2 before blending and must be blended in a manner to produce a consistent gradation. Aggregate blending may require a new mix design.

Screening shall be required at the stockpile if there are any problems created by oversized materials in the mix.

**Type I.** This aggregate gradation is used to fill surface voids, address moderate surface distresses, and provide protection from the elements. The fineness of this mixture provides the ability for some crack penetration.

**Type II.** This aggregate gradation is used to fill surface voids, address more severe surface distresses, seal, and provide a durable wearing surface.

**Type III.** This aggregate gradation provides maximum skid resistance and an improved wearing surface.

#### 4.3 MINERAL FILLER

Mineral filler may be used to improve mixture consistency and to adjust mixture breaking and curing properties. Portland cement, hydrated lime, limestone dust, fly ash, or other approved filler meeting the requirements of ASTM D 242 shall be used if required by the mix design. Typical use levels are normally 0.0 - 3.0 percent and may be considered part of the aggregate gradation.

#### 4.4 WATER

The water shall be free of harmful salts and contaminants. If the quality of the water is in question, it should be submitted to the laboratory with the other raw materials for the mix design.

#### 4.5 ADDITIVES

Additives may be used to accelerate or retard the break/set of the slurry seal. Appropriate additives, and their applicable use range, should be approved by the laboratory as part of the mix design.

### 5. LABORATORY EVALUATION

#### 5.1 GENERAL

Before work begins, the contractor shall submit a signed mix design covering the specific materials to be used on the project. This design will be performed by a laboratory which has experience in designing Emulsified Asphalt Slurry Seal Surfacing. After the mix design has been approved, no material substitution will be permitted unless approved by the B.A.R.

ISSA can provide a list of laboratories experienced in slurry seal design.

5.2 MIX DESIGN

Compatibility of the aggregate, emulsified asphalt, water, mineral filler and other additives shall be evaluated in the mix design. The mix design shall be completed using materials consistent with those supplied by the contractor for the project. Recommended tests and values are as follows:

TEST	ISSA TB NO.	SPECIFICATION
Mix Time @ 77°F (25°C)	TB 113	Controllable to 180 Seconds Minimum
Slurry Seal Consistency	TB 106	0.79 – 1.18 inches (2.0 – 3.0 cm)
Wet Cohesion @ 30 Minutes Minimum (Set) @ 60 Minutes Minimum (Traffic)	TB 139 (For quick-traffic systems)	12 kg-cm Minimum 20 kg-cm or Near Spin Minimum
Wet Stripping	TB 114	Pass (90% Minimum)
Wet-Track Abrasion Loss One-hour Soak	TB 100	75 g/ft <sup>2</sup> (807 g/m <sup>2</sup> ) Maximum
Excess Asphalt by LWT Sand Adhesion	TB 109 (Critical in heavy-traffic areas)	50 g/ft <sup>2</sup> (538 g/m <sup>2</sup> ) Maximum

The Wet Track Abrasion Test is performed under laboratory conditions as a component of the mix design process. The purpose of this test is to determine the minimum asphalt content required in a slurry seal system. The Wet Track Abrasion Test is not recommended as a field quality control or acceptance test. ISSA TB 136 describes potential causes for inconsistent results of the Wet Track Abrasion Test.

The mixing test is used to predict the time the material can be mixed before it begins to break. It can be a good reference check to verify consistent sources of material. The laboratory should verify that mix and set times are appropriate for the climatic conditions expected during the project.

The laboratory shall also report the quantitative effects of moisture content on the unit weight of the aggregate (bulking effect) according to AASHTO T19 (ASTM C29). The report must clearly show the proportions of aggregate, mineral filler (if used) and emulsified asphalt based on the dry weight of the aggregate.

The percentages of each individual material required shall be shown in the laboratory report. Based on field conditions, adjustments within the specific ranges of the mix design may be required.

The component materials shall be designed within the following limits:

COMPONENT MATERIALS	SUGGESTED LIMITS
Residual Asphalt	Type I: 10 - 16% Type II: 7.5 - 13.5% Type III: 6.5 - 12% (Based on dry weight of aggregate)
Mineral Filler	0.0 - 3.0% (Based on dry weight of aggregate)
Additives	As needed
Water	As required to produce proper mix consistency

### 5.3 MIX TOLERANCES

Tolerances for the slurry seal mixture are as follows:

- a. After the residual asphalt content is determined, a variation  $\pm 1\%$  by weight of dry aggregate will be permitted.
- b. The slurry consistency, as determined according to ISSA TB No. 106, shall not vary more than  $\pm 0.2"$  ( $\pm 0.5$  cm) from the job mix formula after field adjustments.
- c. The rate of application shall not vary more than  $\pm 2$  lb/yd<sup>2</sup> ( $\pm 1.1$  kg/m<sup>2</sup>) when the surface texture does not vary significantly.

## 6. EQUIPMENT

### 6.1 GENERAL

All equipment, tools, and machines used in the application of slurry seal shall be maintained in satisfactory working condition at all times.

### 6.2 MIXING EQUIPMENT

The machine shall be specifically designed and manufactured to apply slurry seal. The material shall be mixed by an automatic-sequenced, self-propelled, slurry seal mixing machine of either truck-mounted or continuous-run design. Continuous-run machines are those that are equipped to self-load materials while continuing to apply slurry seal. Either type machine shall be able to accurately deliver and proportion the mix components through a mixer and to discharge the mixed product on a continuous-flow basis. Sufficient storage capacity for all mix components is required to maintain an adequate supply to the proportioning controls.

The B.A.R. should decide which type of equipment best suits the specific project. In some cases, truck-mounted machines may be more suited, i.e. cul-de-sacs, small narrow roadways, parking lots, etc. On some projects, continuous-run equipment may be chosen due to the continuity of mix and the reduction of start-up joints. Generally, truck-mounted machines or continuous-run machines may be used on similar projects.

If continuous-run equipment is used, the machine shall provide the operator with full control of the forward and reverse speeds during application of the slurry seal. It shall be equipped with a self-loading device and opposite-side driver stations. The self-loading device, opposite-side driver stations, and forward and reverse speed controls shall be of original-equipment-manufacturer design.

### 6.3 PROPORTIONING DEVICES

Individual volume or weight controls for proportioning mix components shall be provided and properly labeled. These proportioning devices are used in material calibration to determine the material output at any time.

### 6.4 SPREADING EQUIPMENT

The mixture shall be placed uniformly by means of a spreader box attached to the paver and mechanically equipped, if necessary, to agitate and spread the material evenly throughout the box. With some quick-set systems, mechanical agitation may extend mix time. The slurry seal mixture shall have the proper consistency as it enters the spreader box. Spraying of additional water into the spreader box will not be permitted.

A front seal shall be utilized to ensure no loss of the mixture at the road contact point. The rear seal shall act as final strike-off and shall be adjustable. The spreader box and rear seal shall be designed and operated to provide uniform mix consistency behind the box. The spreader box shall have suitable means to side shift to compensate for variations in the pavement width. A burlap drag or other approved screed may be attached to the rear of the spreader box to provide a highly textured uniform surface. A drag stiffened by hardened slurry is ineffective and should be replaced immediately.

### 6.5 AUXILIARY EQUIPMENT

Suitable surface preparation equipment, traffic control equipment, hand tools, and other support and safety equipment necessary to perform the work shall be provided by the contractor.

## 7. CALIBRATION

Each mixing unit to be used in performance of the work shall be calibrated in the presence of the B.A.R. prior to the start of the project. Previous calibration documentation covering the exact materials to be used may be acceptable, provided the calibration was performed during the previous 60 days. The documentation shall include an individual calibration of each material at various settings, which can be related to the machine's metering devices. Any equipment replacement affecting material proportioning requires that the machine be recalibrated. No machine will be allowed to work on the project until the calibration has been accepted. ISSA Inspector's Manual describes a method of machine calibration. ISSA contractors and/or machine manufacturers may also provide methods of machine calibration.

## 8. WEATHER LIMITATIONS

The slurry seal shall not be applied if either the pavement or air temperature is below 50°F (10°C) and falling, but may be applied when both pavement and air temperatures are above 45°F (7°C) and rising. No slurry seal shall be applied when there is the possibility of freezing temperatures at the project location within 24 hours after application. The mixture shall not be applied when weather conditions prolong opening to traffic beyond a reasonable time.

## 9. NOTIFICATION AND TRAFFIC CONTROL

### 9.1 NOTIFICATION

Homeowners and businesses affected by the paving shall be notified at least one day in advance of the surfacing. Should work not occur on the specified day, a new notification will be distributed. The notification shall be posted in written form, stating the time and date that the surfacing will take place. If necessary, signage alerting traffic to the intended project should be posted.

### 9.2 TRAFFIC CONTROL

Traffic control devices shall be in accordance with agency requirements and, if necessary, conform to the requirements of the Manual on Uniform Traffic Control Devices. Opening to traffic does not constitute acceptance of the work.

In areas that are subject to an increased rate of sharp-turning vehicles, additional time may be required for a more complete cure of the slurry seal mat to prevent damage. Tire marks may be evident in these areas after opening but typically diminish over time with rolling traffic.

## 10. SURFACE PREPARATION

### 10.1 GENERAL

Prior to applying the slurry seal, loose material, oil spots, vegetation, and other objectionable material shall be removed. Any standard cleaning method will be acceptable. If water is used, cracks shall be allowed to dry thoroughly before slurry surfacing. Manholes, valve boxes, drop inlets and other service entrances shall be protected from the slurry seal by a suitable method. The B.A.R. shall approve the surface preparation prior to surfacing.

### 10.2 TACK COAT

Normally, tack coat is not required unless the surface to be covered is extremely dry and raveled or is concrete or brick. If required, the emulsified asphalt should be SS, CSS, or the slurry seal emulsion. Consult with the slurry seal emulsion supplier to determine dilution stability. The tack coat may consist of one part emulsified asphalt/three parts water and should be applied with a standard distributor. The distributor shall be capable of applying the dilution evenly at a rate of 0.05-0.15 gal/yd<sup>2</sup> (0.23-0.68 l/m<sup>2</sup>). The tack coat shall be allowed to cure sufficiently before the application of slurry seal. If a tack coat is to be required, it must be noted in the project plans.

### 10.3 CRACKS

It is recommended to treat cracks wider than 0.25" (0.64cm) in the pavement surface with an approved crack sealer prior to application of the slurry seal.

## 11. APPLICATION

### 11.1 GENERAL

If required, it is recommended that a test strip be placed in conditions similar to those expected to be encountered during the project.

The surface may be wetted with water ahead of the spreader box. The rate of application of the water spray shall be adjusted during the day to suit temperature, surface texture, humidity, and dryness of the pavement. Pooling or standing water shall be avoided.

The slurry seal shall be of the desired consistency upon exiting the mixer. A sufficient amount of material shall be carried in all parts of the spreader box at all times so that complete coverage is achieved. Overloading of the spreader shall be avoided.

No lumping, balling, or unmixed aggregate shall be permitted.

Significant streaks, such as those caused by oversized aggregate or broken mix, shall not be left in the finished surface. If excessive streaking occurs, the job will be stopped until the cause of the problem has been corrected. Some situations may require screening the aggregate prior to loading it into the units going from the stockpile area to the jobsite.

### 11.2 RATE OF APPLICATION

The slurry seal mixture shall be of the proper consistency at all times so as to provide the application rate required by the surface condition. The average application rate shall be in accordance with the following table:

AGGREGATE TYPE	LOCATION	SUGGESTED APPLICATION RATE
Type I	Parking Areas Urban and Residential Streets Airport Runways	8 - 12 lb/yd <sup>2</sup> (4.3 - 6.5 kg/m <sup>2</sup> )
Type II	Urban and Residential Streets Airport Runways	10 - 18 lb/yd <sup>2</sup> (5.4 - 9.8 kg/m <sup>2</sup> )
Type III	Primary and Interstate Routes	15 - 22 lb/yd <sup>2</sup> (8.1 - 12.0 kg/m <sup>2</sup> )

Suggested application rates are based upon the weight of dry aggregate in the mixture. Application rates are affected by the unit weight and gradation of the aggregate and the demand of the surface to which the slurry seal is being applied.

### 11.3 JOINTS

No excess buildup, uncovered areas, or unsightly appearance shall be permitted on longitudinal or transverse joints. The contractor shall provide suitable equipment to produce a minimum number of longitudinal joints throughout the project. When possible, a longitudinal joint shall not be placed in a wheel path. Less than full box width passes will be used only as required. If less than full box width passes are used, they shall not be the last pass of any paved area. A maximum of 6" (15.2 cm) shall be allowed for overlap of longitudinal joints.

### 11.4 MIXTURE

The slurry seal shall possess sufficient stability so that premature breaking of the material in the spreader box does not occur. The mixture shall be homogeneous during and following mixing and spreading. It shall be free of excess liquids which create segregation of the aggregate. Spraying of additional water into the spreader box will not be permitted.

### 11.5 HANDWORK

Areas which cannot be accessed by the mixing machine shall be surfaced using hand squeegees to provide complete and uniform coverage. If necessary, the area to be handworked shall be lightly dampened prior to mix placement. Handwork shall exhibit the same finish as that applied by the spreader box and shall be completed prior to final surfacing.

### 11.6 LINES

Care shall be taken to apply straight lines along curbs, shoulders, and intersections. No run-off on these areas will be permitted. Roofing felt or heavy plastic may be used to begin or end a pull cleanly. This also provides for easy removal of excess slurry.

### 11.7 ROLLING

Rolling is usually not necessary for slurry seal on roadways. Airports and parking areas should be rolled by a self-propelled, 10-ton (maximum) pneumatic tire roller equipped with a water spray system. All tires should be inflated per manufacturer's specifications. Rolling shall not start until the slurry has cured sufficiently to avoid damage by the roller. Areas which require rolling shall receive a minimum of two (2) full coverage passes.

### 11.8 CLEAN UP

All utility access areas, gutters and intersections, shall have the slurry seal removed as specified by the B.A.R. The contractor shall remove any debris associated with the performance of the work on a daily basis.

## 12. QUALITY CONTROL

### 12.1 INSPECTION

Inspectors assigned to projects must be familiar with the materials, equipment and application of slurry seal. Local conditions and specific project requirements should be considered when determining the parameters of field inspection.

Proper mix consistency should be one of the major areas of inspector concern. If mixes are too dry, streaking, lumping and roughness will be present in the mat surface. Mixes applied too wet will flow excessively and not hold straight lane lines. Excessive liquids may also cause an asphalt-rich surface with segregation.

## 12.2 MATERIALS

To account for aggregate bulking, it is the responsibility of the contractor to check stockpile moisture content and to set the machine accordingly. At the B.A.R.'s discretion, material tests may be run on representative samples of the aggregate and emulsion. Tests will be run at the expense of the buyer. The buyer must notify the contractor immediately if any test fails to meet the specifications.

## 12.3 SLURRY SEAL

If required, representative samples of the slurry seal may be taken directly from the slurry unit(s). Consistency (ISSA TB No. 106) and residual asphalt content (ASTM D2172) tests may be run on the samples. Please note that the consistency test may not be applicable to certain Quick-Set and Quick-Traffic systems because of erratic results due to setting characteristics. If this test is run, it must be performed immediately after the sample is taken. Tests will be run at the expense of the buyer. The buyer must notify the contractor immediately if any test fails to meet specifications.

Data obtained from the proportioning devices on the slurry seal unit may be used to determine individual material quantities and application rate.

## 12.4 NON-COMPLIANCE

If any two successive tests fail on the stockpile aggregate, the job shall be stopped. If any two successive tests on the mix from the same machine fail, the use of the machine shall be suspended. It will be the responsibility of the contractor, at his expense, to prove to the B.A.R. that the problems have been corrected.

## 13. PAYMENT

The slurry seal shall be measured and paid for by the unit area or weight of aggregate and the weight of emulsion used on the work completed and accepted by the buyer. If paid by the weight of the aggregate and emulsified asphalt, the contractor shall submit to the B.A.R. certified delivery tickets which show quantities of each material delivered to the job site and used on the project. Payment shall be full compensation for all preparation, mixing and application of materials, and for all labor, equipment, tools, testing, cleaning, and incidentals necessary to complete the job as specified herein.

## APPENDIX A

### AGENCIES

AASHTO: American Association of State Highway and Transportation Officials  
 ASTM: American Society for Testing and Materials  
 ISSA: International Slurry Surfacing Association

### TEST METHODS

#### EMULSIFIED ASPHALT

AASHTO TEST NO.	ASTM TEST NO.	TEST
M 140	D 977	Standard Specification for Emulsified Asphalt
M 208	D 2397	Specification for Cationic Emulsified Asphalt
T 40	D 140	Sampling Bituminous Materials
T 59	D 244	Test Methods and Practices for Emulsified Asphalts
T 59	D 6997	Distillation of Emulsified Asphalt

#### AGGREGATE AND MINERAL FILLER

AASHTO TEST NO.	ASTM TEST NO.	TEST
T 176	D 2419	Sand Equivalent Value of Soils and Fine Aggregate
T 104	C 88	Soundness of Aggregates by Use of Sodium Sulfate or Magnesium Sulfate
96	C 131	Resistance to Degradation of Small-Size Coarse Aggregate by Abrasion and Impact in the Los Angeles Machine (This test should be performed on the parent rock that is used for crushing the finer gradation Micro Surfacing material.)
T 27	C 136	Sieve Analysis of Fine and Coarse Aggregates
T 11	C 117	Test Method for Materials Finer than 75µm (No. 200) Sieve in Mineral Aggregates by Washing
T 2	D 75	Sampling Aggregates
M 17	D 242	Mineral Filler for Bituminous Paving Mixtures
T 19	C 29	Bulk Density ("Unit Weight") and Voids In Aggregate

**APPENDIX A**  
**TEST METHODS (CONTINUED)**

**SLURRY SEAL SYSTEM**

ISSA TEST NO.	Test
TB 100	Test Method for Wet Track Abrasion of Slurry Surfaces
TB 101	Guide for Sampling Slurry Mix for Extraction Test
TB 106	Measurement of Slurry Seal Consistency
TB 109	Test Method for Measurement of Excess Asphalt in Bituminous Mixtures by Use of a Loaded-Wheel Tester
TB 111	Outline Guide Design Procedure for Slurry Seal
TB 112	Method of Estimate Slurry Seal Spread Rates and To Measure Pavement Macrotecture
TB 113	Trial Mix Procedure for Slurry Seal Design
TB 114	Wet Stripping Test for Cured Slurry Seal Mixes
TB 115	Determination of Slurry Seal Compatibility
TB 139	Method of Classified Emulsified Asphalt, Aggregate Mixtures by Modified Cohesion Test Measurement of Set and Cure Characteristics
A105	Design, Testing, and Construction of Slurry Seal

**NOTES:**

ASTM D 3910, Standard Practice for Design, Testing, and Construction of Slurry Seal, is a combined reference of the ISSA Test Bulletins listed above.

ASTM D 2172, Standard Test Methods for Quantitative Extraction of Bitumen From Bituminous Paving Mixtures, is referenced in Section 12.3.

ISSA A105  
Revised February 2010



**International Slurry Surfacing Association**  
#3 Church Circle, PMB 250  
Annapolis, MD 21401  
(410) 267-0023  
[www.slurry.org](http://www.slurry.org)

## SECTION 715

## SLURRY SEAL MATERIALS

## 715.1 GENERAL:

Slurry seal shall consist of a properly proportioned mixture of emulsified asphalt, mineral aggregate, mineral fillers, additives (if necessary), and water.

All material sources must be approved prior to their use. The Contractor will submit a job mix formula and if requested prequalifications for materials at least seven days prior to start of construction. When requested, additional samples will be furnished during the construction period at no cost to the Contracting Agency. This is a non-pay item.

## 715.2 AGGREGATE:

**715.2.1 Mineral Filler:** Mineral filler shall consist of finely divided matter, such as hydrated lime, Portland cement, limestone dust or fly ash, conforming to the requirements of ASTM D4318. Mineral filler shall be used only when needed to reduce the setting time, to improve the workability or to reduce the stripping characteristics of the aggregate emulsion mixture. The minimum amount of the required filler will be used and it will be considered as part of the blended aggregate. The expected range shall be between .25% and 2.0% by weight of aggregate.

**715.2.2 Mineral Aggregate:** Coarse and fine aggregates or approved mineral filler shall be per Section 701. The mineral filler will be considered as part of the blended aggregate. The material shall be non-plastic (ASTM D4318) with a sand equivalent (ASTM D2419) of at least 50. The abrasion loss (ASTM C131) shall not exceed 35 percent. Historical test data from source aggregate may be used that was run within the past two years. Mineral aggregates used shall be 100% crushed. No natural sand shall be allowed. The gradation of mineral aggregate without mineral filler shall conform to Table 715-1.

TABLE 715-1			
SLURRY SEAL AGGREGATE			
SIEVE SIZE	Type I % PASSING	Type II % PASSING	Type III % PASSING
3/8	100	100	100
No. 4	100	85/100	70/90
No. 8	90/100	65/90	45/70
No. 16	65/90	45/70	28/50
No. 30	40/60	30/50	19/34
No. 50	25/42	18/30	12/25
No. 100	15/30	10/21	7/18
No. 200	10/20	5/15	5/15
Emulsified Asphalt content as a % of Dry Wt. Of Aggregate (approx.) ASTM D3910 (W.T.A.T. TEST)	18	16	14
Residual Asphalt Range requirements % of Dry Wt. of Aggregate ASTM D3910 (W.T.A.T. TEST)	10-16	7.5-13	6.5-12
Pounds of Aggregate per Square Yard (approx.)	8-10	12-18	18-25

## 715.3 BITUMINOUS MATERIAL:

The emulsified asphalt used for seal coating shall be quick setting or slow setting as per Section 713.

## SECTION 715

Polymer modified cationic quick setting emulsion (PMCQS-1h) may be used when approved by the Engineer.

The quick setting emulsified asphalt shall be of the anionic or cationic quick set type such as QSH, CQSH, or PMCQS-1h that will react to chemically active mineral fillers such as Portland cement in such a way that the applied slurry mixture can support controlled traffic in 45-60 minutes after application. The amount of chemically active filler shall be determined by job mix formula and field performance.

Polymer modified cationic quick setting emulsion (PMCQS-1h) shall be homogeneous and the polymer used shall consist of either a solid polymer milled / blended into the asphalt or latex blended into the emulsifier solution prior to the emulsification process. The PMCQS-1h shall contain a minimum of three percent polymer and shall conform to Section 713.

Slow setting emulsion may be used when traffic control is not a critical item.

Quick Set Emulsion Mix Properties	
Slurry Seal Mixing, 70-85 degree F., Sec.	120 Sec. Min.
Slurry Seal Setting test, 70-85 degree F., 1 hour cure	No Brown Stain
Slurry Seal Water Resistance Test, 70-85 degree F., 30 minute cure	No More Than Slight Discoloration

Placement of slurry seal is temperature dependent and should be tested under field conditions.

### 715.4 WATER:

Water shall be potable and be compatible with the slurry ingredients used.

### 715.5 DETERMINATION OF JOB MIX FORMULA:

The job mixture shall be designed to provide a suitable surface for traffic conditions, climate and curing. All materials shall be pre-tested in a qualified laboratory to determine their suitability for use in the slurry seal. The Wet Track Abrasion Test (W.T.A.T.) will be used for design purposes to establish the mix design to be used in the specified slurry seal.

The test will show a maximum wear loss of 75 grams per square foot. Samples of materials to be used on the job shall be used to run the W.T.A.T. The test will be performed in accordance with ASTM D3910 Design Testing and Construction of Slurry Seal.

**715.5.1 Composition of Slurry Seal Mixtures:** The job mixture shall conform to the requirements of the contract documents. The mixture shall attain an initial set in not less than 5 minutes not more than one hour. In cases where the surface is not critical to be open to traffic, a longer set time may be allowed, however not to exceed 12 hours. The setting time may be adjusted by the addition or removal of approved mineral fillers or chemical agents. The mixture shall be one of three types whose combined aggregates conform to the graduation requirements of Table 715-1. The mixture shall be sufficiently free flowing to fill cracks in the pavement. The mixture shall not segregate during or after laydown. The mixture shall produce a skid-resistant surface.

**715.5.2 Trial Applications:** The Contractor shall place a test strip of 60 square yards in the area designated by the Engineer. The test section shall be placed using the same equipment and methods as will be used on the job. The slurry mixture placed in a test strip shall conform to the design mix as determined by the W.T.A.T. with minor variations to obtain crack filling, set time, pavement bond and a skid resistant texture. If the materials do not meet the requirements for fluidity, non-segregation, or surface texture, a new job mix shall be formulated and tested. Work shall not proceed before approval of design mix and acceptance following the placing of a test strip.

### 715.6 TEST CERTIFICATES & REPORTS:

Test certificates and reports for the bituminous material shall be furnished in accordance with Section 711.

SECTION 715

715.7 CONVERSION OF QUANTITIES:

Volumetric conversions shall be accomplished in accordance with Section 713.

- *End of Section* -





Purchasing Division  
One City Plaza  
Yuma, AZ 85364  
(928) 373-5114  
(928) 373-5115  
(928) 373-5149 TTY  
[www.YumaAz.gov](http://www.YumaAz.gov)

## ADDENDUM

DATE: Monday, September 14, 2015  
TO: BID NO. 2016-20000024 – Slurry Seal Services  
FROM: PURCHASING – Mary E. Roman, Buyer  
SUBJECT: ADDENDUM NO. 1

NOTE: The balance of the specifications and instructions remain the same. Bidder must acknowledge receipt and acceptance of this addendum by signing and returning the entire addendum with the bid or proposal submittal.

### CLARIFICATION:

Question #1 I understand we are responsible for providing written notice to all residents, apartment managers, and business, but will we also be responsible for posting the signage for 'No Parking' or will the city be handling?

**Answer #1** *This is the contractors responsibility.*

Question #2 In protecting the pavement markers, does this include the center lines and striping or do we include the replacement costs for any Striping Replacement?

**Answer #2** *This does not include centerlines or striping.*

### ATTACHMENT:

***Formal2016-20000024 – Slurry Seal Services pdf file – pages 1 - 15***

Thank you  
Mary E. Roman, Buyer

**Company Name:** \_\_\_\_\_

**Contact Person:** \_\_\_\_\_

**Signature** \_\_\_\_\_

**Phone Number:** (       ) \_\_\_\_\_

**Fax Number:** (       ) \_\_\_\_\_

**E-mail Address:** \_\_\_\_\_



Purchasing Division  
One City Plaza  
Yuma, AZ 85364  
(928) 373-5114  
(928) 373-5115  
(928) 373-5149 TTY  
[www.YumaAz.gov](http://www.YumaAz.gov)

## ADDENDUM

DATE: Monday, September 14, 2015  
TO: BID NO. 2016-20000024 – Slurry Seal Services  
FROM: PURCHASING – Mary E. Roman, Buyer  
SUBJECT: ADDENDUM NO. 2

NOTE: The balance of the specifications and instructions remain the same. Bidder must acknowledge receipt and acceptance of this addendum by signing and returning the entire addendum with the bid or proposal submittal.

### CLARIFICATION:

Question #1 The answer to question #2 in the addendum (Addendum NO. 1) confuses me. So just for clarification, do we have to "cover and protect ALL pavement markings such as crosswalks, stop bars and left/right turn arrows from the slurry" as it says in paragraph A on page 14 of 15 of the bid documents?

**Answer #1** Yes.

Question #2 The answer to question #2 says protection is not necessary for centerlines and striping. I usually think of stop bars and crosswalks as "striping". Also, if we protect pavement markings is there any concern of creating puddle areas?

**Answer #2** *Stop bars and crosswalks are pavement markings. The City has practice these efforts for the last 15 years.*

Thank you  
Mary E. Roman, Buyer

**Company Name:** \_\_\_\_\_

**Contact Person:** \_\_\_\_\_

**Signature** \_\_\_\_\_

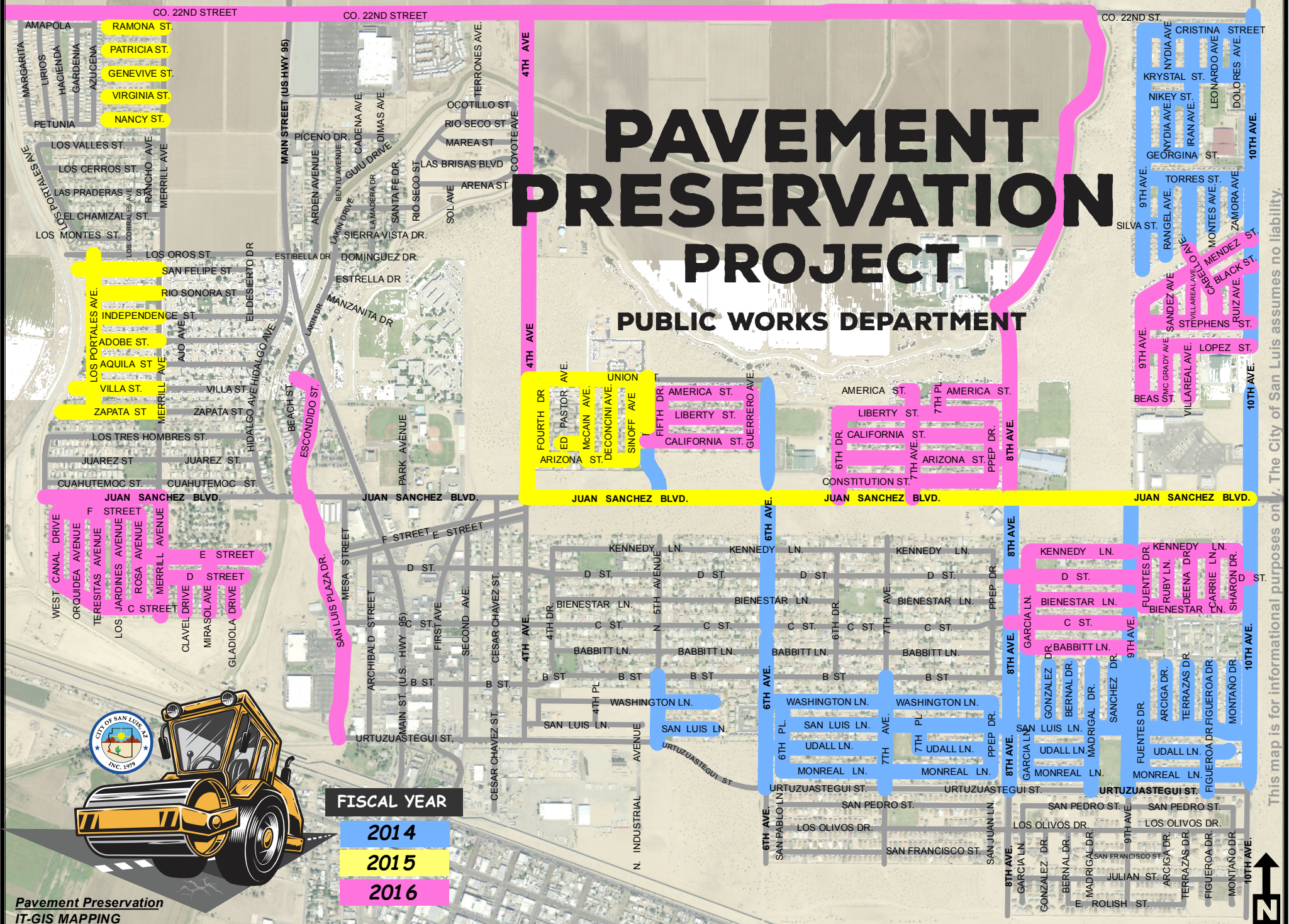
**Phone Number:** (       ) \_\_\_\_\_

**Fax Number:** (       ) \_\_\_\_\_

**E-mail Address:** \_\_\_\_\_

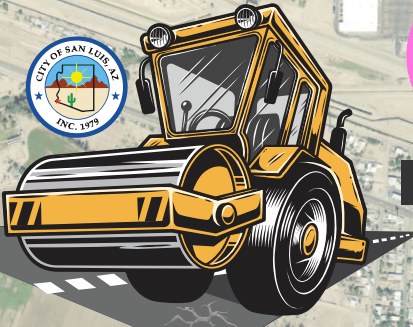
# PAVEMENT PRESERVATION PROJECT

PUBLIC WORKS DEPARTMENT



FISCAL YEAR

- 2014
- 2015
- 2016



Pavement Preservation  
IT-GIS MAPPING  
Created: IG 4/14/2016  
Revised:

For more information please call the Public Works Department at 928.341.8577

This map is for informational purposes only. The City of San Luis assumes no liability.





## AGENDA ITEM REVIEW FORM

### Special City Council Meeting

6.B.

**Meeting Date:** 11/21/2017

**Department Head:** Eulogio Vera, Director of Public Works, Public Works Department

**Submitted By:** Liliana Evangelista, Administrative Coordinator, Public Works Department

**Action Requested:** Motion

---

#### ITEM:

Discussion and possible action on any and all matters regarding approval of the Proposal for Engineering Services for the design of new lines to improve the reliability of the water system in east San Luis. **(Eulogio Vera, Director of Public Works)**

#### SUMMARY:

The overall benefit of the new lines is to improve the reliability of the water system in east San Luis. Attached is a proposal for engineering services of James Davey and Associates for the East Mesa Water Line project. This would be for the design of 12-inch water lines along County 23-1/2 Street from Avenue E-1/2 to Avenue E and also from Avenue E to Avenue D, along Avenue E from County 23-1/2 Street to about County 23-3/4 Street (to the line planned as a part of the San Luis Port Subdivision), and along Avenue D from County 24th Street to County 25th Street; approximately 2-3/4 miles of water line altogether. Also included is some time for the analysis of the existing water system and the planned expansion.

James Davey and Associates is on the city's list of engineers procured through the multiple contracts for job-order-contracting allowed under Arizona state procurement. Under the City Code, engineering services do not require bidding or quotes. This design will be paid out of bond funds and once completed, we will have bid plans ready. In addition, we have applied for a grant for construction.

#### RECOMMENDATION / SUGGESTED MOTION:

**I MOVE TO APPROVE AND ACCEPT THE PROPOSAL FOR ENGINEERING SERVICES FROM JAMES DAVEY AND ASSOCIATES IN AN AMOUNT NOT TO EXCEED \$46,300.00 AS PRESENTED.**

Supporting information not attached to the Agenda Item Review Form:

N/A

---

#### Fiscal Impact

**IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:**

YES

**CITY/STATE/FEDERAL FUNDS:**

CITY

**TOTAL:**

\$46,300.00

**BUDGETED AMOUNT:** 0.00  
**AVAILABLE AMOUNT TO TRANSFER:** N/A  
**ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:** Water-Utility Bond  
300-302-90015.350  
\$59,650.00 Dlls.

**FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):**

Bond funds - Utility Bond S2013  
GL Acct# 300-302-90015.350

---

**Attachments**

Proposal - James Davey & Associates

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**Proposal for Engineering Services**  
**City of San Luis**  
**East Mesa Water Lines Project**  
 County 23-1/2 Street - Ave. E to Ave. E-1/2 and Ave. E to Ave. D,  
 Avenue E - Co. 23-1/2 St. to San Luis Port Subvision, and  
 Avenue D - Co. 24th St. to Co. 25th St.  
 Prepared by: James Davey and Associates, Inc.

October 27, 2017

Item	Description	Principal Engineer	Project Engineer	Engineering Technician	Survey Crew	Direct Costs	Comments
<b><u>DESIGN PHASE SERVICES</u></b>							
1	Project Management	4					
2	Analysis of Well Site 7 - East Mesa Water System	16					Meetings on system operation, analysis of flow from WS-7 with system improvements.
3	Collect Design Data		8				Right-of-way, utilities, existing design plans. Utility potholing not included (assumed by City of San Luis if needed.)
4	Establish Control and Field Topo Survey		4		36		
5	Prepare Survey Base Sheets	16 Sheets	5 Hrs/Sheet	16	64		20 Scale, Double Plan and Profile Sheets
6	Geotechnical Investigation						None recommended - Soils in Project Area are typically uniform, mostly silty sands to fine sands.
7	Prepare Design Plans						Based on 1.5 miles of water line on Co. 23-1/2, 0.25 miles on Ave. E and 1.0 miles on Ave D.
	Cover Sheet	1 Sheets	6 Hrs/Sheet	2	4		
	Plan and Profiles - 20 Scale	16 Sheets	12 Hrs/Sheet	12	80	100	20 Scale, Double Plan and Profile Sheets
	General Sheets/Standard Details	3 Sheets	4 Hrs/Sheet	1	2	8	
	Special Details	3 Sheets	12 Hrs/Sheet	1	9	27	
8	YCEH/ADEQ Permitting	1	12				Engineers Design Report, YCEH Application
9	Prepare Special Conditions	2	12				Two set of contract documents to be prepared - West Co. 23-1/2 and Ave. E as one set and East Co. 23-1/2 and Ave. D as the second set.
10	Quantities and Bid Schedule	2	12				
Total Estimated Hours		39	157	203	36	---	
Hourly Rates		\$140	\$120	\$80	\$160	---	
Subtotals		\$5,460	\$18,840	\$16,240	\$5,760	\$0	
<b>TOTAL FEE ESTIMATE</b>						<b>\$46,300</b>	



## AGENDA ITEM REVIEW FORM

### Special City Council Meeting

6.C.

**Meeting Date:** 11/21/2017

**Department Head:** Eulogio Vera, Director of Public Works, Public Works Department

**Submitted By:** Liliana Evangelista, Administrative Coordinator, Public Works Department

**Action Requested:** Motion  
Resolution

---

### ITEM:

Discussion and possible action on any and all matters regarding Resolution No. 2018. A resolution of the Mayor and City Council of the City of San Luis, Arizona authorizing and directing the entering into an intergovernmental agreement with the Yuma County Flood Control District relating to the San Luis Area Phase II Drainage Improvements. **(Eulogio Vera, Director of Public Works)**

### SUMMARY:

The Yuma County Flood Control District is mainly expanding the downtown storm drain system to collect storm water from the old areas of downtown that do not have retention basins. The city has a need for storm water collection improvements upon the mesa, resulting from the development of homes and businesses that went in before development standards for drainage existed.

Under this intergovernmental agreement, the District will pay for the design and the construction. The city will review plans and comment, will coordinate utility relocation necessary for the project and will acquire all required property, right of way needed for the project. Staff recommends approval of this essential project.

### RECOMMENDATION / SUGGESTED MOTION:

**I MOVE TO APPROVE AND ADOPT RESOLUTION NO. 2018.**

Supporting information not attached to the Agenda Item Review Form:

N/A

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**Fiscal Impact**

**IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:** NO  
**CITY/STATE/FEDERAL FUNDS:** N/A  
**TOTAL:** N/A  
**BUDGETED AMOUNT:** N/A  
**AVAILABLE AMOUNT TO TRANSFER:** N/A  
**ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:** N/A  
**FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):**

The Yuma County Flood Control District is funding and constructing this project.

---

### **Attachments**

Resolution No. 2018  
IGA Phase II Flood Control

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# Resolution

OFFICE OF THE  
MAYOR  
CITY OF SAN LUIS

No. 2018

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA AUTHORIZING AND DIRECTING THE ENTERING INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE YUMA COUNTY FLOOD CONTROL DISTRICT RELATING TO THE SAN LUIS AREA PHASE II DRAINAGE IMPROVEMENTS.**

**BE IT RESOLVED** by the Mayor and City Council of the City of San Luis, Arizona, as follows:

**Section 1.** that it is deemed in the best interest of City of San Luis and its residents that the city enter into an Intergovernmental Agreement with the Yuma County Flood Control District for Phase II of the Drainage Improvements;

**Section 2.** that a true copy of said Intergovernmental Agreement is incorporated herein as though fully set forth again in full;

**Section 3.** that the Mayor or City Manager and his designee are hereby authorized and directed to execute this Intergovernmental Agreement on behalf of the City of San Luis and to take any and all actions as may be necessary to put the agreement into effect; and

**Section 4.** that the San Luis City Clerk and her designee are authorized and directed to maintain this Intergovernmental Agreement in the official files of the City Clerk and to deliver it to the Yuma County Flood Control District.

**PASSED, ADOPTED and APPROVED** by the Mayor and City Council of the City of San Luis, Yuma County, Arizona this \_\_\_\_ day of November 2017.

\_\_\_\_\_  
Gerardo Sanchez, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Sonia Cornelio, City Clerk

\_\_\_\_\_  
Kay Marion Macuil, City Attorney

**INTERGOVERNMENTAL AGREEMENT  
BETWEEN THE YUMA COUNTY FLOOD CONTROL DISTRICT  
AND THE CITY OF SAN LUIS  
RELATING TO THE SAN LUIS AREA PHASE II DRAINAGE IMPROVEMENTS**

This Agreement ("Agreement") is between the YUMA COUNTY FLOOD CONTROL DISTRICT ("DISTRICT") and the CITY OF SAN LUIS, Arizona, a municipal corporation of the State of Arizona ("CITY"), pursuant to A.R.S. §11-951 through §11-954, as amended. (The DISTRICT and the CITY may be referred to singularly as the "Party" and collectively as the "Parties").

**RECITALS**

**WHEREAS**, Section 11-951, Arizona Revised Statutes, as amended, provides for intergovernmental agreements and contracts between public agencies for joint or cooperative action; and

**WHEREAS**, the CITY needs drainage improvements upon the mesa, resulting from failing dry wells and development of homes and businesses below the street grade prior to development standards; and

**WHEREAS**, the DISTRICT has developed a joint project with the CITY to address Phase II of the drainage problem, and proposes to construct flood control and drainage facilities including a storm sewer, and drainage outfall for the disposal of stormwater accumulating within the CITY, as shown in Exhibit A. Said construction shall hereafter be referred to as the "Project"; and

**WHEREAS**, the Parties have agreed that the completion of the Project is essential to the public safety and welfare; and

**WHEREAS**, the Parties desire to cooperate in the completion of the Project; and

**WHEREAS**, the CITY has reviewed improvement plans; and

**WHEREAS**, the CITY maintains and operates a Public Works Department; and

**WHEREAS**, the CITY has or will obtain a license to discharge stormwater into a basin located at Urtuzuastegui Street and San Luis Plaza Drive which is sufficient to detain stormwater discharge for a 100-year storm; and

**WHEREAS**, the drainage improvements do not connect to the Yuma Valley Drain System;

**NOW, THEREFORE**, in consideration of the terms and conditions contained herein, the Parties agree as follows:

**Section 1. Purpose.** The Purpose of this Agreement is to provide for the repair, design, construction, maintenance, financing and operation of the Project conforming to DISTRICT Standards for the benefit of the citizens and residents of the DISTRICT and the CITY and the public in general.

**Section 2. Duration.** This Agreement shall become effective on the date it is adopted, approved and is fully executed by both the CITY and DISTRICT and shall continue in full force and effect until the Project construction has been completed.

**Section 3. Obligations of the Parties.**

**A. DISTRICT's Obligations.**

1. The DISTRICT will cause Phase II of the Project, including storm sewer improvements along B Street, C Street and D Street between 1st Avenue and 4th Avenue as shown on Exhibit A to be constructed and installed in accordance with the plans and specifications titled "San Luis Storm Drain Phase II" prepared by the DISTRICT.
2. The DISTRICT will fund the design and construction Phase II of the Project.

**B. CITY's Obligations.**

1. The CITY will review plans and submittal and provide review comments in a timely fashion.
2. The CITY will coordinate and cause all utility relocation necessary for the Project construction to be performed at no cost to the DISTRICT.
3. The CITY will acquire all required property, right of way, easements, and licenses needed for the Project.

**Section 4. Property Acquisition.** The necessary right of way is within existing CITY rights of way for the Project.

**Section 5. Project Administration.** The Project is to be administered in accordance with State, DISTRICT, and CITY requirements. The DISTRICT will provide direction and approve all Project requirements, process Project documents as necessary.

**Section 6. Manner of Financing.** The DISTRICT has budgeted sufficient funds for the design, and construction of the Project. The CITY shall have no financial responsibility for the construction of the Project.

**Section 7. Ownership and Maintenance.** Upon completion of the Project, the CITY will be responsible for the Project improvements. The CITY shall provide for, at its own cost, proper maintenance or replacement of the Project improvements.

**Section 8. Authorization.** This Intergovernmental Agreement has been approved by actions taken by the governing bodies of the CITY and the DISTRICT. In such respective action, the undersigned were authorized and directed to execute this Agreement.

**Section 9. Cancellation.** To the extent applicable by provision of law, all Parties acknowledge that this Agreement is subject to cancellation pursuant to A.R.S. §38-511, as amended, the provisions of which are incorporated herein.

**Section 10. No Israel Boycott.** The Parties Agree they are not currently engaged in and agree that for the duration of the Agreement they will not engage in a boycott of Israel, as that term is defined in A.R.S. § 35-393.01.

**Section 11. Termination.** This Intergovernmental Agreement shall terminate upon the completion of all actions necessary with regard to the Project as described herein.

**Section 12. Compliance with Law.** The CITY and the DISTRICT must comply with all federal, state and local laws and ordinances applicable to its performance under this Agreement.

**Section 13. Attorney Fees and Costs.** If either Party brings an action or proceeding for failure to observe any of the terms or provisions of this Agreement, the prevailing Party is entitled to reasonable attorney fees and costs.

**Section 14. Severability.** If any terms, parts, or provisions of this Agreement are for any reason invalid or unenforceable, the remaining terms, parts, or provisions are nevertheless valid and enforceable.

**Section 15. Integration.** This Intergovernmental Agreement contains the entire Agreement between the Parties, and no oral or written statements, promises, or inducements made by either Party or its agents not contained or specifically referred to in this Agreement is valid or binding. All modifications to this Agreement must be in writing, signed and endorsed by the Parties.

**Section 16. No Partnership.** Nothing in this Agreement constitutes a partnership or joint venture between the Parties and neither Party is the principal or agent of the other.

**Section 17. Notices.** All notices or demands upon any Party to this Agreement shall be in writing and all shall be delivered in person or sent by mail addressed as follows:

**CITY**  
Public Works Director  
City of San Luis  
PO Box 3750  
San Luis, AZ 85349

**DISTRICT**  
Yuma County Flood Control District  
2351 W. 26<sup>th</sup> St.  
Yuma, AZ 85364

[Intentionally left blank, signature page follows]

Dated \_\_\_\_\_, 2017

Dated \_\_\_\_\_, 2017

**CITY OF SAN LUIS**

**YUMA COUNTY FLOOD CONTROL DISTRICT**

By \_\_\_\_\_  
Gerardo Sanchez  
Mayor

By \_\_\_\_\_  
Antonio "Tony" Reyes  
Chairman, Board of Directors

ATTEST:

ATTEST:

\_\_\_\_\_  
Sonia Cornelio  
City Clerk

\_\_\_\_\_  
Susan K. Thorpe  
County Administrator/Clerk of the Board

Pursuant to A.R.S. §11-952, the foregoing Agreement has been submitted to the undersigned City Attorney for the City of San Luis, Arizona. The undersigned has determined that this Agreement is in proper form and is within the powers and authority of City of San Luis City, and the laws of the State of Arizona:

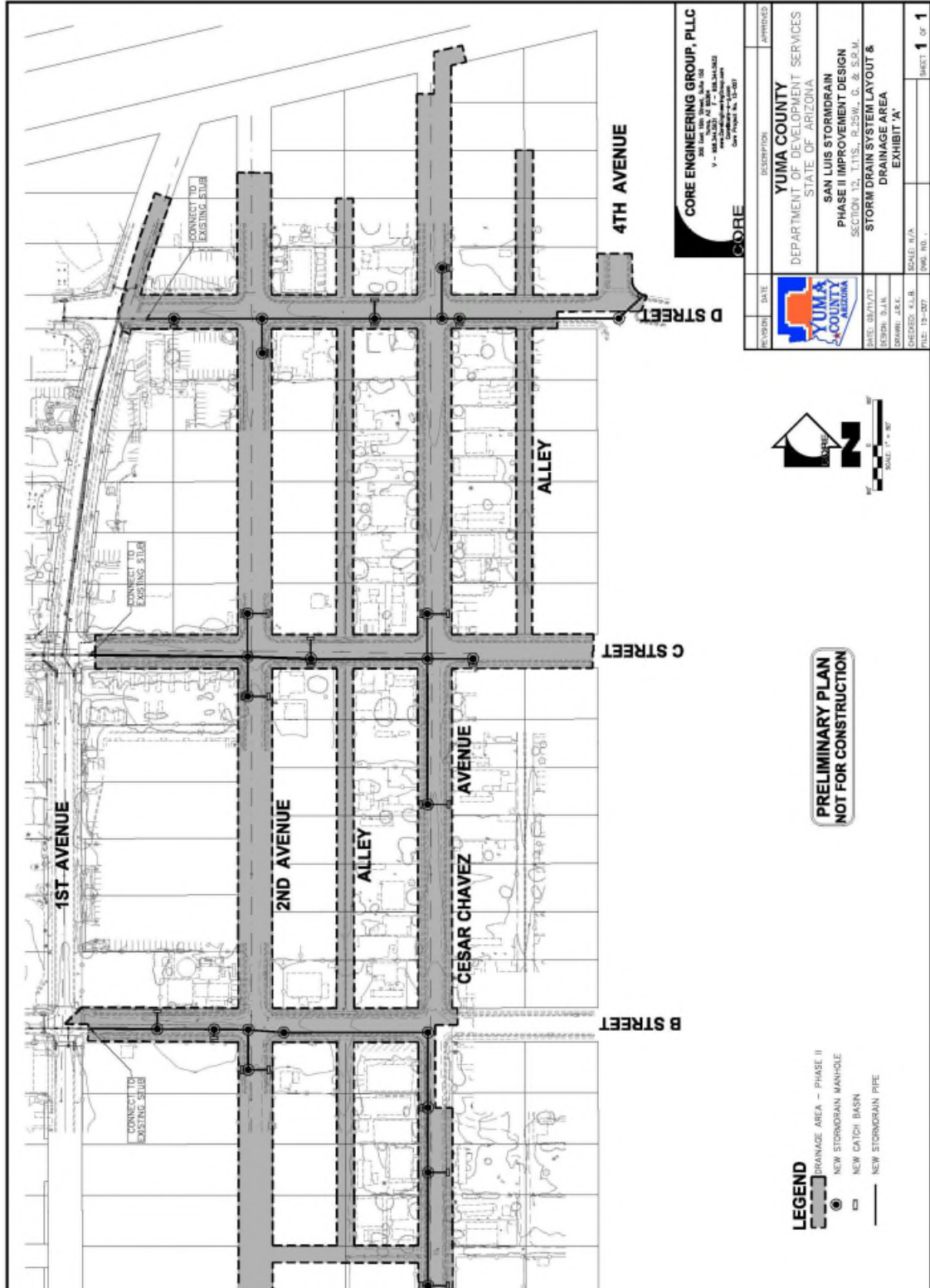
\_\_\_\_\_  
Kay Marion Macuil, San Luis City Attorney

Pursuant to A.R.S. §11-952, the foregoing Agreement has been submitted to the County Attorney for the County of Yuma, Arizona. The undersigned has determined that this Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona to the County of Yuma:

Jon R. Smith, County Attorney

\_\_\_\_\_  
By: Edward P. Feheley, Deputy County Attorney and Attorney for the District

EXHIBIT A





## AGENDA ITEM REVIEW FORM

### Special City Council Meeting

6.D.

**Meeting Date:** 11/21/2017

**Department Head:** Richard Jessup, Acting Chief of Police, Police Department

**Submitted By:** Miguel Alvarez, Lieutenant, Police Department

**Action Requested:** Motion

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### ITEM:

Discussion and possible action on any and all matters regarding the approval of the organizational audits and assessments contract for the San Luis Police Department by Exceptional Training, LLC. ( **Richard Jessup, Acting Chief of Police**)

### SUMMARY:

The San Luis Police Department is contracting out for a complete organizational audit and assessment services for the Police Department. Three (3) contract proposals have been received and reviewed by Police Administration. The one time expense for a complete organizational audit and assessment services is \$ **30,000.00**. Exceptional Training, LLC from Phoenix, Arizona met and exceeded all of service needs established by the San Luis Police Department Administration upon the inquiry for a complete organizational audit and assessment service.

Exceptional Training, LLC provided a contract quote of **\$30,000.00**. We also contacted LD Consulting, LLC from Glendale, Arizona which provided a contract quote of \$27,850.00, in addition to a third service provider, Elite Performance Assessment Consultants, LLC from Thousand Oaks, California which provided a contract quote of \$41,100.00. Under San Luis City Code-Purchasing Section 36.01(D) for purchasing in this amount requires three (3) quotes which are provided. The contracted service was not approved in the budget for Fiscal Year 2017-2018.

After reviewing the three (3) quotes, Exceptional Training, LLC service proposal was determined to be the most comprehensive of all others reviewed.

Exclusive critical determining factors for proposing the acceptance of Exceptional Training, LLC service proposal are listed as follows:

1. Auditors credentials, which include Doctoral level education in the field of leadership, practical experience in the field of organizational audits and assessments, and subject matter expertise on organizational successional development and preparedness.
2. Part of the selection process includes up to 25 areas of examination which include interviews with the Mayor, City Manager, City Council Members, and a group of selected community members.
3. 21st century policing projects undertaken by current Chief of Police would be examined to include school-based programs, community safety programs, and department's master succession planning strategies which will be utilized as a department 5-10 year succession

master plan.

4. Recommendations of departments personnel performance reviews are in conjunction with the Human Resources Department.

Due to the above listed reasons the San Luis Police Department is requesting for Council to waive the procurement code as permitted in section 36.01 H and award the second lowest proposal to Exceptional Training, LLC.

**RECOMMENDATION / SUGGESTED MOTION:**

**I MOVE TO APPROVE THE CONTRACT WITH EXCEPTIONAL TRAINING L.L.C. AS PRESENTED AS THE MOST RESPONSIVE QUOTE IN THE AMOUNT OF \$30,000.00 AND WAIVE FORMAL PURCHASE PROCEDURE.**

Supporting information not attached to the Agenda Item Review Form:

N/A

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**Fiscal Impact**

<b>IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:</b>	Yes
<b>CITY/STATE/FEDERAL FUNDS:</b>	City
<b>TOTAL:</b>	\$30,000.00
<b>BUDGETED AMOUNT:</b>	No
<b>AVAILABLE AMOUNT TO TRANSFER:</b>	\$30,000.00
<b>ACCT NAME &amp; GL#/REMAINING BALANCE BEFORE PURCHASE:</b>	250-181-80001.102 Professional Services

**FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):**

Accounts used to transfer budget are listed below:

250-181-60025.102 Uniforms-Impounds - \$5,000.00  
250-181-60035.102 Minor Tools/Equipment Supplies - Impound - \$16,000.00  
250-181-60040.102 Uniforms-Impounds - \$9,000.00

Payment account : 250-181-80001.102 - Professional Services

After reviewing the three quotes, Exceptional Training, LLC service proposal was determine to be the most comprehensive of all others reviewed.

Exclusive critical determining factors for proposing the acceptance of Exceptional Training, LLC service proposal are listed as follow:

1. Auditors credentials, which include Doctoral level education in the field of leadership, practical experience in the field of organizational audits and assessments, and subject matter expertise on organizational successional development and preparedness.
2. Part of the selection process includes up to 25 areas of examination which include interviews with the Mayor, City Manager, City Council Members, and a group of selected community members.
3. 21<sup>st</sup> century policing projects undertaken by current Chief of Police would be examined to include School-based programs, community safety programs, and Department's Master succession planning strategies which will be utilized as a Department 5-10 year

succession master plan.

4. Recommendations of departments personnel performance reviews in conjunction with the Human Resource Department.

Due to the above listed reasons the San Luis Police Department is requesting for Council to waive the procurement code as permitted in section 36.01 H and award the second lowest proposal Exceptional Training, LLC.

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### **Attachments**

Exceptional Training, LLC Contract

LD Consulting, LLC

Elite Performance Assessment Consultants, LLC Contract

Budget Adjustment Form

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San Luis Police Department  
1030 E. Union St.  
PO Box 3720  
San Luis, Arizona 85349

August 15, 2017

TO: Acting Chief of Police Richard Jessup

FM: Exceptional Training, LLC

Dr. Jeffeory G. Hynes, Ed.D, owner and retired Phoenix Police Commander (32 Years)

Dr. Donna M. Simon Ed.D., owner and current faculty Administration of Justice, Management

Chief Jessup:

Thank you for the opportunity to provide the San Luis Police Department with a departmental audit. We are pleased to be working with you as you continue to build upon the foundation of continuous improvement and best-practice models for San Luis Police.

Preplanning for the audit is important to respecting your time and the time of your personnel by establishing the foundational elements of the audit and providing the documentation and access to records that will be examined. We hope to schedule an initial preplanning meeting with you as soon as your calendar allows to begin the preplanning.

The following information will provide an outline of our audit methodology, strategies, applications, and outcomes, as well as an initial list of items needed prior to the site visit.

### **Methodology**

The inspection team from Exceptional Training will employ three primary methods of data collection (1) Review of San Luis Police Department documentation; (2) Observations; and (3) Interviews.

The inspection team will review all applicable documentation relating to the audit areas and will compare them to best practice principles from the law enforcement industry including the Commission on Accreditation for Law Enforcement Agencies (CALEA) Manual.

The inspectors will observe the on-duty activities of San Luis Police Department personnel and perform inspections of police department facilities and records. Interviews will be conducted with personnel, as necessary, to obtain pertinent information and feedback when needed.

Additional interviews with police department staff, city management, and selected members of the community will be conducted.

Fifteen audit focus items are recommended by Exceptional Training, below, and an additional 10 items will come directly from the police department and city management.

The following four criteria will be applied to each area of focus for this audit: (1) service delivery, (2) policies and procedures, (3) training, and (4) stakeholder satisfaction. The focus will include specific

areas of concentration, to be reviewed universally among all the sites, for consistency, accuracy, and to identify areas which might be considered as critical to the police department's operation.

### **Areas of Focus for the Audit**

Exceptional Training will complete an organizational audit as directed by Police Chief and the City Manager's Office in which:

- 20 to 25 Police Department focus items will be examined thoroughly
- Exceptional Training is suggesting the 15 items below and the San Luis Police Chief and City management may elect to provide an additional 10 items.
  - Exceptional Training recommended areas:
    1. San Luis Police Department Policies & Procedures will be examined and compared against best practice models such as CALEA.
    2. Evidence Collection Procedures / Security. A seizure review of monies, contraband, narcotics will be conducted.
    3. Community / Client Satisfaction – will be examined from interviews, community forum and a web-based survey.
    4. Client Satisfaction Internal – will be examined from interviews, internal forum and a web-based survey.
    5. Client Satisfaction City Manager/Mayor's Office – will be examined from interviews, and a web-based survey.
    6. Training – outlines, record maintenance and an examination of Arizona Peace Officer Standards & Training Board statutory requirements will be examined.
    7. Departmental Staffing and Deployment – patrol line-level deployment vs administrative deployment will be examined.
    8. Response Time – will be examined with an evaluation of dispatch guidelines for the levels of priority calls, such as priority 1, 2, 3 etc.
    9. Performance Evaluations – for both sworn and civilian employees will be examined for completeness, goal obtainment, accomplishments, and employee feedback. A sampling of personnel files will be conducted to verify timely rating completion.
    10. Vehicle Inspection – mileage reflection of the fleet, equipment assessment, condition, maintenance and future needs assessment will be conducted.
    11. Investigative Protocols – detective assignments and responsibilities, along with investigative caseloads, case management and clearance rates will be examined.

12. Administrative Staff Function Deployment – an examination of first responder levels vs support staffing will be examined.
  13. IT Infrastructure Review – a review of technology utilization will be conducted.
  14. Budget Review – yearly budget and expenditure procedures will be examined and compared against best practice procedures. Unit fund administration and expense tracking will be examined. Overtime utilization will be compared by unit and shifts.
  15. Compensation and Benefit Analysis – a comparative analysis of pay and benefits will be conducted against similar-sized agencies.
- Optional audit items management may wish to consider for an additional 10 areas of focus could include:
    16. Master Planning Strategies review
    17. Community Safety Program examination
    18. School-based programs audit, i.e. School Resource Officer, DARE, GREAT
    19. Law Enforcement Accreditation Status
    20. Funding Strategic Plan
    21. Web-based services offered
    22. Management and Labor Relationships
    23. Communications Center/Dispatch Staffing and Technology assessment
    24. Volunteer Recruitment Strategies, such as utilization of police reserves, interns, etc.
    25. Cross-jurisdictional agreements
    26. Department Inventory assessment
    27. Community-based Policing status
    28. Building and Site Security assessment

When focus items are established, Exceptional Training will schedule a two-week on-site visit to conduct interviews and perform additional data collection and clarification of policy and procedures.

### **Pre-audit Items**

Items requested prior to pre-audit meetings (electronic copies, whenever possible):

- Department policies and procedures/regulations

- Training records – schedules, course offerings, training records
- Site plans
- Organizational charts
- Commonly used forms

From pre-audit meetings, Exceptional Training will request additional pertinent documents for use during the audit/assessment. Confidentiality agreements will be signed by participating members of the Exceptional Training team, Dr. Jeff Hynes and Dr. Donna Simon. Once the onsite audit has been completed, Exceptional Training will compile the data and develop a written report outlining their findings which will be provided to the Police Chief and the City Manager's Office. Management entities will then have an opportunity to accept the findings or dispute all or parts of the report. This phase is flexible and clarifications and amendments can be made.

Additionally, the number of persons to be interviewed in each focus area will be determined prior to the audit, in collaboration with the Police Chief. The interviewees will be available to the auditors during the site visits.

### **Interviews**

Interviewing is an excellent tool to determine how well employees understand their role, the department's requirements, their own expertise, and compliance with police department rules, regulations and procedures.

The interviews will be conducted using our developed instrument to elicit the information required. It is intended that the interviews be very probative when using the comments sections. It should also be noted that the interviewees' identification will be held confidential to ensure open answers are received.

The audit process will address a series of questions developed during the pre-auditing stage including:

- a. How does Management/Leadership impact this area?
- b. How are Stakeholders impacted?
- c. Are Departmental Policies and Procedures in place and appropriate/best-practice?
- d. Do/should Training Policies require instruction in this area? Is training in this area applied with the right frequency and properly recorded?
- e. Is Quality Assurance / proficiency criteria in place and adequate?
- f. Is the department in Compliance with agency directives/policies?

These are draft items and may be modified to support the needs of the San Luis Police Department

### **Audit Report**

At the conclusion of on-site audit process, Exceptional Training will write a comprehensive report of its findings. It normally takes between three and four weeks from the time the site visit is completed until a draft report is delivered. The results of the audit will identify strengths, weaknesses, and gaps in the

current models being employed. This is intended to allow management to address those areas, as well as to build on areas which typify the strengths of the organization.

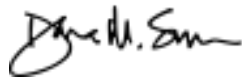
Chief Jessup, we look forward to providing you and the San Luis Police Department with the exceptional service that we believe will further your mission and vision of "Working Together...For a Safe Community." This document is based on our initial conversations and proposal for a comprehensive departmental audit at a cost of \$30,000. An invoice is attached for your convenience.

Respectfully,



Dr. Jeffeory G. Hynes  
Exceptional Training, LLC, owner  
Dept. Chair and Professor of Administration of Justice, Glendale Community College  
Retired Phoenix Police Commander, 32 years  
602-332-8380  
jgh3612@aol.com

Dr. Donna M. Simon



Exceptional Training, LLC, owner  
Lead Faculty and Curriculum Developer for BA/BS in Management, Northern Arizona University  
Adjunct Professor of Administration of Justice, Glendale Community College



# Exceptional Training

San Luis Police Department  
 Acting Chief of Police Richard Jessup  
 1030 E. Union St.  
 PO Box 3720  
 San Luis, Arizona 85349

Invoice Date: 08/15/2017  
 INVOICE # 201708

Principle	San Luis Police Department	Payment Terms	Due Date
Dr. J. Hynes Dr. D. Simon		30 days after delivery of Audit Report	

Description	Unit Cost	Total Cost
Departmental Audit, San Luis Police Department		\$30,000
Elements and Deliverables  1) Pre-audit conferences with Chief Jessup 2) Presentation of recommended audit items 3) Finalization of audit items 4) Review of all documentation requested Pre-audit 5) On-site visit (two weeks) <ul style="list-style-type: none"> <li>• Additional document reviews</li> <li>• Interviews</li> <li>• Observations</li> </ul> 6) Exit interview with Chief 7) Delivery of the Audit Report Draft 8) Report review with Chief and key city management stakeholders		
Please make check payable to:  Exceptional Training, LLC • 12837 N. 17th Place • Phoenix, AZ 85022 • 602.332.8380 email: jgh3612@aol.com / dmsimon17@yahoo.com	<b>Total</b>	<b>\$30,000</b>





Richard Jessup, Acting Chief of Police  
San Luis Police Department

## Consulting Proposal

# Police Department Organizational Assessment

October 27, 2017

Prepared by:



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**Police Department Organizational Assessment**

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**Cover Letter:**

Richard Jessup, Acting Chief of Police  
San Luis Police Department  
1030 E. Union Street / P.O. Box 3720  
San Luis AZ, 85349

October 27, 2017

Dan Olson, President  
LD Consulting LLC  
6635 W. Happy Valley Rd. Suite A104, #263  
Glendale, AZ. 85310-2609

**Reference:** San Luis PD Organizational Assessment

Chief Jessup:

Thank you for the opportunity to submit a proposal for the San Luis Police Department Organizational Assessment. We understand the goals of this project and the service required. Our approach to meeting the scope of this engagement is outlined in the following proposal.

We understand how important this project is to your Police Department and feel that LD Consulting is uniquely qualified to conduct this project. The individuals selected for this project have over 100 years of law enforcement experience.

Should you have questions regarding this proposal, please contact me as indicated below. We look forward to working with you in support of this critical initiative.

LD Consulting is a Limited Liability Company (LLC) based in Arizona. Our contact information is:

LD Consulting LLC,  
Phone: 602-510-8481  
Email: Dan@LDConsultingLLC.com  
Website: <http://www.ldconsultingllc.com>

Mailing address:  
6635 W. Happy Valley Rd. Suite A104, #263,  
Glendale, AZ. 85310-2609

Federal Tax ID # 45-3848038,  
Letter of good standing from AZ. Corporation Commission - attached  
Arizona Corporation Commission file number L17034007  
Dunn and Bradstreet # 078698624

**Authorized signature:** As President of LD Consulting Dan Olson is authorized to contractually bind the proposer to contract with the City of San Luis.

Thank you for the opportunity to submit this proposal.

A handwritten signature in blue ink, appearing to read "Dan Olson". The signature is stylized with a large, looped "D" and a cursive "Olson".

Dan Olson, President,  
LD Consulting LLC  
President, LD Consulting LLC

## **Disclosures**

LD Consulting LLC does not have a personal or financial interest, which could be a possible conflict of interest providing products or services to the City of San Luis.

## **Statement of qualifications**

### **History of LD Consulting LLC**

In 1999 Dan Olson was assigned to supervise the Phoenix Police Department Inspections Unit. During his assignment, Dan identified a need for inspections and audit training, specifically for sworn and non-sworn law enforcement professionals. As a result, Dan and co-worker, Mike Giammarino, developed an Introduction to Law Enforcement Auditing Course (LEIA-101) specifically for law enforcement professionals. The training was developed in terms and concepts familiar to law enforcement professionals and relevant to current law enforcement issues. With the success of the 101 course we developed a follow up course, LEIA-201. Those who successfully complete this course of study earn the Law Enforcement Inspections and Auditing Certificate (LEAIC).

While teaching these courses to hundreds of law enforcement professionals from the US and abroad we received numerous request for assistance for consulting services. As a result, we have provided consulting services to a number of agencies on an informal basis as well as on contractual basis to conduct various types of law enforcement audits and assessments.

In our positions with the Inspections Unit with the Phoenix Police Department since 1999 to the present, we (Dan Olson and Mike Giammarino) have conducted numerous audits of all 28 bureaus and precincts in the Phoenix Police Department as well as a number of special request audits / assessments. This includes an annual audit of the Phoenix Police Property and Evidence Warehouse, which contains over 1.5 million items. Phoenix is the sixth largest city in the United States.

LD Consulting LLC was founded in 2008, and has established itself as a unique consulting firm specializing in law enforcement audits and inspections training and consulting for police professionals as well as for professional government auditors. Our consulting services to law enforcement include audits and assessments for agencies throughout the United States. Our team of professionals is focused on assisting our clients towards satisfying accreditation requirements; reducing law enforcement liability, and operational costs; and improving compliance effectiveness, and efficiency.

## **Training Services**

LD Consulting LLC is dedicated toward providing affordable quality training to law enforcement professionals involved in law enforcement audits, inspections, assessments and quality assurance activities. Our firm has trained hundreds of law enforcement professionals as well as government auditors from the US and abroad. Our students work in large and small agencies at the municipal, county, state, tribal and federal levels.

Our training component has a direct impact on our ability to provide quality consulting services as discussed in further detail below.

### **Consulting Services**

LD Consulting LLC strives to provide consulting services to law enforcement agencies at affordable rates. We are privileged to have served numerous law enforcement agencies throughout the United States. Our firm conducts law enforcement audits, evaluations, and assessments on entire agencies, or components of an agency.

The training component of our firm provides our staff an invaluable opportunity to work with hundreds of law enforcement professionals from around the world. In light of this, our staff gains valuable insight into the current issues and trends impacting law enforcement. In working with our students during, and after, their classes we frequently deal with “real world” issues affecting law enforcement, particularly in the area of performance audits / inspections. This translates into a unique perspective for our staff when working on consulting engagements.

### **Statement of Qualifications and Project Approach**

LD Consulting LLC  
Formed in 2008 in Arizona  
Phone: 602-510-8481  
Email: Dan@LDConsultingLLC.com  
Website: <http://www.ldconsultingllc.com>  
Mailing address:  
6635 W. Happy Valley Rd. Suite A104, #263,  
Glendale, AZ. 85310-2609

Contact person: Dan Olson, President  
Phone: 602-510-8481  
Email: Dan@LDConsultingLLC.com

### **Proposed Project Management Structure**

For this project, we have proposed our proven project management hierarchy which offers the San Luis Police Department (SLPD) a Primary Consultant (Project Manager), a Secondary Consultant (who is interchangeable with the Project Manager, and serves as a backup/alternate), supported by expert consultants, and managed by an Executive Sponsor (who is responsible and accountable for the project's success).

### **Consultants:**

The specific group of consultants proposed for this project have worked on projects for a wide variety of law enforcement agencies from smaller municipal agencies to some of the larger tribal and municipal agencies in the country. The diversity in agency size has taught us many valuable lessons about how to properly calibrate our services to suit the unique dynamics of agencies large and small. Each engagement is unique, and the proposed project team is accustomed to adapting to the client's requirements. The listed consultants will be available to work on this engagement.

**Executive Sponsor: Dan Olson, President LD Consulting LLC, CLEA**

Since founding LD Consulting in 2008 Dan has completed a number of consulting engagements with law enforcement agencies in the US as well as the US Virgin Islands. Dan retired after serving 34 years with the Phoenix Police Department. For 4 years Dan was a Professional Standards Bureau (PSB) Investigations Sergeant. During his tenure as a sergeant in PSB, he conducted over 30 use of force cases/police shootings, several of which were very high profile in the community. Dan has also completed numerous administrative personnel investigations to include a number of cases involving egregious conduct resulting in employee terminations. While assigned to PSB, Dan was promoted to lieutenant and continued to work in the bureau as an Investigations Lieutenant.

During his career, Dan has worked a number of assignments. While assigned to patrol, he was the shift commander in one of the largest precincts in the city with over 100,000 residents. In this role, he was responsible for all the field operations in the precinct.

Dan was assigned to supervise the PSB Inspections Unit where he worked for eleven years. As the Inspections Lieutenant, he was responsible for completing all internal police audits, acting as the liaison with the City Auditor for all city audits of the police department, operation of the Police Risk Management Unit, project manager for the creation and implementation of the department's Early Intervention System, operations of the Mayor's Security Detail and oversight for the PSB Administrative Staff.

During his tenure in the Inspections Unit, internal police audits were completed in accordance with the Commission on Accreditation for Law Enforcement (CALEA) schedule for police department audits. These standards require an audit of all major department components every three years, at the time the department had 28 major components. As a part of the CALEA audit schedule, Dan and his staff completed numerous audits of all major operations of the Phoenix Police Department. This included on going proactive inspections as well as annual audits of the property and evidence facility of the Phoenix Police Department, which contains over 1.5 million items.

Dan is a founding member of the International Law Enforcement Auditors Association (ILEAA) and served as the president of that organization for two years. He is a member in good standing with the International Law Enforcement Auditors Association (ILEAA), the Institute of Internal Auditors (IIA), is a Certified Law Enforcement Auditor (CLEA) and has a Masters degree from Northern Arizona University.

**Role in this engagement:** Dan will be responsible for all administrative issues regarding the contract and the completion of the report. Dan will assist on site with observations and interviews , and will provide subject matter expert input regarding law enforcement auditing / operations and final review of the audit report.

**Primary Consultant: Kim Humphrey (Project Manager)**

Kim Humphrey retired after 31 years with the Phoenix Police Department. He was a commander for over 15 years and served in a number of assignments. For the last four years of his career, Mr. Humphrey served as the full-time Project Manager for the department's multi-million-dollar RMS Modernization Initiative.

Kim also was the commander over the Professional standards unit and oversaw dozens of police audits including those on overtime and staffing issues. In addition, he spent three years as the Executive Director of the Arizona Regional Community Policing Institute, and worked with hundreds of agencies and conducted numerous overall agency assessments. Kim also oversaw the Phoenix police department's communications center for several years, and is deeply familiar with communications and law enforcement procedures.

He also has formal project management training and has worked as a consultant on a number of assessments/projects of law enforcement agencies in the US.

**Role in this engagement:** Kim will be the project manager and main point of contact with the City of San Luis and San Luis Police Department. He will conduct on-site observations / interviews and author sections of the report.

**Secondary Consultant: Mike Giammarino, CLEA**

Mike is a Lieutenant with the Phoenix Police Department, where he has worked for 25 years. For nine years he was a sergeant assigned to the Inspections Unit. Mike has authored numerous audits and non-audit reports and was instrumental in the design/implementation and oversight of the Patrol and Case Management Proactive Inspection programs.

Currently, Mike directs the Professional Standards Bureau Inspections Unit. As the Inspections Unit Lieutenant, he is responsible for completing all internal police audits and acts as the liaison with the City Auditor and for all City Audits of the police department. Internal police audits are completed in accordance with the Commission on Accreditation for Law Enforcement (CALEA) schedule. These standards require an audit of all major department components every three years. Mike and his staff also complete annual audits, as well as ongoing inspections, of the property/evidence facility.

Mike has a Bachelor of Science degree in Justice Studies and a Masters Degree in Public Administration from Arizona State University. He is a founding member of ILEAA and is a Certified Law Enforcement Auditor (CLEA).

**Role in this engagement:** Mike will conduct on-site observations / interviews and author sections of the report.

**Technical Consultant: Jack Harris, Retired Phoenix Police Chief, Law Enforcement Consultant**

Jack Harris retired after 39 years with the Phoenix Police Department, where he started his career as a patrol officer, working numerous assignments before becoming Police Chief. As the Police Chief he led a department that consisted of over 3500 sworn police officers and a support staff of 1100 civilian positions with an annual budget of over half a billion dollars. After retiring he was asked to return to become a Deputy City Manager with the title of Public Safety Manager. In this position he continued to serve as Police Chief but took on the added responsibility of leadership of the City of Phoenix Emergency Management team as well as having direct oversight of all public safety entities in the City of Phoenix.

Jack is a graduate of Phoenix College, Arizona State University, Ottawa University, the Federal Bureau of Investigations National Academy and the FBI National Executive Institute. He has received numerous awards including lifetime achievement awards from the Governor of Arizona and the Fraternal Order of Police and received the Leadership award for 2012 from the Police Executive Research Forum in Washington, DC. Jack is also a respected instructor on police subjects and has taught a variety of subjects at the local, state, national and international level including teaching new police officers SWAT tactics in Somalia.

Following his retirement in 2011, Jack has worked as a law enforcement consultant, working with a number of agencies to include the US Department of Justice. He also is a nationally recognized police expert and renders opinions, and testifies, on police topics, such as police procedures, and use of force issues.

**Role in this engagement:** Jack will provide subject matter expert input regarding law enforcement operations and review the report.

**Technical Consultant: Erin J. Kenney, CIA, CFE, CGAP, CLEA**

Erin is the Departmental Audit Manager for the Los Angeles Fire and Police Pension Fund with over \$18 billion in assets. Prior to joining the Fund in 2010, Erin was the Acting Commanding Officer of the Los Angeles Police Department's award-winning Audit Division and was responsible for leading the unit beyond a federal Consent Decree and to international recognition for best practices in police auditing and training.

Erin is a recipient of the American Society for Public Administration's Henry Reining Award; a past President of the International Law Enforcement Auditors Association; an active member of the Institute of Internal Auditors, the Association of Public Pension Fund Auditors, the Association of Certified Fraud Examiners; and serves on the Association of Local Government Auditors' Peer Review Committee.

A certified instructor for the California Peace Officer Standards and Training Robert Presley Institute of Criminal Investigation, she has developed and continues to conduct police auditing training to both sworn law enforcement and civilian audit professionals. Erin obtained a Bachelors Degree in Political Science from the University of Southern California.

**Role in this engagement:** Erin will provide subject matter expert input regarding law enforcement auditing / operations and review the report.

**List of Clients**

In addition to the clients listed below, since 1999, our staff has conducted a number of audits of all the major components of the Phoenix Police to include ongoing proactive inspections and annual audits of the Phoenix Police Department property facility. Ms. Kenney has conducted a number of audits of the various components of the Los Angeles Police Department (LAPD)

In each of the engagements listed below we demonstrated our ability to meet schedule guidelines without delay, cost escalations or overruns and vendor claims.

**Previous Law Enforcement Engagements**

<i>Dates</i>	<i>Company Name &amp; Location</i>	<i>Contact Person</i>	<i>Description of Services Provided</i>
2017	Watsonville CA. PD	David Honda, Police Chief Watsonville Police Department 215 Union St. Watsonville, CA 95076 831-471-1151 <a href="mailto:david.honda@cityofwatsonville.org">david.honda@cityofwatsonville.org</a>	Property and Evidence assessment, to include staffing assessment
2017	Gila River PD (AZ)	Kathleen Elliot Police Chief <a href="mailto:Kathleen.Elliott@gric.nsn.us">Kathleen.Elliott@gric.nsn.us</a>	Property and Evidence assessment, to include staffing assessment
2017	Goodyear AZ. PD	Jerry Geier Police Chief (623) 932-1220 <a href="mailto:jgeier@goodyear.gov">jgeier@goodyear.gov</a>	Property and Evidence assessment, to include staffing assessment
2017	Highland Park TX. Department of Public Safety	Rick Pyle, Chief Highland Park Department of Public Safety 214-559-9450	Property and Evidence assessment, to include staffing assessment
2016	Watsonville CA. PD	David Honda, Police Chief Watsonville Police Department 215 Union St. Watsonville, CA 95076 831-471-1151 <a href="mailto:david.honda@cityofwatsonville.org">david.honda@cityofwatsonville.org</a>	Assessment of Internal Affairs and Use of Force Policies and Procedures

<i>Dates</i>	<i>Company Name &amp; Location</i>	<i>Contact Person</i>	<i>Description of Services Provided</i>
2016	Pueblo CO. PD	Sam Azad, City Manager City of Pueblo, Colorado 1 City Hall Pl 2nd Floor Pueblo, CO 81003 Ph: 719-553-2655 <a href="mailto:sazad@pueblo.us">sazad@pueblo.us</a>	Police Overtime Audit
2016	Cottonwood AZ. PD	Steve Gesell, Chief of Police Attn: Commander Gary Eisenga Cottonwood Police Department 199 S 6th Street Cottonwood, AZ 86326 928-634-4246 <a href="mailto:geisenga@cottonwoodaz.gov">geisenga@cottonwoodaz.gov</a>	Property and Evidence assessment, to include staffing assessment
2016	Sedona AZ. PD	Ron Wheeler, Interim Police Chief 100 Roadrunner Dr. Sedona, AZ 86336 (928) 282-3102 <a href="mailto:RWheeler@sedonaaz.gov">RWheeler@sedonaaz.gov</a>	Property and Evidence assessment, to include staffing assessment
2015	Huntington Beach CA. PD	Rob Handy, Police Chief Huntington Beach Police Department 2000 Main Street Huntington Beach, CA 92648 (714) 960-8843 <a href="mailto:Robert.Handy@hbpd.org">Robert.Handy@hbpd.org</a>	Communications assessment to include staffing levels and overtime use.
2015	Huntington Beach CA. PD	Rob Handy, Police Chief Huntington Beach Police Department 2000 Main Street Huntington Beach, CA 92648 (714) 960-8843 <a href="mailto:Robert.Handy@hbpd.org">Robert.Handy@hbpd.org</a>	Case management assessment to include staffing levels and case loads
2015	Little Rock Arkansas PD	Mary Cook, Lieutenant Project Coordinator (501) 918-4283 <a href="mailto:MCook@littlerock.org">MCook@littlerock.org</a>	Property and Evidence assessment, to include staffing assessment

<i>Dates</i>	<i>Company Name &amp; Location</i>	<i>Contact Person</i>	<i>Description of Services Provided</i>
2014	Navajo Nation Criminal Investigations Division	Harry Sombrero, Capt. Navajo Nation Criminal Investigations Division (928) 871-6390/6152 (No longer the Acting Director)	Assessment of Case Management in all 7 districts in the Navajo Nation, to include staffing levels.
2014	Casa Grande AZ. PD	Johnny Cervantes, Police Chief 373 E. Val Vista Blvd Casa Grande, AZ. 85122 (520) 421-8700 (No longer the Chief)	Case management assessment to include staffing levels and caseloads /follow up 2013 assessment
2014	Huntington Beach CA. PD	Rob Handy, Police Chief Huntington Beach Police Department 2000 Main Street Huntington Beach, CA 92648 (714) 960-8843 <a href="mailto:Robert.Handy@hbpd.org">Robert.Handy@hbpd.org</a>	Property and Evidence assessment, to include staffing assessment
2013	Hayden AZ. PD	Bill Leister, Town Manager Town of Hayden, AZ (520) 356-7801 (No longer the Town Manager)	Organizational Assessment to include staffing analysis
2013	Casa Grande PD	Johnny Cervantes, Police Chief 373 E. Val Vista Blvd Casa Grande, AZ. 85122 (520) 421-8700 (No longer the Chief)	Sex Crimes Case management assessment to include staffing levels and caseloads
2012	Goodyear PD	Jerry Geier Police Chief (623) 932-1220 <a href="mailto:jgeier@goodyear.gov">jgeier@goodyear.gov</a>	Property and Evidence assessment, to include staffing assessment

## **Project Approach**

### ***General Methodology***

As the Prime Contractor, LD Consulting LLC will ensure that all aspects of the execution of the project are well coordinated and that project deliverables are of a consistent format and quality. Utilizing a combination of dedicated project management resources, we carefully monitor project performance and assure successful outcomes. The Project

Manager also works as a part of the data collection and analysis team so that complex interrelationships are captured and documented in the resulting project deliverables. Our project management approach allows LD Consulting LLC to deliver projects on time, within budget, with maximum quality and with assured client satisfaction.

The team assembled for this project is comprised of skilled resources with the expertise and hands-on experience to perform the work for the duration of the project. In addition to the team members identified in this proposal, we have a pool of additional resources available to support the project as needed. We bring the best mix of capabilities to provide the SLPD with a comprehensive approach toward planning and successfully completing this project.

In responding to the scope provided, we have applied our proven methodology used in law enforcement related projects. Fundamentally, our approach is built on core Project Management principles for successfully managing these types of projects. We have infused industry best-practices and lessons-learned that leverages project management fundamentals while maximizing our experience in law enforcement assessments.

Based on the information in the scope provided and our experience, LD Consulting is confident we are the best qualified to provide sound, independent and objective advice to the City of San Luis and the SLPD regarding this project. Using our framework, we have developed the following approach for this project.

## ***PHASE I: PROJECT KICKOFF AND PROJECT PLAN DEVELOPMENT***

### **Task I-1: Project Plan Development**

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If selected to work on this project, LD Consulting will consult with key project participants and the project will officially begin. This initial consultation will be conducted by conference call to reduce expenses. Relevant documents needed for phase II would be discussed as well as other issues related to logistics and other details as needed. Based on this initial consultation call, the program will be further developed as needed and within the scope of the project. A project liaison for the SLPD will be designated at this time.

### **Task I-2: Comprehensive Needs Analysis**

This task involves the identification, review and thorough validation of all relevant existing documentation, such as: legislation, governmental agreements (ie. labor agreements), policies, any previous analyses, audits, or organizational reviews regarding the SLPD property and evidence facility and or procedures. This needs assessment will be based on electronic copies (when possible) of the above listed information forwarded to LD Consulting.

### **Task I-3: Project Program Development**

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The Program outlines the procedures to be utilized to conduct the assessment of existing SLPD property and evidence policies and procedures and governs the manner and conditions that guide the project from beginning to end, serving as “the project’s blueprint”. This is specific to the nuances of the engagement, including the following

elements:

- Identifying key project stakeholders in the processes
- Refining the project's scope, objectives, plans, and requirements as needed.
- Determining various users' level of participation, roles and responsibilities.
- Developing an understanding of the nature of operating relationships amongst the affected work units, various employees and entities participating in the engagement.

PHASE II: Comprehensive Needs Assessment

### **Task II-1: Initial meeting**

---

Typically, the initiation of the onsite assessment is intended to achieve the following:

- Personally, introduce the key LD Consulting project participants.
- Enable the key project stakeholders to discuss the engagement.
- Identify facility location(s), and access controls.
- Exchange relevant documentation (policies procedures etc.).
- Review methodology and logistical issues for clarification as needed.
- Confirm SLPD liaisons for the project and communication protocols.

### **Task II-2: Information Collection, Observations and Interviews**

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During this task, we will undertake a thorough analysis of the existing environment.

**The following tasks will be completed and documented in the report.**

- Review and observation of existing Department Policy and Procedures to include Interviews with SLPD staff and other department or City personnel as warranted.
- Site visits of the SLPD Facilities.

***PHASE III: Analysis and report/s preparation***

### **Task III-1: Project Criteria**

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#### **Scope**

Based on information provided by the SLPD the following objectives and scope have been developed for consideration for the assessment. The scope for this project is to conduct an organizational assessment of the SLPD to identify compliance or noncompliance with law enforcement best practices, policies, and procedures. The assessment will also evaluate efficiency and effectiveness of SLPD operations. The criteria for the assessment is as follows:

## **Scope / Criteria**

### SECTION A: Patrol Operations

1. Staffing
2. Supervision
3. Equipment
4. Facilities

### SECTION B: Case Management / Investigations

1. Investigations
  - a. Violent Crimes
  - b. Property Crimes
  - c. Task force participation
2. Canine
3. School Resource Officer
4. Animal Control

### SECTION C: Administration

1. Communications
2. Evidence
3. Administration Coordinator

## **Analysis and draft report preparation:**

At the conclusion of the site visits assessors will conduct an analysis of all the information gathered in the assessment and complete a draft report and submit it to the Police Chief for review. The assessment will contain observations that may include identification of best practices, potential cost savings and recommendations as warranted. It is anticipated that the draft report will be completed and submitted to the Chief in three to four weeks after the last day of on-site field observations.

## ***PHASE IV: Final Report***

Upon approval of the draft report by the Police Chief a final report will be presented to the Police Chief with a presentation to the San Luis City Council.

**Value for Fees:**

LD Consulting is eager to develop a professional relationship with the San Luis Police Department. Based on an analysis of the above information and anticipated deliverables our group will conduct an assessment of the SLPD property room for a total fee of \$27,850.00

**Terms:**

One half of contract fee is due prior to the start of the assessment; the date this payment is received by LD Consulting LLC will be considered the start date for the assessment.

The remaining one half of the contract fee is due upon receipt of the final report by the Police Chief, or 45 days after receipt of the digital version of the draft by the SLPD. If there are ongoing concerns that cannot be resolved during the 30-day draft review time period, payment terms may be negotiated based on the resolution of concerns. *Lastly, we are flexible in terms of negotiating a mutually beneficial arrangement.*

**Time Frame**

Based on the scope provided it is anticipated that the on-site field work will take 4 days. It is anticipated the draft report will be provided four to six weeks after the final day on-site observations are completed.

**Appendix A: Letter of good standing from AZ. Corporation Commission**

**Appendix B: W-9 LD Consulting LLC**

# STATE OF ARIZONA



Office of the  
**CORPORATION COMMISSION**

**CERTIFICATE OF GOOD STANDING**

To all to whom these presents shall come, greeting:

I, Jodi A. Jerich, Executive Director of the Arizona Corporation Commission, do hereby certify that

**\*\*\*LD CONSULTING LLC\*\*\***

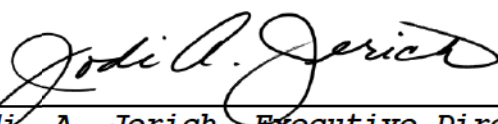
a domestic limited liability company organized under the laws of the State of Arizona, did organize on the 25th day of August 2011.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said limited liability company is not administratively dissolved for failure to comply with the provisions of A.R.S. section 29-601 et seq., the Arizona Limited Liability Company Act; and that the said limited liability company has not filed Articles of Termination as of the date of this certificate.

This certificate relates only to the legal existence of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 8th Day of March, 2013, A. D.



  
\_\_\_\_\_  
Jodi A. Jerich, Executive Director

By: \_\_\_\_\_ 881581

## Request for Taxpayer Identification Number and Certification

**Give Form to the  
requester. Do not  
send to the IRS.**

Print or type See Specific Instructions on page 2.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. <b>LD Consulting LLC</b>	
	2 Business name/disregarded entity name, if different from above	
	3 Check appropriate box for federal tax classification; check <b>only one</b> of the following seven boxes: <input checked="" type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <b>Note.</b> For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. <input type="checkbox"/> Other (see instructions) ▶ _____	
	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>	
	5 Address (number, street, and apt. or suite no.) <b>6635 W. Happy Valley Rd. Suite A104, # 263</b>	Requester's name and address (optional)
	6 City, state, and ZIP code <b>Glendale, AZ. 85310</b>	
	7 List account number(s) here (optional)	

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

**Note.** If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

<b>Social security number</b>									
<b>or</b>									
<b>Employer identification number</b>									
4	5	-	3	8	4	8	0	3	8

**Part II Certification**

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

<b>Sign Here</b>	Signature of U.S. person ▶	Date ▶ <b>8/5/2016</b>
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**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at [www.irs.gov/fw9](http://www.irs.gov/fw9).

**Purpose of Form**

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
  - Form 1099-C (canceled debt)
  - Form 1099-A (acquisition or abandonment of secured property)
- Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.
- If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding? on page 2.*
- By signing the filled-out form, you:
- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
  - Certify that you are not subject to backup withholding, or
  - Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
  - Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

**Elite Performance  
Assessment Consultants, LLC**

**Command Accountability  
Management Assessment Proposal  
for the San Luis Police Department**

October 30, 2017





October 30, 2017

Chief Richard Jessup  
San Luis Police Department  
1030 E. Union Street  
San Luis, AZ 85349  
E-mail: [rjessup@cityofsanluis.org](mailto:rjessup@cityofsanluis.org)

RE: Command Accountability Management Assessment Proposal for the San Luis, Arizona, Police Department

As President of Elite Performance Assessment Consultants, LLC, I am pleased to provide you with our Command Accountability Management Assessment Proposal for the San Luis Police Department. I am enclosing documentation outlining our qualifications, experience and cost proposal.

Mr. Sergio Sais, Director of Auditing, will serve as the point of contact for the company and below you will find his contact information.

We look forward to hearing from you soon, thank you.

**Elite Performance Assessment Consultants, LLC**  
**Mr. Sergio Sais, MPA, CGAP, CFE, CLEA**  
**Director of Auditing**  
**880 Hampshire Road, Suite "X"**  
**Thousand Oaks, CA 91362**  
**Mobile: (818) 455-6787**  
**E-mail: [srsais@elitepacllc.com](mailto:srsais@elitepacllc.com)**

Sincerely,

A handwritten signature in black ink, appearing to read "Randy Khatami". The signature is stylized with a large, sweeping flourish that extends to the right.

Randy Khatami, CFE, CFS, CLEA, CRMA  
President

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## I. SUMMARY OF FIRM EXPERIENCE AND ASSESSMENT CONSIDERATIONS

Elite Performance Assessment Consultants, LLC (EPAC) is honored to submit its proposal to provide a Command Accountability Management Assessment (CAMA) for the San Luis, Arizona, Police Department. Elite Performance Assessment Consultants hereby proposes a team of EPAC professional law enforcement auditors and consultants qualified in conducting this assessment.

Elite Performance Assessment Consultants brings a wide array of law enforcement expertise in assessing and monitoring high-risk public safety operations. It brings extensive experience specific to CAMA using Generally Accepted Government Accountability Standards. This firm has conducted CAMA for several law enforcement agencies.

Elite Performance Assessment Consultants will evaluate the following functions and procedures:

### A. Policy

- i. Policy Making Process
- ii. Department Manual
- iii. Specialized Unit Manuals
- iv. Orders

### B. Organizational Chart

- i. Management
  1. Review of current supervisor and management practices
- ii. Professional Standards
  1. Review of Complaint Investigation process
    - a. Intake
    - b. Investigations

### C. Deployment

- i. Number of Patrol Officers
  1. Distribution of patrol officers during the week
- ii. Number of Investigative Personnel

### D. Work Load

- i. Number of calls for service
- ii. Number/Percentage of High Priority Calls
  1. Distribution of calls by day and time
- iii. Number of Percentage of Low Priority Calls
  1. Distribution of call by day and time
- iv. Number/Percentage of investigations

## E. Training

- i. AZ POST training
- ii. In-Service training

## F. Record Systems

- i. Record keeping
- ii. Records Retention

## G. Patrol Functions

- i. Detentions
- ii. Arrests
- iii. Use of Force
- iv. Digital in-car Video
- v. Body-worn Video

## H. Investigative Functions

- i. Vehicle Theft
- ii. Burglary
- iii. Crimes Against Persons
- iv. Domestic Violence
- v. Homicide
- vi. Juvenile
- vii. Sexual Assault
- viii. Search Warrants

## I. Property/Evidence Room

- i. To determine that the property room function was managed/operated effectively and efficiently.
- ii. To evaluate compliance with:
  1. County, state, and/or federal laws and regulations
  2. Department policies, procedures and guidelines concerning property inventory
- iii. To determine that all property and evidence was stored safely and adequately safeguarded from loss, fraud, or other mishandling.
- iv. To ascertain that complete and accurate records of all property and evidence including chain of custody were maintained.
- v. To ascertain that adequate application controls were in place and operating effectively.

J. Community Policing and Engagement

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- i. Community meetings attendance
- ii. Developing mechanisms to measure community policing and problem-solving activities.

## II. QUALIFICATIONS OF IDENTIFIED TEAM MEMBERS

The EPAC audit team includes the following auditors:

### **Sergio Sais – Project Manager**

Mr. Sergio Sais is the Director of Auditing and a co-founder of the firm. He is a professional law enforcement auditor and a Police Performance Auditor IV with the Los Angeles Police Department's (LAPD) Audit Division (AD). He conducted the following Consent Decree Audits; Use of Force, Complaint Investigations, Search Warrants and Gang Enforcement Detail Selection. Additionally, he was responsible for coordinating and directing the LAPD's response to the Inspector General's and Independent Monitor's inquiries regarding these audits. Mr. Sais has also provided auditing and consulting services to the Los Angeles Fire Department's Arson and Counter-Terrorism Section (ACTS), where he conducted audits to determine the quality of ACTS's arson investigations. He also provided assistance in developing procedures for streamlining supervisory oversight of the investigations.

Mr. Sais' previous work experience includes over 20 years as a law enforcement professional (LAPD) who specialized in incident command system training, command post operations, and major incident response. Mr. Sais has also instructed for the Los Angeles Police Department's Basic Law Enforcement Performance Auditing Course where he taught civilian auditors and sworn personnel from throughout the United States and Canada all aspects of law enforcement auditing. He was also the Director of the Los Angeles City Department of Water and Power Security Division responsible for commanding their uniform and investigative sections.

Mr. Sais obtained his Bachelor's Degree in Public Administration from the University of Southern California, a Master's degree in Public Administration from California State University at Northridge, and holds the following professional certifications; Certified Government Auditing Professional (CGAP), Certified Fraud Examiner (CFE), Certified Law Enforcement Auditor (CLEA).

### **Randall Khatami – Assistant Project Manager**

Mr. Khatami is the President of EPAC, and a consultant specializing in law enforcement auditing and internal investigations. Currently, Mr. Khatami oversaw the EPAC audit team that conducted internal audits related to the Negotiated Settlement Agreement (NSA) between Delphine Allen, et al. (plaintiff) and the City of Oakland, et al. (defendant). These audits included search warrants, community relations, complaint

investigations, internal affairs selection process, performance evaluations, Oleoresin Capsicum Inventory and review of the Oakland Police Department's policies and procedures.

Mr. Khatami has completed complex audits relating to the LAPD consent decree in the areas of search warrants, uses of force, arrest, booking and charging reports, complaint investigations, performance evaluations, racial profiling, command accountability, confidential informants, and Gang Enforcement Detail selection criteria. He has also reviewed LAPD policies and procedures.

Mr. Khatami is an expert in auditing officer-involved shootings. In the past 10 years, he has audited more than 300 officer-involved shooting investigation reports and has made numerous recommendations to enhance LAPD's officer-involved shooting investigative process.

As the President of EPAC, Mr. Khatami has also provided consulting and auditing services for Riverside Police Department, Atlanta Police Department, and Nashville/Davidson County Police Department.

Mr. Khatami is a certified California Commission on Peace Officer Standards and Training (POST)/Robert Pressley Institute of Criminal Investigation (ICI) instructor, wherein he instructs Police Performance Auditing. As a member of the LAPD Basic Law Enforcement Performance Auditor Course (BLEPAC) instructor cadre, he provided instruction to approximately 40 different law enforcement agencies, including the California Highway Patrol, Detroit, Oakland, San Jose, Denver, Indianapolis, Phoenix, Portland Police Departments, Calgary and Edmonton Canada Police Services, and San Diego Sheriff's personnel.

Mr. Khatami teaches at EPAC's Advanced Auditors Course providing instruction for police managers and civilian oversight professionals from agencies as diverse as the California Highway Patrol, New Orleans Office of the Independent Monitor, Oakland Police Department and Westminster Police Department.

Mr. Khatami received his Bachelor of Science degree in Psychology from California Lutheran University. He is a Certified Fraud Examiner (CFE), a Certified Fraud Specialist (CFS), Certification on Risk Management Assurance (CRMA) and a Certified Law Enforcement Auditor (CLEA). Mr. Khatami is a graduate of the Los Angeles County Sheriff's Department, Deputy Leadership Institute.

#### **Arthur Miller – Executive Advisor**

Chief Miller is a Senior Law Enforcement Expert for EPAC. Currently, he is the Chief of Police of the South Pasadena, California, Police Department (SPPD) and has over 35 years of law enforcement experience. Prior to becoming the chief of SPPD, Chief Miller retired from the LAPD as a captain. His experience as a staff and command officer is

vast, with a wide variety of experience in human resources, emergency operations, training, department media spokesperson and professional standards.

As a captain with the LAPD, Chief Miller was the Patrol Commanding Officer of Hollywood Area. He commanded the uniform police officers, worked with community members to establish a permanent foot beat in the established Entertainment District in Hollywood. He was also responsible for providing law enforcement services to a 10-square mile area with a diverse population of approximately 200,000. Chief Miller then transferred to the LAPD's Southwest Area as the Patrol Commanding Officer.

Chief Miller was then assigned as the Assistant Commanding Officer of LAPD's Metropolitan Division, where his command responsibility involved managing several specialized units that included special weapons and tactics (SWAT), K-9, Horse Mounted Unit, Under Water Dive Unit, Crime Suppression Platoons, Administrative Operations, Security Details for the Chief of Police, Mayor and City Attorney, Cadet Program and the Crime Analysis Detail.

Chief Miller's educational background includes a Master's Degree in Organizational Leadership from Woodbury University and an Undergraduate Degree in Business Administration from the University of Phoenix. He also attended numerous specialized training courses, which include Certificate-Emergency Response to Critical Incident, Command Post; Graduate-FBI National Academy; Graduate-California Commission on POST Supervisory Leadership Institute; West Point Leadership Program; POST Management School; POST Supervisory Leadership Institute, Instructor Course; Juvenile Procedures; Advanced Field Officers Course; Supervisory Development Course; Tactical Communications Course; Interview and Interrogation Course; Civil Unrest Response; Quality Leadership Seminar; Sexual Harassment; Watch Commander School; Cultural Awareness; Standardized Emergency Management Systems; Problem Oriented Policing; Affirmative Action for Supervisors; Informant Management and Control; Ethical Decision Making; Tools for Tolerance; Retaliation Prevention; Incident Command System; Bicycle School; and, Urban Police Rifle.

Chief Arthur Miller was also the recipient of LAPD's top three prestigious awards for heroism. He is a recipient of the Police Star, Police Medal and the department's highest award, the Medal of Valor. He was the only officer on the LAPD to receive all three of the department's highest awards.

#### **Dawn Reynolds – Legal Advisor**

Ms. Reynolds is the Vice President of EPAC. She brings to the project expertise in several key areas relevant to conducting CAMA's. These include criminal law, civil rights, working with civilian oversight systems and performance auditing. She currently serves as the Treasurer and at-large board member for the National Association for Civilian Oversight of Law Enforcement (NACOLE) and is a Certified Practitioner of Oversight (CPO). She has chaired and/or co-chaired the Conference Committee, the Finance Committee, the Scholarship Committee. As chair of the NACOLE Strategic Planning Committee, she worked to develop best practices and ongoing regional training

and national training in legal standards applicable to police oversight. Much of her work has involved providing useful resources for communities working to establish effective oversight and newly established oversight systems. She researched and created a set of Frequently Asked Questions about oversight and led a team in creating a set of definitions, based primarily on current federal legal standards and consent decrees, for use in civilian oversight practitioners. She currently chairs the Membership Engagement and Development Committee for NACOLE.

Ms. Reynolds is an experienced attorney, mediator, auditor and training instructor. She has served as a municipal court judge in Washington State and is a judge pro tem and justice of the peace in two rural communities in Oregon. Her work has included eliminating backlogs of criminal misdemeanor cases and supporting drug courts, and community service programs. She is experienced in auditing and reviewing internal affairs investigations, civilian complaint systems, community policing, problem-oriented policing, SARA, critical force incidents, warrants, arrests and use of force. She has conducted audits for the City of Eugene, the Oakland Police Department and the King County Sheriff's Department in Seattle.

She served on the federal criminal appeals panels in the states of Oregon and Washington and handled direct appeals and habeas petitions. Her criminal legal background also includes working with three federally recognized Indian tribes. While in private practice, she served as an American Civil Liberties Union (ACLU) cooperating attorney representing individuals and groups in civil litigation and administrative appeals against government entities including municipal governments, school districts, public hospitals and universities.

She is a skilled mediator. She has taught Alternative Dispute Resolution at the University of Idaho and has taught Evidence and Criminal Procedure in the Criminal Justice program at Washington State University. She is certified through the California Commission on Peace Officer Standards and Training (POST)/Robert Pressley Institute of Criminal Investigation (ICI) instructor, wherein she instructs Police Performance Auditing and Presenting Courtroom Evidence.

She holds a Bachelor of Arts and Master of Arts degrees from the University of Washington (summa cum laude) and earned her Juris Doctor (JD) from the University of Idaho (Honors). She received her certification in mediation from the University of Washington Law School in 1994. Ms. Reynolds has a Certified Law Enforcement Auditor (CLEA) designation from the Internal Law Enforcement Auditors Association (ILEAA). She is currently going through the process of becoming an ordained Deacon in the Episcopal Diocese of Oregon.

#### **Christopher Figueroa – Assessment Advisor**

Dr. Figueroa is the Director of Training for EPAC, and a consultant specializing in law enforcement auditing and internal investigations. He is a retired Police Detective III with the LAPD, AD. Dr. Figueroa was the Officer-in-Charge of the Audit Training Section at AD.

Dr. Figueroa had 33 years with the LAPD and was assigned to patrol, field training officer, traffic collision investigator, background investigator, field detective, detective training, and an internal auditor. He has completed complex audits with several law enforcement agencies relating in the areas of search warrants, community relations, personnel evaluations, investigative operations, complaint investigations, confidential informants, crime classification, property and evidence room assessments, and Gang Enforcement Detail selection criteria.

Dr. Figueroa conducted internal audits related to the Negotiated Settlement Agreement (NSA) between Delphine Allen, et al. (plaintiff) and the City of Oakland, et al. (defendant). These audits included search warrants, community relations, complaint investigations, internal affairs selection process, performance evaluations, Oleoresin Capsicum Inventory and review of the Oakland Police Department's policies and procedures.

Dr. Figueroa received his Bachelor of Science degree in Business Administration and Management from the University of Phoenix. He received his Master of Arts degree in Behavioral Science, Conflict Negotiation and Resolution from California State University, Dominguez Hills. He is a Doctor of Public Administration from the University of La Verne with an emphasis in the field of law enforcement performance auditing and organizational development.

Dr. Figueroa is a CGAP, CFE, CFS, CRMA and CLEA. He was a member of the instructional staff of the Association of Certified Fraud Specialists (ACFS) and an advisory board member of the International Law Enforcement Auditor Association (ILEAA). He has lectured in the field of auditing for the ACFS and ILEAA.

Dr. Figueroa was the instructional designer of the first BLEPAC in the United States that is certified by California POST, and the Michigan Commission on Law Enforcement Standards (MCOLES). This course was presented by the LAPD, and iterations were presented to the DPD and CHP, wherein Mr. Figueroa was the course administrator. He was also responsible for the development of the same course presented to the San Jose Police Department by San Jose State University's Administration of Justice Bureau. Dr. Figueroa is also the instructional designer of the first Advanced Law Enforcement Auditor Course for Executives and Managers in the United States, certified by California POST.

He is a certified POST/ICI instructor and a graduate of the California POST Master Instructor Development Program (MIDP). Dr. Figueroa graduated from the Technology, Training Design and Development Course at the University of Southern California (USC). He has received numerous awards as a trainer and auditor.

III. PROPOSED COST

Below is the attached CAMA Cost Proposal.

ASSESSMENT ITEMS	HOURS REQUIRED	COST PER HOUR	COST
Review/Assessment	40	\$150	\$6,000.00
Report Writing	6	\$150	\$ 900.00
<b>Total Cost:</b>			<b>\$6,900.00</b>

Table 1: Policy

ASSESSMENT ITEMS	HOURS REQUIRED	COST PER HOUR	COST
Review/Assessment	6	\$150	\$ 900.00
Report Writing	2	\$150	\$ 300.00
<b>Total Cost:</b>			<b>\$1,200.00</b>

Table 2: Organizational Chart

ASSESSMENT ITEMS	HOURS REQUIRED	COST PER HOUR	COST
Review/Assessment	16	\$150	\$2,400.00
Report Writing	4	\$150	\$ 600.00
<b>Total Cost:</b>			<b>\$3,000.00</b>

Table 3: Deployment

ASSESSMENT ITEMS	HOURS REQUIRED	COST PER HOUR	COST
Review/Assessment	20	\$150	\$3,000.00
Report Writing	4	\$150	\$ 600.00
<b>Total Cost:</b>			<b>\$3,600.00</b>

Table 4: Work Load

ASSESSMENT ITEMS	HOURS REQUIRED	COST PER HOUR	COST
Review/Assessment	16	\$150	\$2,400.00
Report Writing	4	\$150	\$ 600.00
<b>Total Cost:</b>			<b>\$3,000.00</b>

Table 5: Training

ASSESSMENT ITEMS	HOURS REQUIRED	COST PER HOUR	COST
Review/Assessment	16	\$150	\$2,400.00
Report Writing	4	\$150	\$ 600.00
<b>Total Cost:</b>			<b>\$3,000.00</b>

*Table 6: Record Systems*

ASSESSMENT ITEMS	HOURS REQUIRED	COST PER HOUR	COST
Review/Assessment	32	\$150	\$4,800.00
Report Writing	6	\$150	\$ 900.00
<b>Total Cost:</b>			<b>\$5,700.00</b>

*Table 7: Patrol Functions*

ASSESSMENT ITEMS	HOURS REQUIRED	COST PER HOUR	COST
Review/Assessment	32	\$150	\$4,800.00
Report Writing	6	\$150	\$ 900.00
<b>Total Cost:</b>			<b>\$5,700.00</b>

*Table 8: Investigative Functions*

ASSESSMENT ITEMS	HOURS REQUIRED	COST PER HOUR	COST
Review/Assessment	24	\$150	\$3,600.00
Report Writing	6	\$150	\$ 900.00
<b>Total Cost:</b>			<b>\$4,500.00</b>

*Table 9: Property/Evidence*

ASSESSMENT ITEMS	HOURS REQUIRED	COST PER HOUR	COST
Review/Assessment	24	\$150	\$3,600.00
Report Writing	6	\$150	\$ 900.00
<b>Total Cost:</b>			<b>\$4,500.00</b>

*Table 10: Community Policing*

ASSESSMENT	TOTAL HOURS REQUIRED	COST PER HOUR	COST PER ASSESSMENT
1. <i>Policy</i>	46	\$150	\$6,900.00
2. <i>Organizational Chart</i>	8	\$150	\$1,200.00
3. <i>Deployment</i>	20	\$150	\$3,000.00
4. <i>Workload</i>	24	\$150	\$3,600.00
5. <i>Training</i>	20	\$150	\$3,000.00
6. <i>Records Systems</i>	20	\$150	\$3,000.00
7. <i>Patrol Functions</i>	38	\$150	\$5,700.00
8. <i>Investigative Functions</i>	38	\$150	\$5,700.00
9. <i>Property/Evidence</i>	30	\$150	\$4,500.00
10. <i>Community Policing</i>	30	\$150	\$4,500.00
<b>Total Hours:</b>	<b>274</b>	<b>Total Cost:</b>	<b>\$41,100.00</b>

Table 11: Total Charges



**City of San Luis  
Budget Adjustment Form**

**Reason for Budget Adjustment:**

Budget required to fund professional fees for Internal Audit at Police Department.

3 Quotes attached to this request.

Account Number	Account Name	Amended Budget FY17/18	Budget to be revised (Add to)	Budget to be decreased (taken from)	Available Balance Budget FY 17/18
250-181-60025.102	Uniforms - Impound	10,000.00		5,000.00	5,000.00
250-181-60035.102	Minor Tools/Equipment Supplies - Impound	22,000.00		16,000.00	6,000.00
250-181-60040.102	Miscellaneous - Impound	16,000.00		9,000.00	7,000.00
<b>250-181-00001.102</b>	<b>Professional Services</b>	<b>0</b>	<b>30,000.00</b>		<b>30,000.00</b>
			<b>CC. 11-08-2017</b>		-
					-
					-
					-
					-
					-
					-
<b>Total</b>			-	30,000.00	

Department Head

City Manager

Finance Department

Date 11-1-2017

Date 11/01/2017

Date 11.01.2017



Richard Jessup, Acting Chief of Police  
San Luis Police Department

## Consulting Proposal

### Police Department Organizational Assessment

October 27, 2017

Prepared by:



**Value for Fees:**

LD Consulting is eager to develop a professional relationship with the San Luis Police Department. Based on an analysis of the above information and anticipated deliverables our group will conduct an assessment of the SLPD property room for a total fee of \$27,850.00

**Terms:**

One half of contract fee is due prior to the start of the assessment; the date this payment is received by LD Consulting LLC will be considered the start date for the assessment.

The remaining one half of the contract fee is due upon receipt of the final report by the Police Chief, or 45 days after receipt of the digital version of the draft by the SLPD. If there are ongoing concerns that cannot be resolved during the 30-day draft review time period, payment terms may be negotiated based on the resolution of concerns. *Lastly, we are flexible in terms of negotiating a mutually beneficial arrangement.*

**Time Frame**

Based on the scope provided it is anticipated that the on-site field work will take 4 days. It is anticipated the draft report will be provided four to six weeks after the final day on-site observations are completed.

**Appendix A: Letter of good standing from AZ. Corporation Commission**

**Appendix B: W-9 LD Consulting LLC**



## Exceptional Training

San Luis Police Department  
1030 E. Union St.  
PO Box 3720  
San Luis, Arizona 85349

August 15, 2017

TO: Acting Chief of Police Richard Jessup

FM: Exceptional Training, LLC

Dr. Jeffeory G. Hynes, Ed.D, owner and retired Phoenix Police Commander (32 Years)

Dr. Donna M. Simon Ed.D., owner and current faculty Administration of Justice, Management

Chief Jessup:

Thank you for the opportunity to provide the San Luis Police Department with a departmental audit. We are pleased to be working with you as you continue to build upon the foundation of continuous improvement and best-practice models for San Luis Police.

Preplanning for the audit is important to respecting your time and the time of your personnel by establishing the foundational elements of the audit and providing the documentation and access to records that will be examined. We hope to schedule an initial preplanning meeting with you as soon as your calendar allows to begin the preplanning.

The following information will provide an outline of our audit methodology, strategies, applications, and outcomes, as well as an initial list of items needed prior to the site visit.

### **Methodology**

The inspection team from Exceptional Training will employ three primary methods of data collection (1) Review of San Luis Police Department documentation; (2) Observations; and (3) Interviews.

The inspection team will review all applicable documentation relating to the audit areas and will compare them to best practice principles from the law enforcement industry including the Commission on Accreditation for Law Enforcement Agencies (CALEA) Manual.

The inspectors will observe the on-duty activities of San Luis Police Department personnel and perform inspections of police department facilities and records. Interviews will be conducted with personnel, as necessary, to obtain pertinent information and feedback when needed.

Additional interviews with police department staff, city management, and selected members of the community will be conducted.

Fifteen audit focus items are recommended by Exceptional Training, below, and an additional 10 items will come directly from the police department and city management.

The following four criteria will be applied to each area of focus for this audit: (1) service delivery, (2) policies and procedures, (3) training, and (4) stakeholder satisfaction. The focus will include specific



areas of concentration, to be reviewed universally among all the sites, for consistency, accuracy, and to identify areas which might be considered as critical to the police department's operation.

### **Areas of Focus for the Audit**

Exceptional Training will complete an organizational audit as directed by Police Chief and the City Manager's Office in which:

- 20 to 25 Police Department focus items will be examined thoroughly
- Exceptional Training is suggesting the 15 items below and the San Luis Police Chief and City management may elect to provide an additional 10 items.
  - Exceptional Training recommended areas:
    1. San Luis Police Department Policies & Procedures will be examined and compared against best practice models such as CALEA.
    2. Evidence Collection Procedures / Security. A seizure review of monies, contraband, narcotics will be conducted.
    3. Community / Client Satisfaction – will be examined from interviews, community forum and a web-based survey.
    4. Client Satisfaction Internal – will be examined from interviews, internal forum and a web- based survey.
    5. Client Satisfaction City Manager/Mayor's Office – will be examined from interviews, and a web-based survey.
    6. Training – outlines, record maintenance and an examination of Arizona Peace Officer Standards & Training Board statutory requirements will be examined.
    7. Departmental Staffing and Deployment – patrol line-level deployment vs administrative deployment will be examined.
    8. Response Time – will be examined with an evaluation of dispatch guidelines for the levels of priority calls, such as priority 1, 2, 3 etc.
    9. Performance Evaluations – for both sworn and civilian employees will be examined for completeness, goal obtainment, accomplishments, and employee feedback. A sampling of personnel files will be conducted to verify timely rating completion.
    10. Vehicle Inspection – mileage reflection of the fleet, equipment assessment, condition, maintenance and future needs assessment will be conducted.
    11. Investigative Protocols – detective assignments and responsibilities, along with investigative caseloads, case management and clearance rates will be examined.

12. Administrative Staff Function Deployment – an examination of first responder levels vs support staffing will be examined.
  13. IT Infrastructure Review – a review of technology utilization will be conducted.
  14. Budget Review – yearly budget and expenditure procedures will be examined and compared against best practice procedures. Unit fund administration and expense tracking will be examined. Overtime utilization will be compared by unit and shifts.
  15. Compensation and Benefit Analysis – a comparative analysis of pay and benefits will be conducted against similar-sized agencies.
- Optional audit items management may wish to consider for an additional 10 areas of focus could include:
    16. Master Planning Strategies review
    17. Community Safety Program examination
    18. School-based programs audit, i.e. School Resource Officer, DARE, GREAT
    19. Law Enforcement Accreditation Status
    20. Funding Strategic Plan
    21. Web-based services offered
    22. Management and Labor Relationships
    23. Communications Center/Dispatch Staffing and Technology assessment
    24. Volunteer Recruitment Strategies, such as utilization of police reserves, interns, etc.
    25. Cross-jurisdictional agreements
    26. Department Inventory assessment
    27. Community-based Policing status
    28. Building and Site Security assessment

When focus items are established, Exceptional Training will schedule a two-week on-site visit to conduct interviews and perform additional data collection and clarification of policy and procedures.

### **Pre-audit Items**

Items requested prior to pre-audit meetings (electronic copies, whenever possible):

- Department policies and procedures/regulations

- Training records – schedules, course offerings, training records
- Site plans
- Organizational charts
- Commonly used forms

From pre-audit meetings, Exceptional Training will request additional pertinent documents for use during the audit/assessment. Confidentially agreements will be signed by participating members of the Exceptional Training team, Dr. Jeff Hynes and Dr. Donna Simon. Once the onsite audit has been completed, Exceptional Training will compile the data and develop a written report outlining their findings which will be provided to the Police Chief and the City Manager's Office. Management entities will then have an opportunity to accept the findings or dispute all or parts of the report. This phase is flexible and clarifications and amendments can be made.

Additionally, the number of persons to be interviewed in each focus area will be determined prior to the audit, in collaboration with the Police Chief. The interviewees will be available to the auditors during the site visits.

### **Interviews**

Interviewing is an excellent tool to determine how well employees understand their role, the department's requirements, their own expertise, and compliance with police department rules, regulations and procedures.

The interviews will be conducted using our developed instrument to elicit the information required. It is intended that the interviews be very probative when using the comments sections. It should also be noted that the interviewees' identification will be held confidential to ensure open answers are received.

The audit process will address a series of questions developed during the pre-auditing stage including:

- a. How does Management/Leadership impact this area?
- b. How are Stakeholders impacted?
- c. Are Departmental Policies and Procedures in place and appropriate/best-practice?
- d. Do/should Training Policies require instruction in this area? Is training in this area applied with the right frequency and properly recorded?
- e. Is Quality Assurance / proficiency criteria in place and adequate?
- f. Is the department in Compliance with agency directives/policies?

These are draft items and may be modified to support the needs of the San Luis Police Department

### **Audit Report**

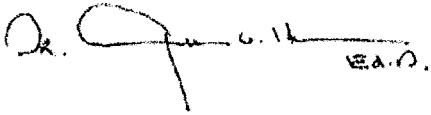
At the conclusion of on-site audit process, Exceptional Training will write a comprehensive report of its findings. It normally takes between three and four weeks from the time the site visit is completed until a draft report is delivered. The results of the audit will identify strengths, weaknesses, and gaps in the



current models being employed. This is intended to allow management to address those areas, as well as to build on areas which typify the strengths of the organization.

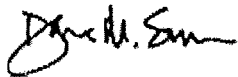
Chief Jessup, we look forward to providing you and the San Luis Police Department with the exceptional service that we believe will further your mission and vision of "Working Together... For a Safe Community." This document is based on our initial conversations and proposal for a comprehensive departmental audit at a cost of \$30,000. An invoice is attached for your convenience.

Respectfully,

A handwritten signature in black ink, appearing to read "Dr. Jeffeory G. Hynes" with a stylized flourish at the end.

Dr. Jeffeory G. Hynes  
Exceptional Training, LLC, owner  
Dept. Chair and Professor of Administration of Justice, Glendale Community College  
Retired Phoenix Police Commander, 32 years  
602-332-8380  
jgh3612@aol.com

Dr. Donna M. Simon

A handwritten signature in black ink, appearing to read "Dr. Donna M. Simon" with a stylized flourish at the end.

Exceptional Training, LLC, owner  
Lead Faculty and Curriculum Developer for BA/BS in Management, Northern Arizona University  
Adjunct Professor of Administration of Justice, Glendale Community College



# Exceptional Training

San Luis Police Department  
 Acting Chief of Police Richard Jessup  
 1030 E. Union St.  
 PO Box 3720  
 San Luis, Arizona 85349

Invoice Date: 08/15/2017  
 INVOICE # 201708

Principle Dr. J. Hynes Dr. D. Simon	San Luis Police Department	Payment Terms 30 days after delivery of Audit Report	Due Date
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Description	Unit Cost	Total Cost
Departmental Audit, San Luis Police Department		\$30,000
Elements and Deliverables		
1) Pre-audit conferences with Chief Jessup		
2) Presentation of recommended audit items		
3) Finalization of audit items		
4) Review of all documentation requested Pre-audit		
5) On-site visit (two weeks)		
• Additional document reviews		
• Interviews		
• Observations		
6) Exit interview with Chief		
7) Delivery of the Audit Report Draft		
8) Report review with Chief and key city management stakeholders		
Please make check payable to:		
Exceptional Training, LLC • 12837 N. 17th Place • Phoenix, AZ 85022 • 602.332.8380 email: jgh3612@aol.com / dmsimon17@yahoo.com	<b>Total</b>	<b>\$30,000</b>



October 30, 2017

Chief Richard Jessup  
San Luis Police Department  
1030 E. Union Street  
San Luis, AZ 85349  
E-mail: [rjessup@cityofsanluis.org](mailto:rjessup@cityofsanluis.org)

RE: Command Accountability Management Assessment Proposal for the San Luis, Arizona, Police Department

As President of Elite Performance Assessment Consultants, LLC, I am pleased to provide you with our Command Accountability Management Assessment Proposal for the San Luis Police Department. I am enclosing documentation outlining our qualifications, experience and cost proposal.

Mr. Sergio Sais, Director of Auditing, will serve as the point of contact for the company and below you will find his contact information.

We look forward to hearing from you soon, thank you.

**Elite Performance Assessment Consultants, LLC**  
**Mr. Sergio Sais, MPA, CGAP, CFE, CLEA**  
**Director of Auditing**  
**880 Hampshire Road, Suite "X"**  
**Thousand Oaks, CA 91362**  
**Mobile: (818) 455-6787**  
**E-mail: [srsais@elitepacllc.com](mailto:srsais@elitepacllc.com)**

Sincerely,

A handwritten signature in black ink, appearing to read "Randy Khatami". The signature is somewhat stylized and includes a horizontal line that extends to the right.

Randy Khatami, CFE, CFS, CLEA, CRMA  
President

### III. PROPOSED COST

Below is the attached CAMA Cost Proposal.

ASSESSMENT ITEMS	HOURS REQUIRED	COST PER HOUR	COST
Review/Assessment	40	\$150	\$6,000.00
Report Writing	6	\$150	\$ 900.00
<b>Total Cost:</b>			<b>\$6,900.00</b>

Table 1: Policy

ASSESSMENT ITEMS	HOURS REQUIRED	COST PER HOUR	COST
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Table 2: Organizational Chart

ASSESSMENT ITEMS	HOURS REQUIRED	COST PER HOUR	COST
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Table 3: Deployment

ASSESSMENT ITEMS	HOURS REQUIRED	COST PER HOUR	COST
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Table 4: Work Load

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Table 5: Training

ASSESSMENT ITEMS	HOURS REQUIRED	COST PER HOUR	COST
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Report Writing	6	\$150	\$ 900.00
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Table 7: Patrol Functions

ASSESSMENT ITEMS	HOURS REQUIRED	COST PER HOUR	COST
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Report Writing	6	\$150	\$ 900.00
<b>Total Cost:</b>			<b>\$5,700.00</b>

Table 8: Investigative Functions

ASSESSMENT ITEMS	HOURS REQUIRED	COST PER HOUR	COST
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Report Writing	6	\$150	\$ 900.00
<b>Total Cost:</b>			<b>\$4,500.00</b>

Table 9: Property/Evidence

ASSESSMENT ITEMS	HOURS REQUIRED	COST PER HOUR	COST
Review/Assessment	24	\$150	\$3,600.00
Report Writing	6	\$150	\$ 900.00
<b>Total Cost:</b>			<b>\$4,500.00</b>

Table 10: Community Policing

<b>ASSESSMENT</b>	<b>TOTAL HOURS REQUIRED</b>	<b>COST PER HOUR</b>	<b>COST PER ASSESSMENT</b>
<i>1. Policy</i>	46	\$150	\$6,900.00
<i>2. Organizational Chart</i>	8	\$150	\$1,200.00
<i>3. Deployment</i>	20	\$150	\$3,000.00
<i>4. Workload</i>	24	\$150	\$3,600.00
<i>5. Training</i>	20	\$150	\$3,000.00
<i>6. Records Systems</i>	20	\$150	\$3,000.00
<i>7. Patrol Functions</i>	38	\$150	\$5,700.00
<i>8. Investigative Functions</i>	38	\$150	\$5,700.00
<i>9. Property/Evidence</i>	30	\$150	\$4,500.00
<i>10. Community Policing</i>	30	\$150	\$4,500.00
<b>Total Hours:</b>	<b>274</b>	<b>Total Cost:</b>	<b>\$41,100.00</b>

Table 11: Total Charges





## AGENDA ITEM REVIEW FORM

### Special City Council Meeting

6.E.

**Meeting Date:** 11/21/2017

**Department Head:** Richard Jessup, Acting Chief of Police, Police Department

**Submitted By:** Miguel Alvarez, Lieutenant, Police Department

**Action Requested:** Motion  
Resolution

---

### ITEM:

Discussion and possible action on any and all matters regarding Resolution No. 2017. A resolution of the Mayor and City Council of the City of San Luis, Arizona to authorize the City of San Luis Police Department to receive funding for the Impaired Driver/DUI Alcohol Enforcement and STEP/Selective Traffic Enforcement projects by approving Highway Safety Contracts 2018-405d-045 & 2018-PTS-060 between the City of San Luis, Arizona through the San Luis Police Department and the Governor's Office of Highway Safety. **(Richard Jessup, Acting Chief of Police)**

### SUMMARY:

The City of San Luis Police Department (SLPD) has been awarded a total of \$22,000.00 to support additional overtime and employee related expenses to enhance Driving Under the Influence (DUI) and traffic enforcement throughout the City of San Luis. The SLPD has been awarded **\$10,000.00** for the Impaired Driver/DUI Alcohol Enforcement project under Contract No. 2018-405d-045 to support personnel services and employee related expenses to enhance DUI alcohol enforcement and education throughout the City of San Luis. Additional manpower will allow the SLPD to increase its DUI task force efforts, and will improve the ability to enforce DUI laws. The SLPD has been awarded **\$12,000.00** for the STEP/Selective Traffic Enforcement project under Contract No. 2018-PTS-060 to support personnel services and employee related expenses to enhance speed enforcement and education throughout the City of San Luis. Additional manpower under this grant will allow the SLPD to increase its police traffic efforts and will improve the ability to enforce speeding laws.

### RECOMMENDATION / SUGGESTED MOTION:

**I MOVE TO APPROVE AND ADOPT RESOLUTION NO. 2017.**

Supporting information not attached to the Agenda Item Review Form:

N/A

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### Fiscal Impact

**IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:**

Yes

**CITY/STATE/FEDERAL FUNDS:**

State

**TOTAL:**

\$12,000.00

**BUDGETED AMOUNT:** Yes  
**AVAILABLE AMOUNT TO TRANSFER:** N/A  
**ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:** 250-181-50010.160  
Special Rev - Public  
Safety, PD OT - GOHS  
-STEP - 2018-PTS-060 /  
\$12,000.00

**FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):**

The SLPD received a total of \$12,000.00 in overtime and employee related expenses from the GOHS for FY18 under the STEP project.

**IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:** Yes  
**CITY/STATE/FEDERAL FUNDS:** State  
**TOTAL:** \$10,000.00  
**BUDGETED AMOUNT:** Yes  
**AVAILABLE AMOUNT TO TRANSFER:** N/A  
**ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:** 250-181-50010.161  
Special Rev - Public  
Safety, PD OT - GOHS  
-DUI - 2018-405d-045 /  
\$10,000.00

**FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):**

The SLPD received a total of \$10,000.00 in overtime and employee related expenses from the GOHS for FY18 under the DUI project.

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**Attachments**

GOHS Grants 2018 Resolution No. 2017  
2018 GOHS DUI Contract  
2018 GOHS STEP Contract

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# *Resolution*

OFFICE OF THE  
MAYOR  
CITY OF SAN LUIS

No. 2017

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA TO AUTHORIZE THE CITY OF SAN LUIS POLICE DEPARTMENT TO RECEIVE FUNDING FOR THE IMPAIRED DRIVER/DUI ALCOHOL ENFORCEMENT AND STEP/SELECTIVE TRAFFIC ENFORCEMENT PROJETCS BY APPROVING HIGHWAY SAFETY CONTRACTS 2018-045d-045 & 2018-PTS-060 BETWEEN THE CITY OF SAN LUIS, ARIZONA THROUGH THE SAN LUIS POLICE DEPARTMENT AND THE GOVERNOR'S OFFICE OF HIGHWAY SAFETY.**

**WHEREAS**, the City of San Luis desires to eradicate drivers under the influence, speed violators, and traffic fatalities;

**WHEREAS**, the Governor's Office of Highway Safety has approved the support of Personnel Services (Overtime), and Employee Related Expenses to enhance DUI/Impaired Driving Enforcement throughout the City of San Luis;

**WHEREAS**, the Governor's Office of Highway Safety has approved the support of Personnel Services (Overtime), and Employee Related Expenses to enhance STEP Enforcement throughout the City of San Luis; and

**WHEREAS**, the Governor's Office of Highway Safety has prepared Highway Safety Contracts provides for all the conditions of acceptance of the funds including that these funds shall not be used to supplant other funding of the San Luis Police Department.

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and Council of the City of San Luis, State of Arizona as follows:

**Section 1:** That the Highway Safety Contracts titled DUI/Impair Driving Enforcement 2018-405d-045 and STEP Enforcement 2018-PTS-060 are approved.

**Section 2:** That the appropriate City officials are hereby authorized and directed to enter into said agreement on behalf of the City and take any and all actions as may be necessary to effectuate said agreement.

**PASSED AND ADOPTED** by the Mayor and Council of the City of San Luis, Arizona this 21<sup>th</sup> day of November, 2017.

\_\_\_\_\_  
Gerardo Sanchez, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Sonia Cornelio, City Clerk

\_\_\_\_\_  
Kay Marion Macuil, City Attorney



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**DOUGLAS A. DUCEY**  
GOVERNOR

**ALBERTO GUTIER**  
DIRECTOR  
GOVERNOR'S HIGHWAY SAFETY REPRESENTATIVE

Chief Richard Jessup  
San Luis Police Department  
1030 East Union Street  
San Luis, AZ 85349

**PROJECT REFERENCE:**

Contract Number: 2018-405d-045  
Total Estimated Costs: \$10,000.00  
Purpose of Project: DUI/Impaired Driving  
Enforcement

Dear Chief Jessup:

Attached are the following documents:

- a) One (1) fully executed original of the above-referenced contract
- b) Project Director's Manual

Please note that any equipment costing \$5,000.00 or more must comply with the Buy America Act as mandated by federal law.

The Report of Costs Incurred (RCI Form) and RCI Instructions are located on the GOHS website at [www.azgohs.gov/grant-opportunities/](http://www.azgohs.gov/grant-opportunities/). Refer to the Contract and/or Project Directors Manual for instructions on completion and submission.

**Please have your Project Administrator and Fiscal staff review and become familiar with the reporting requirements outlined in this Contract.**

You are hereby authorized to proceed under the terms of the Highway Safety Contract, effective on the "Authorization to Proceed Date" (i.e., the date of my signature on the last page of the contract as long as the signature is within the Federal Fiscal Year that this contract applies to) with an obligation of \$10,000.00 in Federal funds.

Sincerely,

---

Alberto Gutier, Director  
Governor's Highway Safety Representative

10-1-17  
\_\_\_\_\_  
Date

Enclosures

HIGHWAY SAFETY CONTRACT

This page, the Project Director's Manual and attached hereto and incorporated herein by reference, constitute the entire Contract between the parties hereto unless the Governor's Highway Safety Representative authorizes deviation in writing.

<b>FAIN: 69A3751830000405dAZM</b>		<b>CFDA: 20.616</b>
<b>1. APPLICANT AGENCY</b> San Luis Police Department	<b>GOHS CONTRACT NUMBER:</b> 2018-405d-045	
<b>ADDRESS</b> 1030 East Union Street, San Luis, AZ 85349	<b>PROGRAM AREA:</b> 405d	
<b>2. GOVERNMENTAL UNIT</b> City of San Luis	<b>AGENCY CONTACT:</b> Miguel Alvarez	
<b>ADDRESS</b> 1090 East Union Street, San Luis, AZ 85349	<b>3. PROJECT TITLE:</b> DUI/Impaired Driving Enforcement	
<b>4. GUIDELINES:</b> 405d		
<b>5. BRIEFLY STATE PURPOSE OF PROJECT:</b> Federal 405d funds will support Personnel Services (Overtime), and Employee Related Expenses to enhance DUI/Impaired Driving Enforcement throughout the City of San Luis.		
<b>6. BUDGET COST CATEGORY</b>	<b>Project Period FFY 2018</b>	
<b>I. Personnel Services</b>	\$7,299.00	
<b>II. Employee Related Expenses</b>	\$2,701.00	
<b>III. Professional and Outside Services</b>	\$0.00	
<b>IV. Travel In-State</b>	\$0.00	
<b>V. Travel Out-of-State</b>	\$0.00	
<b>VI. Materials and Supplies</b>	\$0.00	
<b>VII. Capital Outlay</b>	\$0.00	
<b>TOTAL ESTIMATED COSTS</b>	<b>\$10,000.00</b>	
<b>PROJECT PERIOD</b>	<b>FROM: Effective Date</b> (Date of GOHS Director Signature)	<b>TO: 09-30-2018</b>
<b>CURRENT GRANT PERIOD</b>	<b>FROM: 10-01-2017</b>	<b>TO: 09-30-2018</b>
<b>TOTAL FEDERAL FUNDS OBLIGATED THIS FFY: \$10,000.00</b>		

A political subdivision or State agency that is mandated to provide a certified resolution or ordinance authorizing entry into this Contract must do so prior to incurring any expenditures. Failure to do so may result in termination of the awarded Contract.

**PROBLEM IDENTIFICATION AND RESOLUTION:**

**Agency Background:**

Number of sworn officers: 35

Total Population in city/town or county: 35,000

Total Road Mileage: Highway: 6 Local: 100 Total: 106

	2016	2015	2014
Total Crashes	280	311	229
Total Injury Crashes	32	55	40
Total Fatal Crashes	0	0	1
Total Alcohol-related Crashes	6	9	6
Total Alcohol-related Serious Injuries	0	0	0
Total Alcohol-related Fatalities	0	0	0
Total Speed-related Crashes	49	59	76
Total Speed-related Serious Injuries	10	19	12
Total Speed-related Fatalities	0	0	1

The data above represents: County  City/Town

**Agency Problem/Attempts to Solve Problem:**

The San Luis Police Department (SLPD) is constantly faced with responding to the San Luis Port of Entry due to drivers entering the country under the influence of alcohol and operating a motor vehicle. The highest amount of calls happens during the weekends due to many nightclubs having a legal drinking age of 18 years in Mexico. This draws many underage people to drive into Mexico and be able to purchase alcohol at nightclubs. It also draws major attention to students who are enrolled at the Arizona Western College main campus which is only about 27 miles away. Students have the ease to get onto State Route 195 and drive directly into San Luis in only 20 to 30 minutes and be able to drive across to Mexico without any hesitation.

**Agency Funding:**

Federal 405d funds will support Personnel Services (Overtime), and Employee Related Expenses to enhance DUI/Impaired Driving Enforcement throughout the City of San Luis.

**How Agency Will Solve Problem With Funding:**

SLPD is seeking grant funding to support the DUI Enforcement Programs in its city. SLPD will attempt to increase its apprehensions of impaired drivers. The DUI Enforcement Program funds will assist the department in enforcing impaired driving laws and at the same time reduce the number of accidents caused by impaired driving. The program will significantly reduce alcohol related injuries, fatalities, and increase the community's awareness about the dangers of driving under the influence. The overtime will aid the deterrence of impaired drivers in the city and increase staffing levels which will adequately staff the department during holidays and peak visitor seasons.

**PROJECT MEASURES:**

**Agency Goals:**

To decrease the number of impaired-related crashes 33% from 6 during calendar year 2016 to 4 by December 31, 2018.

To decrease fatalities in impaired-related crashes 0% from 0 in calendar year 2016 to 0 by December 31, 2018.

To decrease serious injuries in impaired-related crashes 0% from 0 in calendar year 2016 to 0 by December 31, 2018.

**Contract Objectives:**

To participate in a minimum of 4 DUI saturation patrols per quarter during FFY 2018.

To participate in a minimum of 1 DUI task force operations per quarter during FFY 2018.

**Additional Contract Objectives:**

1. To reduce the total number of DUI arrest from 85 to 70 during FFY 18.

2. To reduce the total number of Extreme DUI cases from 23 to 15 during FFY 18.

**GOALS/OBJECTIVES:**

Federal 405d funds will support Personnel Services (Overtime), and Employee Related Expenses to enhance DUI/Impaired Driving Enforcement throughout the City of San Luis.

Expenditures of funding pertaining to Impaired Driving Enforcement including Personnel Services and ERE, Materials and Supplies, Capital Equipment, and/or Travel In and Out-of-State shall comply with the Impaired Driving Program goals provided by the Arizona Governor's Office of Highway Safety. The Impaired Driving Program goal is to reduce the incidences of alcohol and drug related driving fatalities and injuries through enforcement, education, and public awareness throughout the State of Arizona. Law enforcement personnel participating in Impaired Driving Enforcement/DUI activities including, DUI Task Force details under this program, shall be HGN/SFST certified.

**MEDIA RELEASE:**

To prepare complete press release information for media (television, radio, print, and on-line) during each campaign period including a main press release, schedule of events, departmental plans, and relevant data. The material will emphasize the campaign's purpose, aggressive enforcement, and the high cost of DUI/Impaired Driving in terms of money, criminal, and human consequences.

The San Luis Police Department will maintain responsibility for **reporting sustained enforcement** activity in a timely manner. Additionally, it is the responsibility of the San Luis Police Department to report all holiday task force enforcement statistics to GOHS on-line at the GOHS website **no later than 10:00 a.m. the morning following each day of the event.**

The holidays and special events include but not limited to: Super Bowl Sunday, Valentine's Day, President's Day, St. Patrick's Day, Spring Break, Easter, Cinco de Mayo, Prom Night, Memorial Day, Graduation Day, Independence Day, Labor Day, Columbus Day, Halloween, and the Thanksgiving through New Year's details.

**PLEASE NOTE: Failure to submit Statistics, Quarterly Reports, and/or Report of Costs Incurred (RCIs) timely and correctly may delay reimbursement for expenditures to your Agency.**

**METHOD OF PROCEDURE:**

The San Luis Police Department will make expenditures, as follows, to meet the outlined Program Goals/Objectives:

Personnel Services - To support Overtime for DUI/Impaired Driving Enforcement Activities

Employee Related Expenses - To support Employee Related Expenses for Agency Overtime

**PRESS RELEASE:**

Agencies are **required** to develop and distribute a press release announcing this grant award **upon receipt** of the executed Contract. A copy of this press release shall be sent to the GOHS Director for approval prior to being sent to the media. This press release shall include the objective and specify that the funding is from the Governor's Office of Highway Safety.

**BAC TESTING AND REPORTING REQUIREMENTS:**

Alcohol impairment is a major contributing factor in fatality and serious injury motor vehicle collisions. Accurate data on alcohol involvement is essential to understanding the full extent of the role of alcohol and to assess progress toward reducing impaired driving.

**Each law enforcement agency that receives an enforcement-related grant is required to ensure that accurate data on all drivers involved is reported.** Failure to comply may result in withholding funds and cancellation of the enforcement contract until this requirement is met.

**PURSUIT POLICY:**

All law enforcement agencies receiving Federal funds are encouraged to follow the guidelines established for vehicular pursuits issued by the International Association of Chiefs of Police (IACP) that are currently in effect.

**METHOD OF PROCUREMENT:**

The application of USDOT "Common Rule" and Circular A-102 requires that:

Grantees and sub-grantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided the procurement procedures conform to applicable Federal laws and standards. The most stringent purchasing requirement at each level must be met. If the Agency does not have a procurement process, the Agency may use the State procurement process.

A clear audit trail must be established to determine costs charged against this Contract. Substantiation of costs shall, where possible, be made utilizing the San Luis Police Department documentation consisting of, but not limited to, copies of time sheets, purchase orders, copies of invoices, and proof of payment.

The Agency shall retain copies of all documentation in the project file.

**State Contract:**

Procurement may be made using an open State contract award. Documents submitted to substantiate purchases using an open State contract must bear the contract number.

**PROJECT EVALUATION:**

This project shall be administratively evaluated to ensure the objectives have been met.

**Quarterly Report**

The purpose of the Quarterly Report is to provide information on contracted grant activities conducted at the conclusion of each active quarter. The information provided is used to review progress of the funded project and the successfulness in meeting outlined goals and objectives. The information, photos, highlights, obstacles, and mandatory statistical data provided in this report are analyzed by the assigned Project Coordinator. It is critical the report contains the following information:

- **Original signatures on all Quarterly Reports and RCIs**
  - **All Quarterly Reports and RCIs shall include the signature of the Project Director unless prior authorization for another is on file with GOHS.**

**Report Schedule**

Reporting Period	Due Date
<b>1<sup>st</sup> Quarterly Report and RCI</b> (October 1 to December 31, 2017)	January 30, 2018
<b>2<sup>nd</sup> Quarterly Report and RCI</b> (January 1 to March 31, 2018)	April 20, 2018
<b>3<sup>rd</sup> Quarterly Report and RCI</b> (April 1 to June 30, 2018)	July 20, 2018
<b>4<sup>th</sup> Quarterly Report and RCI</b> (July 1 to September 30, 2018)	<b>October 15, 2018</b>
<b>Final Statement of Accomplishments</b>	<b>October 15, 2018</b>

The Quarterly Report **shall be completed on the form available on-line and can be submitted by email** to the Governor's Office of Highway Safety.

**NOTE: IT IS REQUIRED THAT ALL LAW ENFORCEMENT AGENCIES MUST ENTER STATISTICAL AND ENFORCEMENT ACTIVITY INTO THE ON-LINE GOHS DUI REPORTING SYSTEM, IN ADDITION TO SUBMITTING THE QUARTERLY ENFORCEMENT REPORT.**

**Final Statement of Accomplishments**

The Project Director shall submit a Final Statement of Accomplishments Report to the GOHS **no later than fifteen (15) days after the conclusion of each Federal Fiscal Year (September 30th)**. All agencies receiving funding are required to submit a Final Statement of Accomplishments Report.

**Note:** Failure to comply with the outlined GOHS reporting requirements may result in withholding of Federal funds or termination of the Contract.

**PROFESSIONAL AND TECHNICAL PERSONNEL:**

**Richard Jessup, Chief, San Luis Police Department, shall serve as Project Director.**

**Miguel Alvarez, Lieutenant, San Luis Police Department, shall serve as Project Administrator.**

**Rhonda Melancon, Governor's Office of Highway Safety, shall serve as Project Coordinator.**

**REPORT OF COSTS INCURRED (RCI):**

The Agency shall submit a Report of Costs Incurred (RCI), with supporting documentation attached, to the Governor's Office of Highway Safety on a quarterly basis, for each active quarter, in conjunction with the required report. Agencies may submit additional RCI forms for expenditures when funds have been expended for which reimbursement is being requested.

Accepted supporting documentation to submit with a Report of Cost Incurred (RCI) includes, but is not limited to; scanned copies of timesheets, payroll records, paid invoices/purchase orders, and other account records.

RCIs shall be typed and delivered via mail or hand delivered with appropriate supporting documentation to the Governor's Office of Highway Safety. **Electronically submitted RCIs will not be accepted.** Final RCIs will not be accepted fifteen (15) days after the conclusion of each Federal Fiscal Year (September 30th). **Expenditures submitted after the expiration date may not be reimbursed and the Agency will accept fiscal responsibility.**

**PROJECT MONITORING:**

Highway safety grant project monitoring is used by GOHS project coordinators to track the progress of project objectives, performance measures, and compliance with applicable procedures, laws, and regulations.

The process is used throughout the duration of the contracted project and serves as a continuous management tool. Project monitoring also presents an opportunity to develop partnerships, share information, and provide assistance to contracted agencies. Additionally, project monitoring outlines a set of procedures for project review and documentation.

Project monitoring serves as a management tool for:

- Detecting and preventing problems
- Helping to identify needed changes
- Identifying training or assistance needed
- Obtaining data necessary for planning and evaluation
- Identifying exemplary projects

**Types of Monitoring**

Monitoring is formal and informal, financial and operational. The most common types of monitoring are:

- Ongoing contact with the contracted grantee through phone calls, e-mails, correspondence, and meetings
- On-Site and/or In-House monitoring reviews of project operations, management, and financial records and systems
- Review of project Quarterly Reports
- Review and approval of Report of Costs Incurred (RCIs)
- Desk review of other documents in the project grant files for timely submission and completeness

<b>Monitoring Schedule</b>	
<b>Total Awarded Amount:</b>	<b>Type of Monitoring:</b>
Under \$50,000	Desk Review/Phone Conference
\$50,000 and over	May have an In-House GOHS Review
\$100,000+	May have an On-Site Review
Capital Outlay Greater than \$25,000 (combined)	May have an On-Site Review
Desk Review and Phone Conference	Internal review of all written documentation related to contractual project including, but not limited to the Contract, Quarterly Reports, enforcement data, financial data, e-mails, letters, notes, press releases, photographs, inventories, and other written correspondence. A phone conference call conducted during the course of the project which includes the date and time of the call, the person(s) contacted, and the results. It serves as an informational review to determine progress of programmatic/financial activities. Both the designated project administrator and fiscal contact should be present, if possible, during the phone conference. If identified financial or operational problems are present, GOHS reserves the right to bring the grantee in for an in-house meeting at GOHS. Monitoring form written by Project Coordinator, any findings, areas of improvement, concern, or recognition will be provided to the grantee.
In-House Review	Documents performance review results including project activities, reimbursement claims review, equipment purchases, approvals, and other information. Reviews applicable information related to the project(s) including, but not limited to the Contract, Quarterly

	Reports, enforcement data, financial data, e-mails, letters, notes, press releases, photographs, inventories, and other written correspondence. Completed at GOHS in a meeting with appropriate operational and financial personnel. Monitoring form written by Project Coordinator, any findings, areas of improvement, concern, or recognition will be provided to the grantee.
On-Site Monitoring	Documents performance review results including project activities, reimbursement claims review, equipment purchases, and other information. Reviews applicable information related to the project(s) including, but not limited to the Contract, Quarterly Reports, enforcement data, financial data, e-mails, letters, notes, press releases, photographs, inventories, and other written correspondence. Conducted on-site at the grantee's Agency with monitoring form completed on-site by Project Coordinator. Any findings, areas of improvement, concern, or recognition, will be provided to the grantee.

On-site and/or in-house monitoring for grantees of designated projects with large Capital Outlay purchases, personnel services, and complex projects must be completed within the second or third quarter of the fiscal year. Contracted projects displaying any problems may need on-site monitoring more than once during the fiscal year.

On-site and/or In-house monitoring includes a review and discussion of all issues related to ensure the effective administration of the contracted project. The following are the most important items to review:

- Progress toward meeting goals/objectives and performance measures
- Adherence to the contract specifications, timely submission of complete and correct reports, including required documentation
- Quarterly Reports
- Status of expenditures related to the outlined budget
- Accounting records and RCI's
- Supporting documentation (training documentation, inventory sheets, photographs, press releases, etc.)

In addition, the designated Agency will ensure that any equipment purchased will be available for inspection and is being used for the purpose for which it was bought under the outlined contractual agreement.

**Documentation**

The Governor's Office of Highway Safety will retain all findings documented on the GOHS Monitoring Form in the Agency's respective Federal file. Findings will be discussed with the designated contract representative (Project Administrator, fiscal specialist) by phone and/or e-mail. All noted deficiencies will be provided to the grantee with guidance for improvement and solutions to problems. Grantees that exhibit significantly poor performance may be placed on a performance plan as outlined by the GOHS Director. Grantee monitoring information will additionally provide documentation for potential funding in subsequent fiscal year grant proposal review.

**PROJECT PERIOD:**

The project period shall commence on the date the GOHS Director signs the Highway Safety Contract and terminate on September 30th of that or subsequent year as indicated on the Highway Safety Contract.

**DURATION:**

Contracts shall be effective on the date the Governor's Office of Highway Safety Director signs the Contract and expire at the end of the project period.

If the Agency is unable to expend the funds in the time specified, the Agency will submit notification on the Agency's letterhead and hand deliver or submit via regular mail to the Director of the Governor's Office of Highway Safety a minimum of sixty days (60) prior to the end of the project period.

The Agency shall address all requests to modify the Contract to the Director of the Governor's Office of Highway Safety on Agency's official letterhead and either hand deliver or submit the request via regular mail. All requests for modification must bear the signature of the Project Director.

Failure to comply may result in cancellation of the Contract. Any unexpended funds remaining at the termination of the Contract shall be released back to the Governor's Office of Highway Safety.

**ESTIMATED COSTS:**

I.	Personnel Services (overtime)	\$7,299.00
II.	Employee Related Expenses (ERE)	\$2,701.00
III.	Professional and Outside Services	\$0.00
IV.	Travel In-State	\$0.00
V.	Travel Out-of-State	\$0.00
VI.	Materials and Supplies	\$0.00
VII.	Capital Outlay	\$0.00
	<b>TOTAL ESTIMATED COSTS</b>	<b>*\$10,000.00</b>

\*Includes all applicable training, tax, freight, and advertising costs. The GOHS reserves the right to limit reimbursement of Employee Related Expenses from zero (0) to a maximum rate of forty (40) percent. This is the maximum ERE amount to be reimbursed. It is agreed and understood that the San Luis Police Department shall absorb any and all expenditures in excess of \$10,000.00.

**QUARTERLY ENFORCEMENT REPORT  
(Submitted to GOHS)**

**Reporting Period**

<b>DESCRIPTION</b>	<b>CONTRACT ACTIVITY</b>	<b>AGENCY ACTIVITY</b>
Total Contacts (Traffic Stops)		
Total Sober Designated Drivers Contacted		
Total Know Your Limit Contacts		
<b>TOTAL DUI ARRESTS</b>		
Total DUI Aggravated		
Total DUI Misdemeanor		
Total DUI Extreme (.15 or Above)		
Under 21 DUI Arrests		
Average BAC		
Minor Consumption / Possession Citations		
Total DUI Drug Arrests		
30-Day Vehicle Impounds		
Seat Belt Citations		
Child Restraint Citations		
Criminal Speed Citations		
Reckless Driving Citations		
Civil Speed Citations		
Other Citations (Except Speed)		
Other Arrests		
Participating Officer/Deputies (Cumulative)		

CERTIFICATIONS AND AGREEMENTS

This CONTRACT, is made and entered into by and between the STATE OF ARIZONA, by and through the Governor's Office of Highway Safety (GOHS) hereinafter referred to as "STATE", and the agency named in this Contract, hereinafter referred to as "AGENCY".

WHEREAS, the National Highway Safety Act of 1966, as amended (23 USC §§401-404), provides Federal funds to STATE for approved highway safety projects; and

WHEREAS, STATE may make said funds available to various state, county, tribal, or municipal agencies, governments, or political subdivisions upon application and approval by STATE and the United States Department of Transportation (USDOT); and

WHEREAS, AGENCY must comply with the requirements listed herein to be eligible for Federal funds for approved highway safety projects; and

WHEREAS, AGENCY has submitted an application for Federal funds for highway safety projects;

NOW, THEREFORE, IN CONSIDERATION OF MUTUAL PROMISES AND OTHER GOODS AND VALUABLE CONSIDERATION, it is mutually agreed that AGENCY will strictly comply with the following terms and conditions and the following Federal and State Statutes, Rules, and Regulations:

**I. Project Monitoring, Reports, and Inspections**

- A. AGENCY agrees to fully cooperate with representatives of STATE monitoring the project, either on-site or by telephone, during the life of the Contract.
- B. AGENCY will submit Quarterly Reports (one for each three-month period of the project year) to STATE in the form and manner prescribed by STATE. Notice of the specific requirements for each report will be given in this Contract or at any time thereafter by giving thirty (30) days written notice to AGENCY by ordinary mail at the address listed on the Contract. Failure to comply with Quarterly Report requirements may result in withholding of Federal funds or termination of this Contract.
- C. AGENCY will submit a Final Report/Statement of Accomplishment at completion of the Contract to include all financial, performance, and other reports required as a condition of the grant to STATE within thirty (30) days of the completion of the Contract.
- D. Representatives authorized by STATE and the National Highway Traffic Safety Administration (NHTSA) will have the right to visit the site and inspect the work under this Contract whenever such representatives may determine such inspection is necessary.

**II. Reimbursement of Eligible Expenses**

- A. AGENCY's Project Director, or Finance Personnel, will submit a Report of Costs Incurred Form (RCI) to STATE each time there have been funds expended for which reimbursement is being requested. Failure to meet this requirement may be cause to terminate the project under Section XX herein, "Termination and Abandonment".

- B. AGENCY will reimburse STATE for any ineligible or unauthorized expenses for which Federal funds have been claimed and reimbursement received, as may have been determined by a State or Federal audit.
- C. STATE will have the right to withhold any installments equal to the reimbursement received by AGENCY for prior installments which have been subsequently determined to be ineligible or unauthorized.

### **III. Property Agreement**

- A. AGENCY will immediately notify STATE if any equipment purchased under this Contract ceases to be used in the manner as set forth by this Contract. In such event, AGENCY further agrees to either give credit to the project cost or to another active highway safety project for the residual value of such equipment in an amount to be determined by STATE or to transfer or otherwise dispose of such equipment as directed by STATE.
- B. No equipment will be conveyed, sold, salvaged, transferred, etc., without the express written approval of STATE, or unless otherwise provided elsewhere in this Contract.
- C. AGENCY will maintain or cause to be maintained for its useful life, any equipment purchased under this Contract.
- D. AGENCY will incorporate any equipment purchased under this Contract into its inventory records.
- E. AGENCY will insure any equipment purchased under this Contract for the duration of its useful life. Self-insurance meets the requirements of this section.

### **IV. Travel**

#### In-State and Out-of-State Travel

In state and out-of-state travel claims will be reimbursed at rates provided by AGENCY's regulations, provided that such regulations are as restrictive as those of STATE. Where they are less restrictive, ARS §38-624 will apply.

The State must approve all out-of-state travel in writing and in advance.

### **V. Standard of Performance**

AGENCY hereby agrees to perform all work and services herein required or set forth, and to furnish all labor, materials, and equipment, except that labor, material, and equipment as STATE agrees to furnish pursuant to this Contract.

### **VI. Hold Harmless Agreement**

Neither party to this agreement agrees to indemnify the other party or hold harmless the other party from liability hereunder. However, if the common law or a statute provides for either a right to indemnify and/or a right to contribution to any party to this agreement then the right to pursue one or both of these remedies is preserved.

**VII. Non-Assignment and Sub-Contracts**

This Contract is not assignable nor may any portion of the work to be performed be subcontracted unless specifically agreed to in writing by STATE. No equipment purchased hereunder may be assigned or operated by other than AGENCY unless agreed to in writing by STATE.

**VIII. Work Products and Title to Commodities and Equipment**

- A. The work product and results of the project are the property of STATE, unless otherwise specified elsewhere in this Contract. All property, instruments, non-consumable materials, supplies, and the like, which are furnished or paid for by STATE under the terms of this Contract, unless otherwise provided for elsewhere in this Contract, are and remain the property of STATE and will be returned at the completion of this project upon request of STATE. The work product and results of the project will be furnished to STATE upon request, if no provision is otherwise made by this Contract.
- B. The provisions of subparagraph A apply whether or not the project contracted for herein is completed.

**IX. Copyrights and Patents**

Any copyrightable materials, patentable discovery, or invention produced in the course of this project may be claimed by STATE and a copyright or patent obtained by it at its expense. In the event STATE does not wish to obtain such copyright or patent, AGENCY may do so, but in any event, provision will be made by AGENCY for royalty-free, nonexclusive, nontransferable, and irrevocable licenses to be given the United States Government and STATE and its political subdivisions to use such copyrightable material, patented discoveries, or inventions in any manner they see fit. The STATE reserves the right to impose such other terms and conditions upon the use of such copyrights or patents as may be deemed in the best interest of STATE in the event AGENCY is allowed to obtain a copyright or patent.

**X. "Common Rule" and OMB Circular No. A-102 (Revised)**

"Common Rule" (49 CFR Part 18): Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments

OMB Circular No. A-102 (Revised): Grants and Cooperative Agreements with State and Local Governments

The application of USDOT "Common Rule" and Circular A-102 requires that:

AGENCY and sub-grantees will use their own procurement procedures, which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law. The most stringent purchasing requirement at each level must be met.

The Arizona Procurement Code (ARS §41-2501, et. seq.) and promulgated rules (A.A.C. Title 2, Chapter 7) are a part of this Contract as if fully set forth herein and AGENCY agrees to fully comply with these requirements for any procurement using grant monies from this Contract.

**XI. Non-Discrimination**

During the performance of this contract/funding agreement, the contractor/funding recipient agrees—

- A. To comply with all Federal nondiscrimination laws and regulations, as may be amended from time to time;
- B. Not to participate directly or indirectly in the discrimination prohibited by any Federal non-discrimination law or regulation, as set forth in Appendix B of 49 CFR part 21 and herein;
- C. To permit access to its books, records, accounts, other sources of information, and its facilities as required by the State highway safety office, US DOT or NHTSA;
- D. That, in event a contractor/funding recipient fails to comply with any nondiscrimination provisions in this contract/funding agreement, the State highway safety agency will have the right to impose such contract/agreement sanctions as it or NHTSA determine are appropriate, including, but not limited to, withholding payments to the contractor/funding recipient under the contract/agreement until the contractor/funding recipient complies; and/or cancelling, terminating, or suspending a contract or funding agreement, in whole or in part; and
- E. To insert this clause, including paragraphs A through E, in every subcontract and subagreement and in every solicitation for a subcontract or sub-agreement, that receives Federal funds under this program.
- F. If AGENCY fails or refuses to comply with its undertaking as set forth in these provisions, STATE or the USDOT may take any or all of the following actions:
  1. Cancel, terminate, or suspend, in whole or in part, the agreement, contract, or other arrangement with respect to which the failure or refusal occurred; and
  2. Refrain from extending any further Federal financial assistance to AGENCY under the Highway Safety Program with respect to which the failure or refusal occurred until satisfactory assurance of future compliance has been received from AGENCY.
- G. Pursuant to the requirement of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794), AGENCY must operate this Highway Safety Project so that it is accessible and otherwise non-discriminatory to handicapped persons.

**XII. Executive Order 2009-09**

It is mutually agreed that AGENCY will comply with the terms and conditions of Executive Order 2009-09, *Non-Discrimination in Employment by Government Contractors and Subcontractors*. Executive Order 2009-09 is located in Part II of the Project Director's Manual.

**XIII. Application of Hatch Act**

The AGENCY will comply with provisions of the Hatch Act (5 U.S.C. 1501-1508), which limits the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

**XIV. Minority Business Enterprises (MBE) Policy and Obligation**

- A. Policy: It is the policy of the USDOT that minority business enterprises as defined in 49 CFR Part 23, will have the maximum opportunity to participate in the performance of contracts financed in whole or in part with Federal funds under this Contract. Consequently, the minority business enterprises requirements of 49 CFR Part 23 apply to this Contract.
- B. Obligation: The recipient or its contractor agrees to ensure that minority business enterprises, as defined in 49 CFR Part 23, have the subcontracts financed in whole or in part with Federal funds provided under this Contract. In this regard, all recipients or contractors will take all necessary and reasonable steps in accordance with 49 CFR, Part 23 to ensure that minority business enterprises have the maximum opportunity to compete for and perform contracts. Recipients and their contractors will not discriminate on the basis of race, color, creed, sex, or national origin in the award and performance of USDOT-assigned contracts.

**XV. Arbitration Clause, ARS §12-1518**

Pursuant to ARS §12-1518, the parties agree to use arbitration, after exhausting applicable administrative reviews, to resolve disputes arising out of this Contract where the provisions of mandatory arbitration apply.

**XVI. Inspection and Audit, ARS §35-214**

Pursuant to ARS §35-214, all books, accounts, reports, files, and other records relating to this Contract will be subject at all reasonable times to inspection and audit by STATE for five (5) years after completion of this Contract. The records will be produced at the Governor's Office of Highway Safety.

**XVII. Appropriation of Funds by U.S. Congress**

It is agreed that in no event will this Contract be binding on any party hereto unless and until such time as funds are appropriated and authorized by the U.S. Congress and specifically allocated to the project submitted herein and then only for the fiscal year for which such allocation is made. In the event no funds are appropriated by the U.S. Congress or no funds are allocated for the project proposed herein for subsequent fiscal years, this Contract will be null and void, except as to that portion for which funds have then been appropriated or allocated to this project, and no right of action or damages will accrue to the benefit of the parties hereto as to that portion of the Contract or project that may so become null and void.

**XVIII. Continuation of Highway Safety Program**

It is the intention of AGENCY to continue the Highway Safety Program identified in this Contract once Federal funding is completed. This intended continuation will be based upon cost effectiveness and an evaluation by AGENCY of the program's impact on highway safety.

**XIX. E-Verify**

Both parties acknowledge that immigration laws require them to register and participate with the E-Verify Program (employment verification program administered by the United States Department of Homeland Security and the Social Security Administration or any successor program) as they both employ one or more employees in this State. Both parties warrant that they have registered with and participate with E-Verify. If either party later determines that the other non-compliant party has not

complied with E-Verify, it will notify the non-compliant party by certified mail of the determination and of the right to appeal the determination.

**XX. Termination and Abandonment**

- A. The STATE and AGENCY hereby agree to the full performance of the covenants contained herein, except that STATE reserves the right, at its discretion, to terminate or abandon any portion of the project for which services have not been already performed by AGENCY.
- B. In the event STATE abandons the services or any part of the services as herein provided, STATE will notify AGENCY in writing and within twenty-four (24) hours after receiving such notice, AGENCY will discontinue advancing the work under this Contract and proceed to close said operations under the Contract.
- C. The appraisal value of work performed by AGENCY to the date of such termination or abandonment shall be made by STATE on a basis equitable to STATE and AGENCY and a final reimbursement made to AGENCY on the basis of costs incurred. Upon termination or abandonment, AGENCY will deliver to STATE all documents, completely or partially completed, together with all unused materials supplied by STATE.
- D. AGENCY may terminate or abandon this Contract upon thirty (30) days written notice to STATE, provided there is subsequent concurrence by STATE. Termination or abandonment by AGENCY will provide that costs can be incurred against the project up to and including sixty (60) days after notice is given to STATE.
- E. Any equipment or commodities which have been purchased as a part of this Contract and which have not been consumed or reached the end of its useful life will be returned to STATE upon its written request.

**XXI. Cancellation Statute**

All parties are hereby put on notice that this Contract is subject to cancellation pursuant to ARS §38-511, the provisions of which are stated below.

In accordance with ARS §38-511, this Contract may be cancelled without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting, or creating the Contract on behalf of the STATE, its political subdivisions or any department or agency of either, is at any time while the Contract or any extension of the Contract is in effect, an employee of any other party to the Contract in any capacity or a consultant to any other party of the Contract with respect to the subject matter or the Contract.

The cancellation shall be effective when written notice from the Governor or Chief Executive Officer or governing body of the political subdivision is received by all other parties to the Contract unless the notice specifies a later time.

**AGREEMENT OF UNDERSTANDING AND CERTIFICATION OF COMPLIANCE****Acceptance of Condition**

It is understood and agreed by the undersigned that a grant received as a result of this Contract is subject to the Highway Safety Act of 1966, as amended (23 U.S.C.A. §§401-404), ARS §28-602, and all administrative regulations governing grants established by the USDOT and STATE. It is expressly agreed that this Highway Safety Project constitutes an official part of the STATE's Highway Safety Program and that AGENCY will meet the requirements as set forth in the accompanying Project Director's Manual, which are incorporated herein and made a part of this Contract. All State and Federal Statutes, Rules, Regulations, and Circulars referenced in this Contract are a part of this document as if fully set forth herein. It is also agreed that no work will be performed nor any obligation incurred until AGENCY is notified in writing that this project has been approved by the Governor's Highway Safety Representative.

**Certificate of Compliance**

This is to certify that AGENCY will comply with all of the State and Federal Statutes, Rules and Regulations identified in this Contract.

**Certification of Non-Duplication of Grant Funds Expenditure**

This is to certify that AGENCY has no ongoing nor completed projects under contract with other Federal fund sources which duplicate or overlap any work contemplated or described in this Contract. It is further certified that any pending or proposed request for other Federal grant funds which would duplicate or overlap work described in the Contract will be revised to exclude any such duplication of grant fund expenditures. It is understood that any such duplication of Federal funds expenditures subsequently determined by audit will be subject to recovery by STATE.

**Single Audit Act**

If your political subdivision has had an independent audit meeting the requirements of the Single Audit Act of 1984, (31 U.S.C.A. §7501 et. seq.), please forward a copy to GOHS, Attention: Fiscal Services Officer, within thirty (30) days of the effective date of this Contract. If such audit has not been performed, please advise when it is being scheduled.

**Buy America Act**

The State and each subrecipient will comply with the Buy America requirement (23 U.S.C. 313) when purchasing items using Federal funds. Buy America requires a State, or subrecipient, to purchase only steel, iron, and manufactured products produced in the United States with Federal funds, unless the Secretary of Transportation determines that such domestically produced items would be inconsistent with the public interest, that such materials are not reasonably available and of a satisfactory quality, or that inclusion of domestic materials will increase the cost of the overall project contract by more than twenty-five (25) percent. In order to use Federal funds to purchase foreign produced items, the State must submit a waiver request that provides an adequate basis and justification to and approved by the Secretary of Transportation.

**Prohibition on Using Grant Funds to Check for Helmet Usage**

The State and each subrecipient will not use 23 U.S.C. Chapter 4 grant funds for programs to check helmet usage or to create checkpoints that specifically target motorcyclists.

**Certification Regarding Debarment and Suspension**

- A. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below and agrees to comply with the requirements of 2 CFR parts 180 and 1300.
- B. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
- C. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default or may pursue suspension or debarment.
- D. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- E. The terms *covered transaction*, *debarment*, *suspension*, *ineligible*, *lower tier*, *participant*, *person*, *primary tier*, *principal*, and *voluntarily excluded*, as used in this clause, have the meaning set out in the Definitions and Coverage sections of 2 CFR part 180. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
- F. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by NHTSA.
- G. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled Instructions for Lower Tier Certification including the Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion—Lower Tier Covered Transaction, provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions and will require lower tier participants to comply with 2 CFR parts 180 and 1300.
- H. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the list of Parties Excluded from Federal Procurement and Non-procurement Programs.

- I. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- J. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, the department or agency may disallow costs, annul or terminate the transaction, issue a stop work order, debar or suspend you, or take other remedies as appropriate.

#### **Certification Regarding Debarment, Suspension, and Other Responsibility Matter**

- A. The prospective primary participant certifies to the best of its knowledge and belief, that its principal:
  1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;
  2. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of record, making false statements, or receiving stolen property;
  3. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or Local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
  4. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.
- B. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

#### **Instructions for Lower Tier Certification**

- A. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below and agrees to comply with the requirements of 2 CFR parts 180 and 1300.
- B. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
- C. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its

certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

- D. The terms covered transaction, debarment, suspension, ineligible, lower tier, participant, person, primary tier, principal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definition and Coverage sections of 2 CFR part 180. You may contact the person to whom this proposal is submitted for assistance in obtaining a copy of those regulations.
- E. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by NHTSA.
- F. The prospective lower tier participant further agrees by submitting this proposal that it will include the clause titled "Instructions for Lower Tier Certification" including the "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion—Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions and will require lower tier participants to comply with 2 CFR parts 180 and 1300.
- G. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Non-procurement Programs.
- H. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- I. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, the department or agency with which this transaction originated may disallow costs, annul or terminate the transaction, issue a stop work order, debar or suspend you, or take other remedies as appropriate.

#### **Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion**

- A. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- B. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

**REIMBURSEMENT INSTRUCTIONS**

**1. Agency Official preparing the Report of Costs Incurred:**

Name: MARVEL ALVAREZ  
Title: ADMINISTRATIVE LIEUTENANT  
Telephone Number: 928-341-2420 Fax Number: 928-627-5446  
E-mail Address: malvarez@cityofsanluis.org

**2. Agency's Fiscal Contact:**

Name: CARLOS CORTES  
Title: ACTING FINANCE DIRECTOR  
Telephone Number: 928-341-8543 Fax Number: 928-341-8549  
E-mail Address: ccortes@cityofsanluis.org  
Federal Identification Number: 86-0376164

**3. REIMBURSEMENT INFORMATION:**

Warrant/Check to be made payable to:

CITY OF SAN LUIS

Warrant/Check to be mailed to:

CITY OF SAN LUIS FINANCE DEPARTMENT  
(Agency)

P.O. BOX 7740  
(Address)

SAN LUIS, AZ 85349  
(City, State, Zip Code)

**4. DUNS Number:**

879102684  
(DUNS #)

1030 E. UNION ST. SAN LUIS, AZ 85349  
(Registered Address & Zip Code)

**Restriction on State Lobbying**

None of the funds under this program will be used for any activity specifically designed to urge or influence a State or local legislator to favor or oppose the adoption of any specific legislative proposal pending before any State or local legislative body. Such activities include both direct and indirect (e.g., "grassroots") lobbying activities, with one exception. This does not preclude a State official whose salary is supported with NHTSA funds from engaging in direct communications with State or local legislative officials, in accordance with customary State practice, even if such communications urge legislative officials to favor or oppose the adoption of a specific pending legislative proposal.

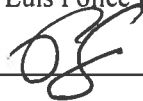
**Certification for Contracts, Grants, Loans, and Cooperative Agreements**

The undersigned certifies, to the best of his or her knowledge and belief, that:

- A. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- B. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- C. The undersigned will require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients will certify and disclose accordingly.
- D. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 USC §1352. Any person who fails to file the required certification will be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

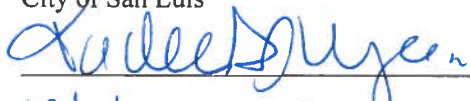
***Signature of Project Director:***

Richard Jessup, Chief  
San Luis Police Department

  
 \_\_\_\_\_  
 10-10-17                      (928) 341-2426  
 Date                                      Telephone

***Signature of Authorized Official of Governmental Unit:***

Tadeo A. De La Hoya, Interim City Manager  
City of San Luis

  
 \_\_\_\_\_  
 10/11/2017                      (928) 341-8520  
 Date                                      Telephone





**DOUGLAS A. DUCEY**  
GOVERNOR

**ALBERTO GUTIER**  
DIRECTOR  
GOVERNOR'S HIGHWAY SAFETY REPRESENTATIVE

Chief Richard Jessup  
San Luis Police Department  
1030 East Union Street  
San Luis, AZ 85349

**PROJECT REFERENCE:**

Contract Number: 2018-PTS-060  
Total Estimated Costs: \$12,000.00  
Purpose of Project: STEP Enforcement

Dear Chief Jessup:

Attached are the following documents:

- a) One (1) fully executed original of the above-referenced contract
- b) Project Director's Manual

Please note that any equipment costing \$5,000.00 or more must comply with the Buy America Act as mandated by federal law.

The Report of Costs Incurred (RCI Form) and RCI Instructions are located on the GOHS website at [www.azgohs.gov/grant-opportunities/](http://www.azgohs.gov/grant-opportunities/). Refer to the Contract and/or Project Directors Manual for instructions on completion and submission.

**Please have your Project Administrator and Fiscal staff review and become familiar with the reporting requirements outlined in this Contract.**

You are hereby authorized to proceed under the terms of the Highway Safety Contract, effective on the "Authorization to Proceed Date" (i.e., the date of my signature on the last page of the contract as long as the signature is within the Federal Fiscal Year that this contract applies to) with an obligation of \$12,000.00 in Federal funds.

Sincerely,

Alberto Gutier, Director  
Governor's Highway Safety Representative

10-1-17  
Date

Enclosures

**GOVERNOR'S OFFICE OF  
HIGHWAY SAFETY**

**STATE OF ARIZONA**

**HIGHWAY SAFETY CONTRACT**

This page, the Project Director's Manual and attached hereto and incorporated herein by reference, constitute the entire Contract between the parties hereto unless the Governor's Highway Safety Representative authorizes deviation in writing.

<b>FAIN: 69A37518300004020AZ0</b>		<b>CFDA: 20.600</b>
<b>1. APPLICANT AGENCY</b> San Luis Police Department	<b>GOHS CONTRACT NUMBER:</b> 2018-PTS-060	
<b>ADDRESS</b> 1030 East Union Street, San Luis, AZ 85349	<b>PROGRAM AREA:</b> 402-PTS	
<b>2. GOVERNMENTAL UNIT</b> City of San Luis	<b>AGENCY CONTACT:</b> Miguel Alvarez	
<b>ADDRESS</b> 1090 East Union Street, San Luis, AZ 85349	<b>3. PROJECT TITLE:</b> STEP Enforcement	
<b>4. GUIDELINES:</b> 402-Police Traffic Services (PTS)		
<b>5. BRIEFLY STATE PURPOSE OF PROJECT:</b> Federal 402 funds will support Personnel Services (Overtime), and Employee Related Expenses to enhance STEP Enforcement throughout the City of San Luis.		
<b>6. BUDGET COST CATEGORY</b>	<b>Project Period FFY 2018</b>	
<b>I. Personnel Services</b>	\$8,759.00	
<b>II. Employee Related Expenses</b>	\$3,241.00	
<b>III. Professional and Outside Services</b>	\$0.00	
<b>IV. Travel In-State</b>	\$0.00	
<b>V. Travel Out-of-State</b>	\$0.00	
<b>VI. Materials and Supplies</b>	\$0.00	
<b>VII. Capital Outlay</b>	\$0.00	
<b>TOTAL ESTIMATED COSTS</b>	<b>\$12,000.00</b>	
<b>PROJECT PERIOD</b>	<b>FROM:</b> Effective Date (Date of GOHS Director Signature)	<b>TO:</b> 09-30-2018
<b>CURRENT GRANT PERIOD</b>	<b>FROM:</b> 10-01-2017	<b>TO:</b> 09-30-2018
<b>TOTAL FEDERAL FUNDS OBLIGATED THIS FFY: \$12,000.00</b>		

**A political subdivision or State agency that is mandated to provide a certified resolution or ordinance authorizing entry into this Contract must do so prior to incurring any expenditures. Failure to do so may result in termination of the awarded Contract.**

**PROBLEM IDENTIFICATION AND RESOLUTION:**

**Agency Background:**

Number of sworn officers: 35

Total Population in city/town or county: 35,000

Total Road Mileage: Highway: 6 Local: 100 Total: 106

	2016	2015	2014
Total Crashes	280	311	229
Total Injury Crashes	32	55	40
Total Fatal Crashes	0	0	1
Total Alcohol-related Crashes	6	9	6
Total Alcohol-related Serious Injuries	0	0	0
Total Alcohol-related Fatalities	0	0	0
Total Speed-related Crashes	49	59	76
Total Speed-related Serious Injuries	10	19	12
Total Speed-related Fatalities	0	0	1

The data above represents: County  City/Town

**Agency Problem/Attempts to Solve Problem:**

San Luis Police Department (SLPD) has observed as a high traffic area is State Route 195 which is nicknamed the Robert A. Vaughan Expressway. The posted speed limit in this area is set at 65 miles per hour. The speed changes as you exit State Route 195 and transitions onto Juan Sanchez Boulevard. The speed goes from 65 mph into a 50-mph zone which becomes a two-way road. The traffic lanes also change from 4 lanes to only a two-lane road which creates a bottleneck and dangerous situations of drivers attempting to speed up in front of slower drivers which at times creates incidents of road rage. This road is also the primary used road for most of all commercial trucks that enter the United States from Mexico.

**Agency Funding:**

Federal 402 funds will support Personnel Services (Overtime), and Employee Related Expenses to enhance STEP Enforcement throughout the City of San Luis.

**How Agency Will Solve Problem With Funding:**

SLPD is seeking grant funds to support the Selective Traffic Enforcement Program. SLPD will attempt to increase its apprehension of aggressive drivers. The SLPD Selective Traffic Enforcement Program grant funds will assist the department in enforcing Arizona Revised Statutes Title 28 laws and local impaired driving ordinances, as well as the reduction of accidents in targeted areas. The program will significantly reduce accidents, fatalities, as well as increasing the community's awareness about the dangers of speeding and aggressive driving. SLPD is requesting overtime to aid the deterrence of speed violations in areas of the city that experience high vehicular traffic during early morning and evening hours. A primary objective of the speed enforcement operations conducted by SLPD is the focus on identifying dangerous drivers.

**PROJECT MEASURES:****Agency Goals:**

To decrease the number of speeding-related crashes 20% from 49 during calendar year 2016 to 39 by December 31, 2018.

To decrease fatalities in speeding-related crashes 0% from 0 in calendar year 2016 to 0 by December 31, 2018.

To decrease serious injuries in speeding-related crashes 50 % from 10 in calendar year 2016 to 5 by December 31, 2018.

**Contract Objectives:**

To increase the number of speeding and aggressive driving citations 20% from 938 during Calendar Year 2016 to 750 during FFY 2018.

Conduct targeted speed enforcement efforts a minimum of 2 times per month during FFY 2018.

**Additional Contract Objectives:**

1. Focus on enforcing seat belt laws and also child restraint laws by providing the community with education once each quarter.
2. To enforce local city ordinances on distracting driving and a zero-tolerance approach on school crosswalk violations during school hours and peak seasons.

**GOALS/OBJECTIVES:**

Federal 402 funds will support Personnel Services (Overtime), and Employee Related Expenses to enhance STEP Enforcement throughout the City of San Luis.

Expenditures of funding pertaining to the PTS/Selective Traffic Enforcement Program including Personnel Services and ERE, Materials and Supplies, Capital Equipment, and/or Travel In and Out-of-State shall comply with the PTS/Selective Traffic Enforcement Program goals provided by the Arizona Governor's Office of Highway Safety. The PTS/Selective Traffic Enforcement Program goal is to reduce the incidences of traffic fatalities and injuries resulting from speeding, aggressive driving, red light running, and other forms of risky driving behavior through enforcement, education, and public awareness throughout the State of Arizona.

**MEDIA RELEASE:**

To prepare complete press release information for media (television, radio, print, and on-line) during each campaign period including a main press release, schedule of events, departmental plans, and relevant data. The material will emphasize the campaign's purpose, aggressive enforcement, and the high cost of Speeding in terms of money, criminal, and human consequences.

The San Luis Police Department will maintain responsibility for **reporting sustained enforcement** activity in a timely manner. Additionally, it is the responsibility of the San Luis Police Department to report all holiday task force enforcement statistics to GOHS on-line at the GOHS website **no later than 10:00 a.m. the morning following each day of the event.**

The holidays and special events include but not limited to: Super Bowl Sunday, Valentine's Day, President's Day, St. Patrick's Day, Spring Break, Easter, Cinco de Mayo, Prom Night, Memorial Day, Graduation Day, Independence Day, Labor Day, Columbus Day, Halloween, and the Thanksgiving through New Year's details.

**PLEASE NOTE: Failure to submit Statistics, Quarterly Reports, and/or Report of Costs Incurred (RCIs) timely and correctly may delay reimbursement for expenditures to your Agency.**

**METHOD OF PROCEDURE:**

The San Luis Police Department will make expenditures, as follows, to meet the outlined Program Goals/Objectives:

Personnel Services - To support Overtime for STEP/Speed Enforcement Activities

Employee Related Expenses - To support Employee Related Expenses for Agency Overtime

**PRESS RELEASE:**

Agencies are **required** to develop and distribute a press release announcing this grant award **upon receipt** of the executed Contract. A copy of this press release shall be sent to the GOHS Director for approval prior to being sent to the media. This press release shall include the objective and specify that the funding is from the Governor's Office of Highway Safety.

**PURSUIT POLICY:**

All law enforcement agencies receiving Federal funds are encouraged to follow the guidelines established for vehicular pursuits issued by the International Association of Chiefs of Police (IACP) that are currently in effect.

**METHOD OF PROCUREMENT:**

The application of USDOT "Common Rule" and Circular A-102 requires that:

Grantees and sub-grantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided the procurement procedures conform to applicable Federal laws and standards. The most stringent purchasing requirement at each level must be met. If the Agency does not have a procurement process, the Agency may use the State procurement process.

A clear audit trail must be established to determine costs charged against this Contract. Substantiation of costs shall, where possible, be made utilizing the San Luis Police Department documentation consisting of, but not limited to, copies of time sheets, purchase orders, copies of invoices, and proof of payment.

The Agency shall retain copies of all documentation in the project file.

**State Contract:**

Procurement may be made using an open State contract award. Documents submitted to substantiate purchases using an open State contract must bear the contract number.

**PROJECT EVALUATION:**

This project shall be administratively evaluated to ensure the objectives have been met.

**Quarterly Report**

The purpose of the Quarterly Report is to provide information on contracted grant activities conducted at the conclusion of each active quarter. The information provided is used to review progress of the funded project and the successfulness in meeting outlined goals and objectives. The information, photos, highlights, obstacles, and mandatory statistical data provided in this report are analyzed by the assigned Project Coordinator. It is critical the report contains the following information:

- **Original signatures on all Quarterly Reports and RCIs**
  - **All Quarterly Reports and RCIs shall include the signature of the Project Director unless prior authorization for another is on file with GOHS.**

**Report Schedule**

Reporting Period	Due Date
<b>1<sup>st</sup> Quarterly Report and RCI</b> (October 1 to December 31, 2017)	January 30, 2018
<b>2<sup>nd</sup> Quarterly Report and RCI</b> (January 1 to March 31, 2018)	April 20, 2018
<b>3<sup>rd</sup> Quarterly Report and RCI</b> (April 1 to June 30, 2018)	July 20, 2018
<b>4<sup>th</sup> Quarterly Report and RCI</b> (July 1 to September 30, 2018)	<b>October 15, 2018</b>
<b>Final Statement of Accomplishments</b>	<b>October 15, 2018</b>

The Quarterly Report **shall be completed on the form available on-line and can be submitted by email** to the Governor's Office of Highway Safety.

**NOTE: IT IS REQUIRED THAT ALL LAW ENFORCEMENT AGENCIES MUST ENTER STATISTICAL AND ENFORCEMENT ACTIVITY INTO THE ON-LINE GOHS DUI REPORTING SYSTEM, IN ADDITION TO SUBMITTING THE QUARTERLY ENFORCEMENT REPORT.**

**Final Statement of Accomplishments**

The Project Director shall submit a Final Statement of Accomplishments Report to the GOHS **no later than fifteen (15) days after the conclusion of each Federal Fiscal Year (September 30th)**. All agencies receiving funding are required to submit a Final Statement of Accomplishments Report.

**Note:** Failure to comply with the outlined GOHS reporting requirements may result in withholding of Federal funds or termination of the Contract.

**PROFESSIONAL AND TECHNICAL PERSONNEL:**

**Richard Jessup, Chief, San Luis Police Department, shall serve as Project Director.**

**Miguel Alvarez, Lieutenant, San Luis Police Department, shall serve as Project Administrator.**

**Rhonda Melancon, Governor's Office of Highway Safety, shall serve as Project Coordinator.**

**REPORT OF COSTS INCURRED (RCI):**

The Agency shall submit a Report of Costs Incurred (RCI), with supporting documentation attached, to the Governor's Office of Highway Safety on a quarterly basis, for each active quarter, in conjunction with the required report. Agencies may submit additional RCI forms for expenditures when funds have been expended for which reimbursement is being requested.

Accepted supporting documentation to submit with a Report of Cost Incurred (RCI) includes, but is not limited to; scanned copies of timesheets, payroll records, paid invoices/purchase orders, and other account records.

RCIs shall be typed and delivered via mail or hand delivered with appropriate supporting documentation to the Governor's Office of Highway Safety. **Electronically submitted RCIs will not be accepted.** Final RCIs will not be accepted fifteen (15) days after the conclusion of each Federal Fiscal Year (September 30th). **Expenditures submitted after the expiration date may not be reimbursed and the Agency will accept fiscal responsibility.**

**PROJECT MONITORING:**

Highway safety grant project monitoring is used by GOHS project coordinators to track the progress of project objectives, performance measures, and compliance with applicable procedures, laws, and regulations.

The process is used throughout the duration of the contracted project and serves as a continuous management tool. Project monitoring also presents an opportunity to develop partnerships, share information, and provide assistance to contracted agencies. Additionally, project monitoring outlines a set of procedures for project review and documentation.

Project monitoring serves as a management tool for:

- Detecting and preventing problems
- Helping to identify needed changes
- Identifying training or assistance needed
- Obtaining data necessary for planning and evaluation
- Identifying exemplary projects

**Types of Monitoring**

Monitoring is formal and informal, financial and operational. The most common types of monitoring are:

- Ongoing contact with the contracted grantee through phone calls, e-mails, correspondence, and meetings
- On-Site and/or In-House monitoring reviews of project operations, management, and financial records and systems
- Review of project Quarterly Reports
- Review and approval of Report of Costs Incurred (RCIs)
- Desk review of other documents in the project grant files for timely submission and completeness

<b>Monitoring Schedule</b>	
<b>Total Awarded Amount:</b>	<b>Type of Monitoring:</b>
Under \$50,000	Desk Review/Phone Conference
\$50,000 and over	May have an In-House GOHS Review
\$100,000+	May have an On-Site Review
Capital Outlay Greater than \$25,000 (combined)	May have an On-Site Review
Desk Review and Phone Conference	Internal review of all written documentation related to contractual project including, but not limited to the Contract, Quarterly Reports, enforcement data, financial data, e-mails, letters, notes, press releases, photographs, inventories, and other written correspondence. A phone conference call conducted during the course of the project which includes the date and time of the call, the person(s) contacted, and the results. It serves as an informational review to determine progress of programmatic/financial activities. Both the designated project administrator and fiscal contact should be present, if possible, during the phone conference. If identified financial or operational problems are present, GOHS reserves the right to bring the grantee in for an in-house meeting at GOHS. Monitoring form written by Project Coordinator, any findings, areas of improvement, concern, or recognition will be provided to the grantee.
In-House Review	Documents performance review results including project activities, reimbursement claims review, equipment purchases, approvals, and other information. Reviews applicable information related to the project(s) including, but not limited to the Contract, Quarterly

	Reports, enforcement data, financial data, e-mails, letters, notes, press releases, photographs, inventories, and other written correspondence. Completed at GOHS in a meeting with appropriate operational and financial personnel. Monitoring form written by Project Coordinator, any findings, areas of improvement, concern, or recognition will be provided to the grantee.
On-Site Monitoring	Documents performance review results including project activities, reimbursement claims review, equipment purchases, and other information. Reviews applicable information related to the project(s) including, but not limited to the Contract, Quarterly Reports, enforcement data, financial data, e-mails, letters, notes, press releases, photographs, inventories, and other written correspondence. Conducted on-site at the grantee's Agency with monitoring form completed on-site by Project Coordinator. Any findings, areas of improvement, concern, or recognition, will be provided to the grantee.

On-site and/or in-house monitoring for grantees of designated projects with large Capital Outlay purchases, personnel services, and complex projects must be completed within the second or third quarter of the fiscal year. Contracted projects displaying any problems may need on-site monitoring more than once during the fiscal year.

On-site and/or In-house monitoring includes a review and discussion of all issues related to ensure the effective administration of the contracted project. The following are the most important items to review:

- Progress toward meeting goals/objectives and performance measures
- Adherence to the contract specifications, timely submission of complete and correct reports, including required documentation
- Quarterly Reports
- Status of expenditures related to the outlined budget
- Accounting records and RCI's
- Supporting documentation (training documentation, inventory sheets, photographs, press releases, etc.)

In addition, the designated Agency will ensure that any equipment purchased will be available for inspection and is being used for the purpose for which it was bought under the outlined contractual agreement.

**Documentation**

The Governor's Office of Highway Safety will retain all findings documented on the GOHS Monitoring Form in the Agency's respective Federal file. Findings will be discussed with the designated contract representative (Project Administrator, fiscal specialist) by phone and/or e-mail. All noted deficiencies will be provided to the grantee with guidance for improvement and solutions to problems. Grantees that exhibit significantly poor performance may be placed on a performance plan as outlined by the GOHS Director. Grantee monitoring information will additionally provide documentation for potential funding in subsequent fiscal year grant proposal review.

**PROJECT PERIOD:**

The project period shall commence on the date the GOHS Director signs the Highway Safety Contract and terminate on September 30th of that or subsequent year as indicated on the Highway Safety Contract.

**DURATION:**

Contracts shall be effective on the date the Governor's Office of Highway Safety Director signs the Contract and expire at the end of the project period.

If the Agency is unable to expend the funds in the time specified, the Agency will submit notification on the Agency's letterhead and hand deliver or submit via regular mail to the Director of the Governor's Office of Highway Safety a minimum of sixty days (60) prior to the end of the project period.

The Agency shall address all requests to modify the Contract to the Director of the Governor's Office of Highway Safety on Agency's official letterhead and either hand deliver or submit the request via regular mail. All requests for modification must bear the signature of the Project Director.

Failure to comply may result in cancellation of the Contract. Any unexpended funds remaining at the termination of the Contract shall be released back to the Governor's Office of Highway Safety.

**ESTIMATED COSTS:**

I.	Personnel Services (overtime)	\$8,759.00
II.	Employee Related Expenses (ERE)	\$3,241.00
III.	Professional and Outside Services	\$0.00
IV.	Travel In-State	\$0.00
V.	Travel Out-of-State	\$0.00
VI.	Materials and Supplies	\$0.00
VII.	Capital Outlay	\$0.00
	<b>TOTAL ESTIMATED COSTS</b>	<b>*\$12,000.00</b>

\*Includes all applicable training, tax, freight, and advertising costs. The GOHS reserves the right to limit reimbursement of Employee Related Expenses from zero (0) to a maximum rate of forty (40) percent. This is the maximum ERE amount to be reimbursed. It is agreed and understood that the San Luis Police Department shall absorb any and all expenditures in excess of \$12,000.00.

**QUARTERLY ENFORCEMENT REPORT  
(Submitted to GOHS)**

**Reporting Period**

<b>DESCRIPTION</b>	<b>CONTRACT ACTIVITY</b>	<b>AGENCY ACTIVITY</b>
Total Contacts (Traffic Stops)		
Total Sober Designated Drivers Contacted		
Total Know Your Limit Contacts		
<b>TOTAL DUI ARRESTS</b>		
Total DUI Aggravated		
Total DUI Misdemeanor		
Total DUI Extreme (.15 or Above)		
Under 21 DUI Arrests		
Average BAC		
Minor Consumption / Possession Citations		
Total DUI Drug Arrests		
30-Day Vehicle Impounds		
Seat Belt Citations		
Child Restraint Citations		
Criminal Speed Citations		
Reckless Driving Citations		
Civil Speed Citations		
Other Citations (Except Speed)		
Other Arrests		
Participating Officer/Deputies (Cumulative)		

**CERTIFICATIONS AND AGREEMENTS**

This CONTRACT, is made and entered into by and between the STATE OF ARIZONA, by and through the Governor's Office of Highway Safety (GOHS) hereinafter referred to as "STATE", and the agency named in this Contract, hereinafter referred to as "AGENCY".

WHEREAS, the National Highway Safety Act of 1966, as amended (23 USC §§401-404), provides Federal funds to STATE for approved highway safety projects; and

WHEREAS, STATE may make said funds available to various state, county, tribal, or municipal agencies, governments, or political subdivisions upon application and approval by STATE and the United States Department of Transportation (USDOT); and

WHEREAS, AGENCY must comply with the requirements listed herein to be eligible for Federal funds for approved highway safety projects; and

WHEREAS, AGENCY has submitted an application for Federal funds for highway safety projects;

NOW, THEREFORE, IN CONSIDERATION OF MUTUAL PROMISES AND OTHER GOODS AND VALUABLE CONSIDERATION, it is mutually agreed that AGENCY will strictly comply with the following terms and conditions and the following Federal and State Statutes, Rules, and Regulations:

**I. Project Monitoring, Reports, and Inspections**

- A. AGENCY agrees to fully cooperate with representatives of STATE monitoring the project, either on-site or by telephone, during the life of the Contract.
- B. AGENCY will submit Quarterly Reports (one for each three-month period of the project year) to STATE in the form and manner prescribed by STATE. Notice of the specific requirements for each report will be given in this Contract or at any time thereafter by giving thirty (30) days written notice to AGENCY by ordinary mail at the address listed on the Contract. Failure to comply with Quarterly Report requirements may result in withholding of Federal funds or termination of this Contract.
- C. AGENCY will submit a Final Report/Statement of Accomplishment at completion of the Contract to include all financial, performance, and other reports required as a condition of the grant to STATE within thirty (30) days of the completion of the Contract.
- D. Representatives authorized by STATE and the National Highway Traffic Safety Administration (NHTSA) will have the right to visit the site and inspect the work under this Contract whenever such representatives may determine such inspection is necessary.

**II. Reimbursement of Eligible Expenses**

- A. AGENCY's Project Director, or Finance Personnel, will submit a Report of Costs Incurred Form (RCI) to STATE each time there have been funds expended for which reimbursement is being requested. Failure to meet this requirement may be cause to terminate the project under Section XX herein, "Termination and Abandonment".

- B. AGENCY will reimburse STATE for any ineligible or unauthorized expenses for which Federal funds have been claimed and reimbursement received, as may have been determined by a State or Federal audit.
- C. STATE will have the right to withhold any installments equal to the reimbursement received by AGENCY for prior installments which have been subsequently determined to be ineligible or unauthorized.

### **III. Property Agreement**

- A. AGENCY will immediately notify STATE if any equipment purchased under this Contract ceases to be used in the manner as set forth by this Contract. In such event, AGENCY further agrees to either give credit to the project cost or to another active highway safety project for the residual value of such equipment in an amount to be determined by STATE or to transfer or otherwise dispose of such equipment as directed by STATE.
- B. No equipment will be conveyed, sold, salvaged, transferred, etc., without the express written approval of STATE, or unless otherwise provided elsewhere in this Contract.
- C. AGENCY will maintain or cause to be maintained for its useful life, any equipment purchased under this Contract.
- D. AGENCY will incorporate any equipment purchased under this Contract into its inventory records.
- E. AGENCY will insure any equipment purchased under this Contract for the duration of its useful life. Self-insurance meets the requirements of this section.

### **IV. Travel**

#### In-State and Out-of-State Travel

In state and out-of-state travel claims will be reimbursed at rates provided by AGENCY's regulations, provided that such regulations are as restrictive as those of STATE. Where they are less restrictive, ARS §38-624 will apply.

The State must approve all out-of-state travel in writing and in advance.

### **V. Standard of Performance**

AGENCY hereby agrees to perform all work and services herein required or set forth, and to furnish all labor, materials, and equipment, except that labor, material, and equipment as STATE agrees to furnish pursuant to this Contract.

### **VI. Hold Harmless Agreement**

Neither party to this agreement agrees to indemnify the other party or hold harmless the other party from liability hereunder. However, if the common law or a statute provides for either a right to indemnify and/or a right to contribution to any party to this agreement then the right to pursue one or both of these remedies is preserved.

**VII. Non-Assignment and Sub-Contracts**

This Contract is not assignable nor may any portion of the work to be performed be subcontracted unless specifically agreed to in writing by STATE. No equipment purchased hereunder may be assigned or operated by other than AGENCY unless agreed to in writing by STATE.

**VIII. Work Products and Title to Commodities and Equipment**

- A. The work product and results of the project are the property of STATE, unless otherwise specified elsewhere in this Contract. All property, instruments, non-consumable materials, supplies, and the like, which are furnished or paid for by STATE under the terms of this Contract, unless otherwise provided for elsewhere in this Contract, are and remain the property of STATE and will be returned at the completion of this project upon request of STATE. The work product and results of the project will be furnished to STATE upon request, if no provision is otherwise made by this Contract.
- B. The provisions of subparagraph A apply whether or not the project contracted for herein is completed.

**IX. Copyrights and Patents**

Any copyrightable materials, patentable discovery, or invention produced in the course of this project may be claimed by STATE and a copyright or patent obtained by it at its expense. In the event STATE does not wish to obtain such copyright or patent, AGENCY may do so, but in any event, provision will be made by AGENCY for royalty-free, nonexclusive, nontransferable, and irrevocable licenses to be given the United States Government and STATE and its political subdivisions to use such copyrightable material, patented discoveries, or inventions in any manner they see fit. The STATE reserves the right to impose such other terms and conditions upon the use of such copyrights or patents as may be deemed in the best interest of STATE in the event AGENCY is allowed to obtain a copyright or patent.

**X. "Common Rule" and OMB Circular No. A-102 (Revised)**

"Common Rule" (49 CFR Part 18): Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments

OMB Circular No. A-102 (Revised): Grants and Cooperative Agreements with State and Local Governments

The application of USDOT "Common Rule" and Circular A-102 requires that:

AGENCY and sub-grantees will use their own procurement procedures, which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law. The most stringent purchasing requirement at each level must be met.

The Arizona Procurement Code (ARS §41-2501, et. seq.) and promulgated rules (A.A.C. Title 2, Chapter 7) are a part of this Contract as if fully set forth herein and AGENCY agrees to fully comply with these requirements for any procurement using grant monies from this Contract.

**XI. Non-Discrimination**

During the performance of this contract/funding agreement, the contractor/funding recipient agrees—

- A. To comply with all Federal nondiscrimination laws and regulations, as may be amended from time to time;
- B. Not to participate directly or indirectly in the discrimination prohibited by any Federal non-discrimination law or regulation, as set forth in Appendix B of 49 CFR part 21 and herein;
- C. To permit access to its books, records, accounts, other sources of information, and its facilities as required by the State highway safety office, US DOT or NHTSA;
- D. That, in event a contractor/funding recipient fails to comply with any nondiscrimination provisions in this contract/funding agreement, the State highway safety agency will have the right to impose such contract/agreement sanctions as it or NHTSA determine are appropriate, including, but not limited to, withholding payments to the contractor/funding recipient under the contract/agreement until the contractor/funding recipient complies; and/or cancelling, terminating, or suspending a contract or funding agreement, in whole or in part; and
- E. To insert this clause, including paragraphs A through E, in every subcontract and subagreement and in every solicitation for a subcontract or sub-agreement, that receives Federal funds under this program.
- F. If AGENCY fails or refuses to comply with its undertaking as set forth in these provisions, STATE or the USDOT may take any or all of the following actions:
  - 1. Cancel, terminate, or suspend, in whole or in part, the agreement, contract, or other arrangement with respect to which the failure or refusal occurred; and
  - 2. Refrain from extending any further Federal financial assistance to AGENCY under the Highway Safety Program with respect to which the failure or refusal occurred until satisfactory assurance of future compliance has been received from AGENCY.
- G. Pursuant to the requirement of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794), AGENCY must operate this Highway Safety Project so that it is accessible and otherwise non-discriminatory to handicapped persons.

**XII. Executive Order 2009-09**

It is mutually agreed that AGENCY will comply with the terms and conditions of Executive Order 2009-09, *Non-Discrimination in Employment by Government Contractors and Subcontractors*. Executive Order 2009-09 is located in Part II of the Project Director's Manual.

**XIII. Application of Hatch Act**

The AGENCY will comply with provisions of the Hatch Act (5 U.S.C. 1501-1508), which limits the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

**XIV. Minority Business Enterprises (MBE) Policy and Obligation**

- A. Policy: It is the policy of the USDOT that minority business enterprises as defined in 49 CFR Part 23, will have the maximum opportunity to participate in the performance of contracts financed in whole or in part with Federal funds under this Contract. Consequently, the minority business enterprises requirements of 49 CFR Part 23 apply to this Contract.
- B. Obligation: The recipient or its contractor agrees to ensure that minority business enterprises, as defined in 49 CFR Part 23, have the subcontracts financed in whole or in part with Federal funds provided under this Contract. In this regard, all recipients or contractors will take all necessary and reasonable steps in accordance with 49 CFR, Part 23 to ensure that minority business enterprises have the maximum opportunity to compete for and perform contracts. Recipients and their contractors will not discriminate on the basis of race, color, creed, sex, or national origin in the award and performance of USDOT-assigned contracts.

**XV. Arbitration Clause, ARS §12-1518**

Pursuant to ARS §12-1518, the parties agree to use arbitration, after exhausting applicable administrative reviews, to resolve disputes arising out of this Contract where the provisions of mandatory arbitration apply.

**XVI. Inspection and Audit, ARS §35-214**

Pursuant to ARS §35-214, all books, accounts, reports, files, and other records relating to this Contract will be subject at all reasonable times to inspection and audit by STATE for five (5) years after completion of this Contract. The records will be produced at the Governor's Office of Highway Safety.

**XVII. Appropriation of Funds by U.S. Congress**

It is agreed that in no event will this Contract be binding on any party hereto unless and until such time as funds are appropriated and authorized by the U.S. Congress and specifically allocated to the project submitted herein and then only for the fiscal year for which such allocation is made. In the event no funds are appropriated by the U.S. Congress or no funds are allocated for the project proposed herein for subsequent fiscal years, this Contract will be null and void, except as to that portion for which funds have then been appropriated or allocated to this project, and no right of action or damages will accrue to the benefit of the parties hereto as to that portion of the Contract or project that may so become null and void.

**XVIII. Continuation of Highway Safety Program**

It is the intention of AGENCY to continue the Highway Safety Program identified in this Contract once Federal funding is completed. This intended continuation will be based upon cost effectiveness and an evaluation by AGENCY of the program's impact on highway safety.

**XIX. E-Verify**

Both parties acknowledge that immigration laws require them to register and participate with the E-Verify Program (employment verification program administered by the United States Department of Homeland Security and the Social Security Administration or any successor program) as they both employ one or more employees in this State. Both parties warrant that they have registered with and participate with E-Verify. If either party later determines that the other non-compliant party has not

complied with E-Verify, it will notify the non-compliant party by certified mail of the determination and of the right to appeal the determination.

**XX. Termination and Abandonment**

- A. The STATE and AGENCY hereby agree to the full performance of the covenants contained herein, except that STATE reserves the right, at its discretion, to terminate or abandon any portion of the project for which services have not been already performed by AGENCY.
- B. In the event STATE abandons the services or any part of the services as herein provided, STATE will notify AGENCY in writing and within twenty-four (24) hours after receiving such notice, AGENCY will discontinue advancing the work under this Contract and proceed to close said operations under the Contract.
- C. The appraisal value of work performed by AGENCY to the date of such termination or abandonment shall be made by STATE on a basis equitable to STATE and AGENCY and a final reimbursement made to AGENCY on the basis of costs incurred. Upon termination or abandonment, AGENCY will deliver to STATE all documents, completely or partially completed, together with all unused materials supplied by STATE.
- D. AGENCY may terminate or abandon this Contract upon thirty (30) days written notice to STATE, provided there is subsequent concurrence by STATE. Termination or abandonment by AGENCY will provide that costs can be incurred against the project up to and including sixty (60) days after notice is given to STATE.
- E. Any equipment or commodities which have been purchased as a part of this Contract and which have not been consumed or reached the end of its useful life will be returned to STATE upon its written request.

**XXI. Cancellation Statute**

All parties are hereby put on notice that this Contract is subject to cancellation pursuant to ARS §38-511, the provisions of which are stated below.

In accordance with ARS §38-511, this Contract may be cancelled without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting, or creating the Contract on behalf of the STATE, its political subdivisions or any department or agency of either, is at any time while the Contract or any extension of the Contract is in effect, an employee of any other party to the Contract in any capacity or a consultant to any other party of the Contract with respect to the subject matter or the Contract.

The cancellation shall be effective when written notice from the Governor or Chief Executive Officer or governing body of the political subdivision is received by all other parties to the Contract unless the notice specifies a later time.

**AGREEMENT OF UNDERSTANDING AND CERTIFICATION OF COMPLIANCE****Acceptance of Condition**

It is understood and agreed by the undersigned that a grant received as a result of this Contract is subject to the Highway Safety Act of 1966, as amended (23 U.S.C.A. §§401-404), ARS §28-602, and all administrative regulations governing grants established by the USDOT and STATE. It is expressly agreed that this Highway Safety Project constitutes an official part of the STATE's Highway Safety Program and that AGENCY will meet the requirements as set forth in the accompanying Project Director's Manual, which are incorporated herein and made a part of this Contract. All State and Federal Statutes, Rules, Regulations, and Circulars referenced in this Contract are a part of this document as if fully set forth herein. It is also agreed that no work will be performed nor any obligation incurred until AGENCY is notified in writing that this project has been approved by the Governor's Highway Safety Representative.

**Certificate of Compliance**

This is to certify that AGENCY will comply with all of the State and Federal Statutes, Rules and Regulations identified in this Contract.

**Certification of Non-Duplication of Grant Funds Expenditure**

This is to certify that AGENCY has no ongoing nor completed projects under contract with other Federal fund sources which duplicate or overlap any work contemplated or described in this Contract. It is further certified that any pending or proposed request for other Federal grant funds which would duplicate or overlap work described in the Contract will be revised to exclude any such duplication of grant fund expenditures. It is understood that any such duplication of Federal funds expenditures subsequently determined by audit will be subject to recovery by STATE.

**Single Audit Act**

If your political subdivision has had an independent audit meeting the requirements of the Single Audit Act of 1984, (31 U.S.C.A. §7501 et. seq.), please forward a copy to GOHS, Attention: Fiscal Services Officer, within thirty (30) days of the effective date of this Contract. If such audit has not been performed, please advise when it is being scheduled.

**Buy America Act**

The State and each subrecipient will comply with the Buy America requirement (23 U.S.C. 313) when purchasing items using Federal funds. Buy America requires a State, or subrecipient, to purchase only steel, iron, and manufactured products produced in the United States with Federal funds, unless the Secretary of Transportation determines that such domestically produced items would be inconsistent with the public interest, that such materials are not reasonably available and of a satisfactory quality, or that inclusion of domestic materials will increase the cost of the overall project contract by more than twenty-five (25) percent. In order to use Federal funds to purchase foreign produced items, the State must submit a waiver request that provides an adequate basis and justification to and approved by the Secretary of Transportation.

**Prohibition on Using Grant Funds to Check for Helmet Usage**

The State and each subrecipient will not use 23 U.S.C. Chapter 4 grant funds for programs to check helmet usage or to create checkpoints that specifically target motorcyclists.

**Certification Regarding Debarment and Suspension**

- A. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below and agrees to comply with the requirements of 2 CFR parts 180 and 1300.
- B. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
- C. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default or may pursue suspension or debarment.
- D. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- E. The terms *covered transaction, debarment, suspension, ineligible, lower tier, participant, person, primary tier, principal, and voluntarily excluded*, as used in this clause, have the meaning set out in the Definitions and Coverage sections of 2 CFR part 180. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
- F. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by NHTSA.
- G. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled Instructions for Lower Tier Certification including the Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion—Lower Tier Covered Transaction, provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions and will require lower tier participants to comply with 2 CFR parts 180 and 1300.
- H. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the list of Parties Excluded from Federal Procurement and Non-procurement Programs.

- I. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- J. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, the department or agency may disallow costs, annul or terminate the transaction, issue a stop work order, debar or suspend you, or take other remedies as appropriate.

#### **Certification Regarding Debarment, Suspension, and Other Responsibility Matter**

- A. The prospective primary participant certifies to the best of its knowledge and belief, that its principal:
  - 1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;
  - 2. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of record, making false statements, or receiving stolen property;
  - 3. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or Local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
  - 4. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.
- B. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

#### **Instructions for Lower Tier Certification**

- A. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below and agrees to comply with the requirements of 2 CFR parts 180 and 1300.
- B. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
- C. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its

certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

- D. The terms covered transaction, debarment, suspension, ineligible, lower tier, participant, person, primary tier, principal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definition and Coverage sections of 2 CFR part 180. You may contact the person to whom this proposal is submitted for assistance in obtaining a copy of those regulations.
- E. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by NHTSA.
- F. The prospective lower tier participant further agrees by submitting this proposal that it will include the clause titled "Instructions for Lower Tier Certification" including the "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion—Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions and will require lower tier participants to comply with 2 CFR parts 180 and 1300.
- G. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Non-procurement Programs.
- H. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- I. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, the department or agency with which this transaction originated may disallow costs, annul or terminate the transaction, issue a stop work order, debar or suspend you, or take other remedies as appropriate.

#### **Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion**

- A. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- B. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

REIMBURSEMENT INSTRUCTIONS

1. Agency Official preparing the Report of Costs Incurred:

Name: MEGUEL ALVAREZ

Title: ADJUTANT GENERAL LIEUTENANT

Telephone Number: 928-341-2420 Fax Number: 928-627-5446

E-mail Address: malvarez@cityofsanluis.org

2. Agency's Fiscal Contact:

Name: CARLOS CORTES

Title: ACTING FINANCE DIRECTOR

Telephone Number: 928-341-8543 Fax Number: 928-341-8549

E-mail Address: ccortes@cityofsanluis.org

Federal Identification Number: 86-0376164

3. REIMBURSEMENT INFORMATION:

Warrant/Check to be made payable to:

CITY OF SAN LUIS

Warrant/Check to be mailed to:

CITY OF SAN LUIS FINANCE DEPARTMENT (Agency)

P.O. Box 7740 (Address)

SAN LUIS, AZ, 85349 (City, State, Zip Code)

4. DUNS Number:

879102684 (DUNS #)

1030 E. UNION ST. SAN LUIS, AZ 85349 (Registered Address & Zip Code)

**Restriction on State Lobbying**

None of the funds under this program will be used for any activity specifically designed to urge or influence a State or local legislator to favor or oppose the adoption of any specific legislative proposal pending before any State or local legislative body. Such activities include both direct and indirect (e.g., "grassroots") lobbying activities, with one exception. This does not preclude a State official whose salary is supported with NHTSA funds from engaging in direct communications with State or local legislative officials, in accordance with customary State practice, even if such communications urge legislative officials to favor or oppose the adoption of a specific pending legislative proposal.

**Certification for Contracts, Grants, Loans, and Cooperative Agreements**

The undersigned certifies, to the best of his or her knowledge and belief, that:

- A. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- B. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- C. The undersigned will require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients will certify and disclose accordingly.
- D. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 USC §1352. Any person who fails to file the required certification will be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

*Signature of Project Director:*

Richard Jessup, Chief  
San Luis Police Department



10-10-17                      (928) 341-2420  
Date                                      Telephone

*Signature of Authorized Official of Governmental Unit:*

Tadeo A. De La Hoya, City Manager  
City of San Luis



10/11/2017                      (928) 341 8520  
Date                                      Telephone





## AGENDA ITEM REVIEW FORM

### Special City Council Meeting

6.F.

**Meeting Date:** 11/21/2017

**Department Head:** Sonia Cornelio, City Clerk, City Clerk's Office

**Submitted By:** Sonia Cornelio, City Clerk, City Clerk's Office

**Action Requested:** Motion  
Ordinance - 2nd Reading

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### ITEM:

Discussion and possible action on any and all matters regarding Second Reading of Ordinance No. 370. An ordinance of the Mayor and City Council of the City of San Luis, Arizona, enacting and adopting the Third Supplement to the Code of Ordinances for the City of San Luis, Arizona; repealing any conflicting provisions, and providing for severability. **(Sonia Cornelio, City Clerk)**

- A. Approval of Second Reading of Ordinance No. 370 by title only  
(City Clerk to read Ordinance by title only)
- B. Approval and adoption of Ordinance No. 370

### SUMMARY:

The City of San Luis formally adopted a codified version of its ordinances in October of 2012 and a City Code book was published. The first Code included Ordinances #1 through #290. In February of 2015, Ordinances #293 through #328 were codified and added to the City Code book. On April 27, 2016, Ordinances #329 through #341 were codified. Now, Ordinances #343 through #361 have been codified and are ready for inclusion in the City Code book. In order to be formally included in our book for the City Code, City Council must pass an adopting ordinance.

### RECOMMENDATION / SUGGESTED MOTION:

- A. I MOVE TO APPROVE ORDINANCE NO. 370 BY TITLE ONLY.**  
(CITY CLERK TO READ THE ORDINANCE BY TITLE)
- B. I MOVE TO APPROVE AND ADOPT ORDINANCE NO. 370**

Supporting information not attached to the Agenda Item Review Form:

N/A

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**Fiscal Impact**

**IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:** N/A  
**CITY/STATE/FEDERAL FUNDS:** N/A  
**TOTAL:** N/A  
**BUDGETED AMOUNT:** N/A  
**AVAILABLE AMOUNT TO TRANSFER:** N/A  
**ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:** N/A  
**FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):**

There is no fiscal impact.

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**Attachments**

Ordinance No. 370

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# Ordinance

No. 370

OFFICE OF THE  
MAYOR  
CITY OF SAN LUIS

**AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA, ENACTING AND ADOPTING THE THIRD SUPPLEMENT TO THE CODE OF ORDINANCES FOR THE CITY OF SAN LUIS, ARIZONA; PROVIDING FOR PENALTIES; REPEALING ANY CONFLICTING PROVISIONS, PROVIDING FOR SEVERABILITY.**

**WHEREAS**, under Ordinance No. 318, the City of San Luis adopted the Code of Ordinances for the City of San Luis, Arizona; and

**WHEREAS**, American Legal Publishing Corporation of Cincinnati, Ohio, has completed the third supplement to the Code of Ordinances of the City of San Luis, which supplement contains all ordinances of a general and permanent nature enacted since the prior supplement to the Code of Ordinances; and

**NOW, THEREFORE, BE IT ORDAINED BY** the Mayor and Council of the City of San Luis, Arizona as follows:

**Section 1.** That certain document known as "2017 S-3 Supplement of the Code of Ordinances of the City of San Luis, Arizona," three copies of which are on file in the Office of the City Clerk, of the City of San Luis, Arizona, which document was made a public record by Resolution No. 2014 of the City of San Luis, Arizona is hereby referred to, adopted and made a part hereof as if fully set out in this ordinance.

**Section 2.** By the adoption of this ordinance, the City Council hereby reaffirms the provisions for penalties as may be contained within the previously adopted San Luis City Code and this "2017 S-D Supplement of the of the Code of Ordinances of the City of San Luis Arizona"

**Section 3.** By the adoption of this ordinance, the City Council hereby reaffirms that Ordinance Nos. 228, 362, 363, 364, 365, 366, 367, 368 and 369 have been, and continue to be the law of the City of San Luis from the date of their adoption. Save and except Ordinance Nos. 228, 362, 363, 364, 365, 366, 367, 368 and 369 the provisions of which shall continue to govern from and after the date of the adoption of this ordinance, in the event of a conflict between the provisions of this Ordinance and any other ordinance, code resolution, regulation, or policy of the City of San Luis, the conflicting provisions are hereby repealed, superseded, and replaced.

[Intentionally left blank, Section 4 and signature page follow]

**Section 4.** If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such shall not affect the validity of the remaining portions thereof.

**PASSED AND ADOPTED** by the Mayor and Council of City of San Luis, Arizona, on this \_\_\_\_\_ day of November 2017.

\_\_\_\_\_  
Gerardo Sanchez, Mayor

**ATTEST:**

\_\_\_\_\_  
Sonia Cornelio, City Clerk

**APPROVED AS TO FORM:**

*Kay Marion Macuil*  
\_\_\_\_\_  
Kay Marion Macuil, City Attorney



## AGENDA ITEM REVIEW FORM

### Special City Council Meeting

6.G.

**Meeting Date:** 11/21/2017

**Department Head:** Kay Macuil, City Attorney, Attorney's Office

**Submitted By:** Kay Macuil, City Attorney, Attorney's Office

**Action Requested:** Motion  
Ordinance - 2nd Reading

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### ITEM:

Discussion and possible action on any and all matters regarding the Second Reading of Ordinance No. 371. An ordinance of the Mayor and City Council of the City of San Luis, Arizona relating to adopting the "2012-2014 Amendments and 2016 Amendment of Local Option V (Tier Tax) to the San Luis Tax Code " by reference; establishing effective dates; providing for severability; and providing penalties for violations. **(Kay Marion Macuil, City Attorney)**

- A. Approval of Second Reading of Ordinance No. 371 by title only  
(City Clerk reads Ordinance by title only)
- B. Approval and adoption of Ordinance No. 371

### SUMMARY:

The attached Ordinance No. 371 is the city's adoption which is the so-called "rubber stamp" on the tax code amendments passed and approved by the Municipal Tax Code Commission. Under A.R.S. §42-6053(A) (attachment 5 to this Agenda), the taxes are valid once they are posted on the Arizona Department of Revenue's (ADOR) website which was done. (Please see attachment 4, the City of San Luis tax profile on the ADOR website). The purpose of this system of a Model Tax Code on a central state website is to make it easier for businesses to comply with paying taxes while doing business around the state. The amendments that Ordinance No. 371 "rubber stamps" are all of the Model City Tax Code changes approved by the Municipal Tax Code Commission since the last approval ("rubber stamp") in the 2014 City of San Luis Ordinance No. 328. The amendments cover 2012 through 2014 plus the Municipal Tax Code Commission's approved Tier Tax for the City of San Luis that became effective June 1, 2016.

There was a lag time for all the cities in receiving the amendments because the law passed in 2012 ending the League of Cities and Towns involvement in

updating each cities amendments. There were only a few people in the state qualified to do the detailed work of going through each tax code for each city and town to be sure all valid ordinances were included in each city's or town's code.

Cities and Towns propose modifications to the Municipal Tax which the Municipal Tax Code Commission approves or rejects. There is some flexibility in the Model Tax Code because there are local options which the cities and towns may adopt if they choose. (A.R.S.§42-6053(B) and (C) spell out the requirements).

In the 2012-2014 amendments, the City of San Luis exercised an option, Section 485, which created a new classification that imposes a tax on wastewater removal services and was put into effect in the Model City Tax Code after July 1, 2013. San Luis has chosen to maintain its previous exemption in this area through the application of a zero percent tax rate for this classification. In 2016, the City of San Luis exercised option V allowing for a tiered tax.

The rest of the amendments are summarized in the second attachment to this agenda item, which the consultant tax expert, Albert Holler prepared. The amendments are copied in full in attachment 3. Attachment 3 was made a public record by Resolution 2015 allowing this Ordinance to adopt the amendments by reference rather than publishing all those pages in the newspaper at great cost.

Staff recommends approval of Ordinance No. 371 in compliance with A.R.S. §42-6053(D).

**RECOMMENDATION / SUGGESTED MOTION:**

**A. I MOVE TO APPROVE SECOND READING OF ORDINANCE NO. 371 BY TITLE ONLY.**

**(City Clerk reads Ordinance No. 371 by title only)**

**B. I MOVE TO APPROVE AND ADOPT ORDINANCE NO. 371 ADOPTING THE AMENDMENTS TO THE SAN LUIS TAX CODE AS PRESENTED.**

Supporting information not attached to the Agenda Item Review Form:

N/A

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**Fiscal Impact**

<b>IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:</b>	No
<b>CITY/STATE/FEDERAL FUNDS:</b>	N/A
<b>TOTAL:</b>	N/A
<b>BUDGETED AMOUNT:</b>	N/A
<b>AVAILABLE AMOUNT TO TRANSFER:</b>	N/A
<b>ACCT NAME &amp; GL#/REMAINING BALANCE BEFORE PURCHASE:</b>	N/A

**FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):**

There is no fiscal impact to this item.

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**Attachments**

Ordinance No. 371

Summary of Amendments

2012-2014 & 2016 Amendments

ADOR Web Site San Luis Profile

ARS 42-6053

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# *Ordinance*

OFFICE OF THE  
MAYOR  
CITY OF SAN LUIS

**No. 371**

**AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA ADOPTING THE "2012-2014 AMENDMENTS AND 2016 AMENDMENT OF LOCAL OPTION V (TIER TAX) TO THE SAN LUIS TAX CODE" BY REFERENCE; ESTABLISHING EFFECTIVE DATES; PROVIDING FOR SEVERABILITY; AND PROVIDING PENALTIES FOR VIOLATIONS.**

**WHEREAS**, the City Council has adopted the Model City Tax Code as defined by A.R.S. §42-6051; and

**WHEREAS**, the Municipal Tax Code Commission has approved the "201-014 Amendments and 2016 Amendment of Local Option V (Tier Tax) to the San Luis Tax Code"; and

**WHEREAS**, A.R.S. §42-6053(D) requires that the city shall adopt changes to the Model City Tax Code approved by the Municipal Tax Code Commission; and

**WHEREAS**, the City Council finds that the amendments to the San Luis Tax Code addressed by this ordinance are in the best interests of the community;

**THEREFOR BE IT ORDAINED** by the Mayor and City Council of the City of San Luis, Arizona, as follows:

**Section 1.** That certain document known as "The 2012-2014 Amendments and 2016 Amendment of Local Option V (Tier Tax) to the San Luis Tax Code", three (3) copies of which are on file in the office of the City Clerk of the City of San Luis, Arizona, which document was made a public record by and attached as Exhibit A to Resolution No. 2015 of the City of San Luis, Arizona, is hereby referred to, adopted and made a part hereof as if fully set out in this ordinance.

**Section 2.** Any person found guilty of violating any provision of these amendments to the tax code shall be guilty of a class one misdemeanor. Each day that a violation continues shall be a separate offense punishable as provided by law.

**Section 3.** If any section, subsection, sentence, clause, phrase or portion of this

ordinance or any part of these amendments to the tax code adopted herein by reference is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

**Section 4.** The provisions of this ordinance conform this local code to the Model City Tax Code, which is controlling. The provisions of each section are effective as stated in each section and are as provided by the Municipal Tax Code Commission upon approval of the stated change to the Model City Tax Code. Provisions subject to a retroactive effective date at the time of approval by the Municipal Tax Code Commission favor taxpayers by reducing an imposition of the tax or increasing an allowable deduction, exemption, or exclusion. Provisions that increase the imposition of the tax or decrease the application of a deduction, exemption, or exclusion had a prospective effective date at the time of approval by the Municipal Tax Code Commission. Provisions creating a new Option state the first effective date the new Option is available for selection. Provisions eliminating an existing Option state the last effective date of the eliminated Option.

**Section 5.** The Mayor, the City Manager, the City Clerk, the Finance Department and the City Attorney are hereby authorized and directed to execute all documents and take all steps necessary to carry out the purpose and intent of this Ordinance.

**PASSED, ADOPTED and APPROVED** by the Mayor and City Council of the City of San Luis, Yuma County, Arizona this \_\_\_\_ day of November, 2017.

\_\_\_\_\_  
Gerardo Sanchez, Mayor

**ATTEST:**

\_\_\_\_\_  
Sonia Cornelio, City Clerk

**APPROVED AS TO FORM:**

*Kay Marion Macuil*  
\_\_\_\_\_  
Kay Marion Macuil, City Attorney

## **SUMMARY OF CHANGES TO MODEL CITY TAX CODE AND AMENDMENTS TO THE TAX CODE OF THE CITY OF SAN LUIS**

The amendments to the Tax Code of the City of San Luis incorporate all of the Model City Tax Code changes approved by the Municipal Tax Code Commission from 2012 through 2014.

**Section 100** adds language to the existing definitions of "Business" and "Prosthetic". This change excludes the sale of electricity generated by consumer equipment from the definition of "Business". Adding this exclusion means persons that make such sales (e.g. residential solar energy sales) are not deemed to be in the business of providing Utilities, and thus are not required to have a Privilege Tax License to make such sales. The additional language that adds Orthodontics to the definition of "Prosthetic" is a change intended to conform the Code to State statute. These changes are effective retroactively from and after January 1, 2007 for "Business," and October 1, 2007 for "Prosthetic."

**Section 120** is repealed, eliminating the definition of "Food for Home Consumption." The elements of this definition are incorporated in new Section 462, creating a separate "Food for Home Consumption" tax classification apart from the Retail classification. This section is effective from and after July 1, 2013.

**Section 200** is amended to add conforming language under the determination of gross income that is related to nuclear fuel sales as found in State statute. This section is effective from and after July 1, 2013.

This section repeals and replaces all of Article III – Licensing and Recordkeeping. This is a critical step in Transaction Privilege Tax Simplification that has the effect of making licensing as uniform as possible across all cities and towns. Note that this section completely replaces the entirety of Article III in every city and town's tax code. This change also eliminates all Regulations numbered in the 300's, as well as eliminating all Green Sheet items related to tax licensing. This section also eliminates the use of the tax license as a means to regulate business for any purpose other than tax collection. From now on, all licensing and enforcement of a regulatory nature such as zoning, use permits, special events, inspections, etc., must be accomplished by a separate business license. This section is effective from and after January 1, 2015.

**Section 422** is amended to remove an obsolete code reference related to Jet Fuel Sales. This section is effective retroactively from and after September 21, 2006.

**Section 425** is amended to add an exemption from tax on Job Printing for sales of postage and freight in conformity with State statute. This element is effective retroactively from and after September 21, 2006. Also, Local Option #MM is eliminated effective July 1, 2012, also in conformity with State statute.

**Section 445** is amended to adopt the final version of a new exemption for Real Property Leases between Affiliated Entities. This section is effective retroactively from and after July 1, 2013.

**Section 450** is amended to conform to the new State exemption and city preemption that makes the leasing of certified ignition interlock devices required under Driving Under the Influence (DUI) laws exempt from tax under Tangible Personal Property Rental. This section is effective retroactively from and after September 1, 2004.

**Section 460** is amended in conformity with a new clarifying State exemption and matching city preemption that makes the retail sale of gift cards and other cash equivalents exempt from the tax under the Retail classification. This section is effective retroactively from and after October 1, 2007.

**Section 462**, Retail Sales: Food for Home Consumption is added to the standard Model Code language. This section incorporates all of the definitions and Regulations related to grocery sales that were previously included only in those communities that selected Model Option #2. With this change and standardization, Model Option #2 is eliminated from the Code. Cities and towns are now free to set a distinct tax rate for grocery sales, which can be higher, lower, or zero, as the community sees fit. This section is effective from and after July 1, 2013.

**Section 465**, Retail Sales: Exemptions has undergone significant changes, largely in name of conformity with State statute. A major goal of Transaction Privilege Tax Simplification was making conforming changes to the Retail classification of the Model City Tax Code that aligned with State statute wherever possible, with the intention of preparing for passage of the Marketplace Fairness Act. On the State tax side, the only change enacted was elimination of an exemption for in-store sales to non-residents that are shipped out of State (excluding vehicles). On the City side, this movement resulted in the elimination of Model Option #2, related to food for home consumption creating a

separate classification; and adding charter schools to the list that qualify for a food sale exemption. Also, wholly new conforming exemptions were adopted, including one for the sale of “renewable energy credits”; sale of periodicals to encourage tourism; sale of paper machine clothing to a paper manufacturer; sales of overhead materials used in performing government contracts; and the sale of fuels and sale of equipment to qualified environmental technology manufacturers. All of these changes are effective July 1, 2013, with the exception of the sale of “renewable energy credits” which is effective retroactively from and after January 1, 2007.

Changes to this section include adding in a specific exemption from the Utilities classification for sales of excess energy produced by a consumer’s photovoltaic system to a utility distributor, along with language that removes the sale of Renewable Energy Credits from the Utilities classification. This provides the exemption under the Utilities classification to clarify that when the meter spins backward, the taxable measure is the net charge to the consumer, and that Renewable Energy Credit sales are not part of the gross receipts under Utilities. This section shall be effective from and after January 1, 2007.

**Section 485** is added to the standard code language, creating a new classification that imposes tax on wastewater removal services. This section was formerly a Green Page in several cities. This conversion to standard code language is part of the ongoing effort to eliminate the Green Pages by either eliminating or adopting exception items. This section shall be effective from and after July 1, 2013. **San Luis** has chosen to maintain its previous exemption in this area through the application of a zero percent tax rate for this classification.

**Section 570** is amended to grant the Tax Collector greater latitude in allowing extensions to taxpayers that are making a good faith effort to produce additional information during the audit protest process. Previously the code technically allowed only one 45-day extension to taxpayers protesting audit results, so actual practice resulted in many “unofficial” extensions. This change allows the Tax Collector to grant additional extension at their discretion. This section is deemed effective from and after July 1, 2008.

**Section 660**, Use Tax: Exemptions has undergone significant changes which mirror the changes to the Retail Exemptions noted above in Code Section 465. Again, these are being done in the name of conformity with State statute. This movement resulted in the elimination of the food for home consumption exemption; adding an exemption for employee drinks and meals; and adding charter schools to the list that qualify for a food exemption. Also, wholly new conforming exemptions were adopted, including one for the purchase of Renewable Energy Credits; periodicals to encourage tourism; paper machine clothing to a paper manufacturer; overhead materials used in performing government contracts; and the purchase of fuels and sale of equipment to qualified environmental technology manufacturers. All of these changes are effective July 1, 2013, with the exception of Renewable Energy Credits which is effective retroactively from and after January 1, 2007.

This section repeals Regulation 120.1 related to the definition of Food for Home Consumption, which has been incorporated in the text of new Section 462 noted above. This section shall be effective from and after July 1, 2013.

This section amends Regulation 270.1, adding the provision of wastewater removal services to the list of activities that are considered proprietary and therefore taxable when engaged in by a city or town. This section shall be effective from and after July 1, 2013.

This section amends Regulation 460.1, adding the distinction from Retail for activities that fall under the two new classifications: Food for Home Consumption in Section 462, and Wastewater Removal Services in Section 485. This means that an exchange of tangible personal property that occurs under the activity described in Sections 462 or 485, is specifically NOT considered a Retail transaction. This section shall be effective from and after July 1, 2013.

# CHAPTER 7A - PRIVILEGE AND EXCISE TAXES

## Article I - General Conditions and Definitions

### Sec. 7A-1. Words of tense, number and gender; code references.

- (a) For the purposes of this Chapter, all words of tense, number, and gender shall comply with A.R.S. Section 1-214 as amended.
- (b) For the purposes of this Chapter, all code references, unless specified otherwise, shall:
  - (1) refer to this City Code.
  - (2) be deemed to include all amendments to such code references.

### Sec. 7A-100. General definitions.

For the purposes of this Chapter, the following definitions apply:

"Assembler" means a person who unites or combines products, wares, or articles of manufacture so as to produce a change in form or substance of such items without changing or altering component parts.

"Broker" means any person engaged or continuing in business who acts for another for a consideration in the conduct of a business activity taxable under this Chapter, and who receives for his principal all or part of the gross income from the taxable activity.

"Business" includes all activities or acts, personal or corporate, engaged in or caused to be engaged in with the object of gain, benefit, or advantage, either directly or indirectly, but do not include either casual activities or sales; or the transfer of electricity from a solar photovoltaic generation system to an electrical distribution system.

"Business Day" means any day of the week when the Tax Collector's office is open for the public to conduct the Tax Collector's business.

"Casual Activity or Sale" means a transaction of an isolated nature made by a person who neither represents himself to be nor is engaged in a business subject to a tax imposed by this Chapter. However, no sale, rental, license for use, or lease transaction concerning real property nor any activity entered into by a business taxable by this Chapter shall be treated, or be exempt, as casual. This definition shall include sales of used capital assets, provided that the volume and frequency of such sales do not indicate that the seller regularly engages in selling such property.

"Combined Taxes" means the sum of all applicable Arizona Transaction Privilege and Use Taxes; all applicable transportation taxes imposed upon gross income by this County as authorized by Article III, Chapter 6, Title 42, Arizona Revised Statutes; and all applicable taxes imposed by this Chapter.

"Commercial Property" is any real property, or portion of such property, used for any purpose other than lodging or lodging space, including structures built for lodging but used otherwise, such as model homes, apartments used as offices, etc.

"Communications Channel" means any line, wire, cable, microwave, radio signal, light beam, telephone, telegraph, or any other electromagnetic means of moving a message.

"Construction Contracting" refers to the activity of a construction contractor.

"Construction Contractor" means a person who undertakes to or offers to undertake to, or purports to have the capacity to undertake to, or submits a bid to, or does himself or by or through others, construct, alter, repair, add to, subtract from, improve, move, wreck, or demolish any building, highway, road, railroad, excavation, or other structure, project, development, or improvement to real property, or to do any part thereof. "Construction contractor" includes subcontractors, specialty contractors, prime contractors, and any person receiving consideration for the general supervision and/or coordination of such a construction project except for remediation contracting. This definition shall govern without regard to whether or not the construction contractor is acting in fulfillment of a contract.

"Delivery (of Notice) by the Tax Collector" means "receipt (of notice) by the taxpayer".

"Delivery, Installation, or Other Direct Customer Services" means services or labor, excluding repair labor, provided by a taxpayer to or for his customer at the time of transfer of tangible personal property; provided further that the charge for such labor or service is separately billed to the customer and maintained separately in the taxpayer's books and records.

"Engaging", when used with reference to engaging or continuing in business, includes the exercise of corporate or franchise powers.

"Equivalent Excise Tax" means either:

- (1) a Privilege or Use Tax levied by another Arizona municipality upon the transaction in question, and paid either to such Arizona municipality directly or to the vendor; or
- (2) an excise tax levied by a political subdivision of a state other than Arizona upon the transaction in question, and paid either to such jurisdiction directly or to the vendor; or
- (3) an excise tax levied by a Native American Government organized under the laws of the federal government upon the transaction in question, and paid either to such jurisdiction directly or to the vendor.

"Federal Government" means the United States Government, its departments and agencies; but not including national banks or federally chartered or insured banks, savings and loan institutions, or credit unions.

"Food" means any items intended for human consumption as defined by rules and regulations adopted by the Department of Revenue, State of Arizona, pursuant to A.R.S. Section 42-5106. Under no circumstances shall "food" include alcoholic beverages or tobacco, or food items purchased for use in conversion to any form of alcohol by distillation, fermentation, brewing, or other process. Under no circumstances shall "food" include an edible product, beverage, or ingredient infused, mixed, or in any way combined with medical marijuana or an active ingredient of medical marijuana.

"Hotel" means any public or private hotel, inn, hostelry, tourist home, house, motel, rooming house, apartment house, trailer, or other lodging place within the City offering lodging, wherein the owner thereof, for compensation, furnishes lodging to any transient, except foster homes, rest homes, sheltered care homes, nursing homes, or primary health care facilities.

"Jet Fuel" means jet fuel as defined in A.R.S. Section 42-5351.

"Job Printing" means the activity of copying or reproducing an article by any means, process, or method. "Job printing" includes engraving of printing plates, embossing, copying, micrographics, and photo reproduction.

"Lessee" includes the equivalent person in a rental or licensing agreement for all purposes of this Chapter.

"Lessor" includes the equivalent person in a rental or licensing agreement for all purposes of this Chapter.

"Licensing (for Use)" means any agreement between the user ("licensee") and the owner or the owner's agent ("licensor") for the use of the licensor's property whereby the licensor receives consideration, where such agreement does not qualify as a "sale" or "lease" or "rental" agreement.

"Lodging (Lodging Space)" means any room or apartment in a hotel or any other provider of rooms, trailer spaces, or other residential dwelling spaces; or the furnishings or services and accommodations accompanying the use and possession of said dwelling space, including storage or parking space for the property of said tenant.

"Manufactured Buildings" means a manufactured home, mobile home or factory built building, as defined in A.R.S. Section 41-2142.

"Manufacturer" means a person engaged or continuing in the business of fabricating, producing, or manufacturing products, wares, or articles for use from other forms of tangible personal property, imparting to such new forms, qualities, properties, and combinations.

"Medical Marijuana" means "marijuana" used for a "medical use" as those terms are defined in A.R.S. Section 36-2801.

"Mining and Metallurgical Supplies" means all tangible personal property acquired by persons engaged in activities defined in Section 7A-432 for such use. This definition shall not include:

- (1) janitorial equipment and supplies.
- (2) office equipment, office furniture, and office supplies.
- (3) motor vehicles licensed for use upon the highways of the State.

"Modifier" means a person who reworks, changes, or adds to products, wares, or articles of manufacture.

"Nonprofit Entity" means any entity organized and operated exclusively for charitable purposes, or operated by the Federal Government, the State, or any political subdivision of the State.

"Occupancy (of Real Property)" means any occupancy or use, or any right to occupy or use, real property including any improvements, rights, or interests in such property.

"Out-of-City Sale" means the sale of tangible personal property and job printing if all of the following occur:

- (1) transference of title and possession occur without the City; and
- (2) the stock from which such personal property was taken was not within the corporate limits of the City; and
- (3) the order is received at a permanent business location of the seller located outside the City; which location is used for the substantial and regular conduct of such business sales activity. In no event shall the place of business of the buyer be determinative of the situs of the receipt of the order.

For the purpose of this definition it does not matter that all other indicia of business occur within the City, including, but not limited to, accounting, invoicing, payments, centralized purchasing, and supply to out-of-City storehouses and out-of-City retail branch outlets from a primary storehouse within the City.

"Out-of-State Sale" means the sale of tangible personal property and job printing if all of the following occur:

- (1) The order is placed from without the State of Arizona; and
- (2) the property is delivered to the buyer at a location outside the State; and
- (3) the property is purchased for use outside the State.

"Owner-Builder" means an owner or lessor of real property who, by himself or by or through others, constructs or has constructed or reconstructs or has reconstructed any improvement to real property.

"Person" means an individual, firm, partnership, joint venture, association, corporation, estate, trust, receiver, syndicate, broker, the Federal Government, this State, or any political subdivision or agency of this State. For the purposes of this Chapter, a person shall be considered a distinct and separate person from any general or limited partnership or joint venture or other association with which such person is affiliated. A subsidiary corporation shall be considered a separate person from its parent corporation for purposes of taxation of transactions with its parent corporation.

"Prosthetic" means any of the following tangible personal property if such items are prescribed or recommended by a licensed podiatrist, chiropractor, dentist, physician or surgeon, naturopath, optometrist, osteopathic physician or surgeon, psychologist, hearing aid dispenser, physician assistant, nurse practitioner or veterinarian:

- (1) any man-made device for support or replacement of a part of the body, or to increase acuity of one of the senses. Such items include: prescription eyeglasses; contact lenses; hearing aids; artificial limbs or teeth; neck, back, arm, leg, or similar braces.
- (2) insulin, insulin syringes, and glucose test strips sold with or without a prescription.
- (3) hospital beds, crutches, wheelchairs, similar home health aids, or corrective shoes.
- (4) drugs or medicine, including oxygen.
- (5) equipment used to generate, monitor, or provide health support systems, such as respiratory equipment, oxygen concentrator, dialysis machine.
- (6) durable medical equipment which has a federal health care financing administration common procedure code, is designated reimbursable by Medicare, can withstand repeated use, is primarily and customarily used to serve a medical purpose, is generally not useful to a person in the absence of illness or injury and is appropriate for use in the home.
- (7) under no circumstances shall "prosthetic" include medical marijuana regardless of whether it is sold or dispensed pursuant to a prescription, recommendation, or written certification by any authorized person.

"Qualifying Community Health Center"

- (1) means an entity that is recognized as nonprofit under Section 501(c)(3) of the United States Internal Revenue Code, that is a community-based, primary care clinic that has a community-based board of directors and that is either:
  - (a) the sole provider of primary care in the community.
  - (b) a nonhospital affiliated clinic that is located in a federally designated medically underserved area in this State.
- (2) includes clinics that are being constructed as qualifying community health centers.

"Qualifying Health Care Organization" means an entity that is recognized as nonprofit under Section 501(c) of the United States Internal Revenue Code and that uses, saves or invests at least eighty percent (80%) of all monies that it receives from all sources each year only for health and medical related educational and charitable services, as documented by annual financial audits prepared by an independent certified public accountant, performed according to generally accepted accounting standards and filed annually with the Arizona Department of Revenue. Monies that are used, saved or invested to lease, purchase or construct a facility for health and medical related education and charitable services are included in the eighty percent (80%) requirement.

"Qualifying Hospital" means any of the following:

- (1) a licensed hospital which is organized and operated exclusively for charitable purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual.
- (2) a licensed nursing care institution or a licensed residential care institution or a residential care facility operated in conjunction with a licensed nursing care institution or a licensed kidney dialysis center, which provides medical services, nursing services or health related services and is not used or held for profit.
- (3) a hospital, nursing care institution or residential care institution which is operated by the federal government, this State or a political subdivision of this State.
- (4) a facility that is under construction and that on completion will be a facility under subdivision (1), (2) or (3) of this paragraph.

"Receipt (of Notice) by the Taxpayer" means the earlier of actual receipt or the first attempted delivery by certified United States mail to the taxpayer's address of record with the Tax Collector.

"Remediation" means those actions that are reasonable, necessary, cost-effective and technically feasible in the event of the release or threat of release of hazardous substances into the environment such that the waters of the State are or may be affected, such actions as may be necessary to monitor, assess and evaluate such release or threat of release, actions of remediation, removal or disposal of hazardous substances or taking such other actions as may be necessary to prevent, minimize or mitigate damage to the public health or welfare or to the waters of the State which may otherwise result from a release or threat of release of a hazardous substance that will or may affect the waters of the State. Remediation activities include the use of biostimulation with indigenous microbes and bioaugmentation using microbes that are nonpathogenic, nonopportunistic and that are naturally occurring. Remediation activities may include community information and participation costs and providing an alternative drinking water supply.

"Rental Equipment" means tangible personal property sold, rented, leased, or licensed to customers to the extent that the item is actually used by the customer for rental, lease, or license to others; provided that:

- (1) the vendee is regularly engaged in the business of renting, leasing, or licensing such property for a consideration; and
- (2) the item so claimed as "rental equipment" is not used by the person claiming the exemption for any purpose other than rental, lease, or license for compensation, to an extent greater than fifteen percent (15%) of its actual use.

"Rental Supply" means an expendable or nonexpendable repair or replacement part sold to become part of "rental equipment", provided that:

- (1) the documentation relating to each purchased item so claimed specifically itemizes to the vendor the actual item of "rental equipment" to which the purchased item is intended to be attached as a repair or replacement part; and
- (2) the vendee is regularly engaged in the business of renting, leasing, or licensing such property for a consideration; and
- (3) the item so claimed as "rental equipment" is not used by the person claiming the exemption for any purpose other than rental, lease, or license for compensation, to an extent greater than fifteen percent (15%) of its actual use.

"Repairer" means a person who restores or renews products, wares, or articles of manufacture.

"Resides within the City" means in cases other than individuals, whose legal addresses are determinative of residence, the engaging, continuing, or conducting of regular business activity within the City.

"Restaurant" means any business activity where articles of food, drink, or condiment are customarily prepared or served to patrons for consumption on or off the premises, also including bars, cocktail lounges, the dining rooms of hotels, and all caterers. For the purposes of this Chapter, a "fast food" business, which includes street vendors and mobile vendors selling in public areas or at entertainment or sports or similar events, who prepares or sells food or drink for consumption on or off the premises is considered a "restaurant", and not a "retailer".

"Retail Sale (Sale at Retail)" means the sale of tangible personal property, except the sale of tangible personal property to a person regularly engaged in the business of selling such property.

"Retailer" means any person engaged or continuing in the business of sales of tangible personal property at retail.

"Sale" means any transfer of title or possession, or both, exchange, barter, conditional or otherwise, in any manner or by any means whatsoever, including consignment transactions and auctions, of property for a consideration. "Sale" includes any transaction whereby the possession of such property is transferred but the seller retains the title as security for the payment of the price. "Sale" also includes the fabrication of tangible personal property for consumers who, in whole or in part, furnish either directly or indirectly the materials used in such fabrication work.

"Solar Daylighting" means a device that is specifically designed to capture and redirect the visible portion of the solar beam, while controlling the infrared portion, for use in illuminating interior building spaces in lieu of artificial lighting.

"Solar Energy Device" means a system or series of mechanisms designed primarily to provide heating, to provide cooling, to produce electrical power, to produce mechanical power, to provide solar daylighting or to provide any combination of the foregoing by means of collecting and transferring solar generated energy into such uses either by active or passive means, including wind generator systems that produce electricity. Solar energy systems may also have the capability of storing solar energy for future use. Passive systems shall clearly be designed as a solar energy device, such as a trombe wall, and not merely as a part of a normal structure, such as a window.

"Speculative Builder" means either:

- (1) an owner-builder who sells or contracts to sell, at any time, improved real property (as provided in Section 7A-416) consisting of:
  - (a) custom, model, or inventory homes, regardless of the stage of completion of such homes; or
  - (b) improved residential or commercial lots without a structure; or
- (2) an owner-builder who sells or contracts to sell improved real property, other than improved real property specified in subsection (1) above:
  - (a) prior to completion; or
  - (b) before the expiration of twenty-four (24) months after the improvements of the real property sold are substantially complete.

"Substantially Complete" means the construction contracting or reconstruction contracting:

- (1) has passed final inspection or its equivalent; or
- (2) certificate of occupancy or its equivalent has been issued; or
- (3) is ready for immediate occupancy or use.

"Supplier" means any person who rents, leases, licenses, or makes sales of tangible personal property within the City, either directly to the consumer or customer or to wholesalers, jobbers, fabricators, manufacturers, modifiers, assemblers, repairers, or those engaged in the business of providing services which involve the use, sale, rental, lease, or license of tangible personal property.

"Tax Collector" means the City Council or its designee or agent for all purposes under this Chapter.

"Taxpayer" means any person liable for any tax under this Chapter.

"Taxpayer Problem Resolution Officer" means the individual designated by the City to perform the duties identified in Sections 3.14-515 and 3.14-516. In cities with a population of 50,000 or more, the Taxpayer Problem Resolution Officer shall be an employee of the City. In cities with a population of less than 50,000, the Taxpayer Problem Resolution Officer need not be an employee of the City. Regardless of whether the Taxpayer Problem Resolution Officer is or is not an employee of the City, the Taxpayer Problem Resolution Officer shall have substantive knowledge of taxation. The identity of and telephone number for the Taxpayer Problem Resolution Officer can be obtained from the Tax Collector.

"Telecommunication Service" means any service or activity connected with the transmission or relay of sound, visual image, data, information, images, or material over a communications channel or any combination of communications channels.

"Transient" means any person who either at the person's own expense or at the expense of another obtains lodging space or the use of lodging space on a daily or weekly basis, or on any other basis for less than thirty (30) consecutive days.

"Utility Service" means the producing, providing, or furnishing of electricity, electric lights, current, power, gas (natural or artificial), or water to consumers or ratepayers.

**Sec. 7A-110. Definitions: Income-producing capital equipment.**

- (a) The following tangible personal property, other than items excluded in subsection (d) below, shall be deemed "income-producing capital equipment" for the purposes of this Chapter:
- (1) machinery or equipment used directly in manufacturing, processing, fabricating, job printing, refining or metallurgical operations. The terms "manufacturing", "processing", "fabricating", "job printing", "refining", and "metallurgical" as used in this paragraph refer to and include those operations commonly understood within their ordinary meaning. "Metallurgical operations" includes leaching, milling, precipitating, smelting and refining.
  - (2) mining machinery, or equipment, used directly in the process of extracting ores or minerals from the earth for commercial purposes, including equipment required to prepare the materials for extraction and handling, loading or transporting such extracted material to the surface. "Mining" includes underground, surface and open pit operations for extracting ores and minerals.
  - (3) tangible personal property, sold to persons engaged in business classified under the telecommunications classification, consisting of central office switching equipment; switchboards; private branch exchange equipment; microwave radio equipment, and carrier equipment including optical fiber, coaxial cable, and other transmission media which are components of carrier systems.
  - (4) machinery, equipment, or transmission lines used directly in producing or transmitting electrical power, but not including distribution. Transformers and control equipment used at transmission substation sites constitute equipment used in producing or transmitting electrical power.
  - (5) pipes or valves four inches (4") in diameter or larger and related equipment, used to transport oil, natural gas, artificial gas, water, or coal slurry. For the purpose of this section, related equipment includes: compressor units, regulators, machinery and equipment, fittings, seals and any other parts that are used in operating the pipes or valves.
  - (6) aircraft, navigational and communication instruments, and other accessories and related equipment sold to:
    - (A) a person holding a federal certificate of public convenience and necessity or foreign air carrier permit for air transportation for use as or in conjunction with or becoming a part of aircraft to be used to transport persons, property or united states mail in intrastate, interstate or foreign commerce.
    - (B) any foreign government for use by such government outside of this State.
    - (C) persons who are not residents of this State and who will not use such property in this State other than in removing such property from this State. This subdivision also applies to corporations that are not incorporated in this State, regardless of maintaining a place of business in this State, if the principal corporate office is located outside this State and the property will not be used in this State other than in removing the property from this State.
  - (7) machinery, tools, equipment and related supplies used or consumed directly in repairing, remodeling or maintaining aircraft, aircraft engines or aircraft component parts by or on behalf of a certificated or licensed carrier of persons or property.
  - (8) railroad rolling stock, rails, ties and signal control equipment used directly to transport persons or property.
  - (9) machinery or equipment used directly to drill for oil or gas or used directly in the process of extracting oil or gas from the earth for commercial purposes.
  - (10) buses or other urban mass transit vehicles which are used directly to transport persons or property for hire or pursuant to a governmentally adopted and controlled urban mass transportation program and which are sold to bus companies holding a federal certificate of convenience and necessity or operated by a city, town or other governmental entity or by any person contracting with such governmental entity as part of a governmentally adopted and controlled program to provide urban mass transportation.
  - (11) metering, monitoring, receiving, and transmitting equipment acquired by persons engaged in the business of providing utility services or telecommunications services; but only to the extent that such equipment is to be used by the customers of such persons and such persons separately charge or bill their customers for use of such equipment.
  - (12) groundwater measuring devices required under A.R.S. § 45-604.

- (13) machinery or equipment used in research and development. In this paragraph, "research and development" means basic and applied research in the sciences and engineering, and designing, developing or testing prototypes, processes or new products, including research and development of computer software that is embedded in or an integral part of the prototype or new product or that is required for machinery or equipment otherwise exempt under this section to function effectively. Research and development do not include manufacturing quality control, routine consumer product testing, market research, sales promotion, sales service, research in social sciences or psychology, computer software research that is not included in the definition of research and development, or other non-technological activities or technical services.
- (14) (Reserved)
- (15) included in income producing capital equipment are liquid, solid or gaseous chemicals used in manufacturing, processing, fabricating, mining, refining, metallurgical operations, research and development or job printing, if using or consuming the chemicals, alone or as part of an integrated system of chemicals, involving direct contact with the materials from which the product is produced for the purpose of causing or permitting a chemical or physical change to occur in the materials as part of the production process. This subsection does not include chemicals that are used or consumed in activities such as packaging, storage or transportation but does not affect any deduction for such chemicals that is otherwise provided by this Code. Chemicals meeting the requirements of this subsection are deemed not to be expendable under subsection (d) of this Section.
- (16) cleanrooms that are used for manufacturing, processing, fabrication or research and development, as defined in paragraph (13) of this subsection, of semiconductor products. For purposes of this paragraph, "cleanroom" means all property that comprises or creates an environment where humidity, temperature, particulate matter and contamination are precisely controlled within specified parameters, without regard to whether the property is actually contained within that environment or whether any of the property is affixed to or incorporated into real property. Cleanroom:
- (A) includes the integrated systems, fixtures, piping, movable partitions, lighting and all property that is necessary or adapted to reduce contamination or to control airflow, temperature, humidity, chemical purity or other environmental conditions or manufacturing tolerances, as well as the production machinery and equipment operating in conjunction with the cleanroom environment.
- (B) does not include the building or other permanent, nonremovable component of the building that houses the cleanroom environment.
- (17) machinery and equipment that are purchased by or on behalf of the owners of a soundstage complex and primarily used for motion picture, multimedia or interactive video production in the complex. This paragraph applies only if the initial construction of the soundstage complex begins after June 30, 1996 and before January 1, 2002 and the machinery and equipment are purchased before the expiration of five years after the start of initial construction. For purposes of this paragraph:
- (A) "motion picture, multimedia or interactive video production" includes products for theatrical and television release, educational presentations, electronic retailing, documentaries, music videos, industrial films, cd-rom, video game production, commercial advertising and television episode production and other genres that are introduced through developing technology.
- (B) "soundstage complex" means a facility of multiple stages including production offices, construction shops and related areas, prop and costume shops, storage areas, parking for production vehicles and areas that are leased to businesses that complement the production needs and orientation of the overall facility.
- (18) tangible personal property that is used by either of the following to receive, store, convert, produce, generate, decode, encode, control or transmit telecommunications information:
- (A) any direct broadcast satellite television or data transmission service that operates pursuant to 47 Code of Federal Regulations parts 25 and 100.
- (B) any satellite television or data transmission facility, if both of the following conditions are met:

- (i) over two-thirds of the transmissions, measured in megabytes, transmitted by the facility during the test period were transmitted to or on behalf of one or more direct broadcast satellite television or data transmission services that operate pursuant to 47 Code of Federal Regulations parts 25 and 100.
- (ii) over two-thirds of the transmissions, measured in megabytes, transmitted by or on behalf of those direct broadcast television or data transmission services during the test period were transmitted by the facility to or on behalf of those services.

For purposes of subdivision (B) of this paragraph, "test period" means the three hundred sixty-five day period beginning on the later of the date on which the tangible personal property is purchased or the date on which the direct broadcast satellite television or data transmission service first transmits information to its customers.

- (19) machinery and equipment that is used directly in the feeding of poultry, the environmental control of housing for poultry, the movement of eggs within a production and packaging facility or the sorting or cooling of eggs. This exemption does not apply to vehicles used for transporting eggs.
  - (20) machinery or equipment, including related structural components, that is employed in connection with manufacturing, processing, fabricating, job printing, refining, mining, natural gas pipelines, metallurgical operations, telecommunications, producing or transmitting electricity or research and development that is used directly to meet or exceed rules or regulations adopted by the Federal Energy Regulatory Commission, the United States Environmental Protection Agency, the United States Nuclear Regulatory Commission, the Arizona Department of Environmental Quality or a political subdivision of this state to prevent, monitor, control or reduce land, water or air pollution.
  - (21) machinery or equipment that enables a television station to originate and broadcast or to receive and broadcast digital television signals and that was purchased to facilitate compliance with the Telecommunications Act of 1996 (P.L. 104-104; 110 Stat. 56; 47 United States Code Section 336) and the Federal Communications Commission Order issued April 21, 1997, 47 Code of Federal Regulations Part 73. This paragraph does not exempt any of the following:
    - (A) repair or replacement parts purchased for the machinery or equipment described in this paragraph.
    - (B) machinery or equipment purchased to replace machinery or equipment for which an exemption was previously claimed and taken under this paragraph.
    - (C) any machinery or equipment purchased after the television station has ceased analog broadcasting, or purchased after November 1, 2009, whichever occurs first.
- (b) The term "income-producing capital equipment" shall further include ancillary machinery and equipment used for the treatment of waste products created by the business activities which are allowed to purchase "income-producing capital equipment" defined in subsection (a) above.
  - (c) The term "income-producing capital equipment" shall further include repair and replacement parts, other than the items in subsection (d) below, where the property is acquired to become an integral part of another item itemized in subsections (a) or (b) above.
  - (d) The tangible personal property defined as income-producing capital equipment in this Section shall not include:
    - (1) expendable materials. For purposes of this paragraph, expendable materials do not include any of the categories of tangible personal property specified in subsections (a), (b) or (c) of this Section regardless of the cost or useful life of that property.
    - (2) janitorial equipment and hand tools.
    - (3) office equipment, furniture, and supplies.
    - (4) tangible personal property used in selling or distributing activities.
    - (5) motor vehicles required to be licensed by the State of Arizona, except buses or other urban mass transit vehicles specifically exempted pursuant to subsection (a)(10) above without regard to the use of such motor vehicles.
    - (6) shops, buildings, docks, depots, and all other materials of whatever kind or character not specifically included as exempt.

- (7) motors and pumps used in drip irrigation systems.
- (e) For the purposes of this Section:
  - (1) "aircraft" includes:
    - (A) an airplane flight simulator that is approved by the Federal Aviation Administration for use as a Phase II or higher flight simulator under Appendix H, 14 Code of Federal Regulations Part 121.
    - (B) tangible personal property that is permanently affixed or attached as a component part of an aircraft that is owned or operated by a certificated or licensed carrier of persons or property.
  - (2) "other accessories and related equipment" includes aircraft accessories and equipment such as ground service equipment that physically contact aircraft at some point during the overall carrier operation.

**Sec. 7A-115. Definitions: computer software; custom computer programming.**

- (a) "Computer Software" means any computer program, part of such a program, or any sequence of instructions for automatic data processing equipment. Computer software which is not "custom computer programming" is deemed to be tangible personal property for the purposes of this Chapter, regardless of the method by which title, possession, or right to use the software is transferred to the user.
- (b) "Custom Computer Programming" means any computer software which is written or prepared exclusively for a customer and includes those services represented by separately stated charges for the modification of existing prewritten programs when the modifications are written or prepared exclusively for a customer.
  - (1) The term does not include a prewritten program which is held or existing for general or repeated sale, lease, or license, even if the program was initially developed on a custom basis for in-house, or for a single customer's, use.
  - (2) Modification to an existing prewritten program to meet the customer's needs is custom computer programming only to the extent of the modification, and only to the extent that the actual amount charged for the modification is separately stated on invoices, statements, and other billing documents supplied to the customer.

## **Article II - Determination of Gross Income**

### **Sec. 7A-200. Determination of gross income: in general.**

- (a) Gross income includes:
  - (1) the value proceeding or accruing from the sale of property, the providing of service, or both.
  - (2) the total amount of the sale, lease, license for use, or rental price at the time of such sale, rental, lease, or license.
  - (3) all receipts, cash, credits, barter, exchange, reduction of or forgiveness of indebtedness, and property of every kind or nature derived from a sale, lease, license for use, rental, or other taxable activity.
  - (4) all other receipts whether payment is advanced prior to, contemporaneous with, or deferred in whole or in part subsequent to the activity or transaction.
- (b) Barter, exchange, trade-outs, or similar transactions are includable in gross income at the fair market value of the service rendered or property transferred, whichever is higher, as they represent consideration given for consideration received.
- (c) No deduction or exclusion is allowed from gross income on account of the cost of the property sold, the time value of money, expense of any kind or nature, losses, materials used, labor or service performed, interest paid, or credits granted.
- (d) For the purposes of this chapter the total amount of gross income, gross receipts or gross proceeds of sales for nuclear fuel shall be deemed to be the value of the purchase price of uranium oxide used in producing the fuel. The tax imposed by this chapter may be imposed only once for any one quantity or batch of nuclear fuel regardless of the number of transactions or financing arrangements which may occur with respect to that nuclear fuel.

### **Sec. 7A-210. Determination of gross income: transactions between affiliated companies or persons.**

In transactions between affiliated companies or persons, or in other circumstances where the relationship between the parties is such that the gross income from the transaction is not indicative of the market value of the subject matter of the transaction, the Tax Collector shall determine the "market value" upon which the City Privilege and Use Taxes shall be levied. "Market value" shall correspond as nearly as possible to the gross income from similar transactions of like quality or character by other taxpayers where no common interest exists between the parties, but otherwise under similar circumstances and conditions.

### **Sec. 7A-220. Determination of gross income: artificially contrived transactions.**

The Tax Collector may examine any transaction, reported or unreported, if, in his opinion, there has been or may be an evasion of the taxes imposed by this Chapter and to estimate the amount subject to tax in cases where such evasion has occurred. The Tax Collector shall disregard any transaction which has been undertaken in an artificial manner in order to evade the taxes imposed by this Chapter.

### **Sec. 7A-230. Determination of gross income based upon method of reporting.**

The method of reporting chosen by a taxpayer, as provided in Section 7A-520, necessitates the following adjustments to gross income for all purposes under this Chapter:

- (a) Cash basis - When a person elects to report and pay taxes on a cash basis, gross income for the reporting period shall include:
  - (1) the total amounts received on "paid in full" transactions, against which are allowed all applicable deductions and exclusions; and

- (2) all amounts received on accounts receivable, conditional sales contract, or other similar transactions, against which no deductions and no exclusions from gross income are allowed. Interest on finance contracts may be deducted if separately itemized on all books and records.
- (b) Accrual basis - When a person elects to report and pay taxes on an accrual basis, gross income shall include all gross income for the applicable period regardless of whether receipts are for cash, credit, conditional, or partially deferred transactions, and regardless of whether or not any security document or instrument is sold, assigned, or otherwise transferred to another. Persons reporting on the accrual basis may deduct bad debts, provided that:
- (1) the amount deducted for the bad debt must be deducted from gross income of the month in which the actual charge-off was made, and only to the extent that such amount was actually charged-off, and also only to the extent that such amount is or was included as taxable gross income; and
  - (2) if any amount is subsequently collected on such charged-off account, it shall be included in gross income for the month in which it was collected, without deduction for expense of collection.

**Sec. 7A-240. Exclusion of cash discounts, returns, refunds, trade-in values, vendor-issued coupons, and rebates from gross income.**

- (a) The following items are not included in gross income:
- (1) Cash discounts allowed by the vendor for timely payment, but only discounts allowed against taxable gross income.
  - (2) The value of property returned by customers to the extent of the amount actually refunded either in cash or by credit and the amount refunded was included in taxable gross income.
  - (3) The trade-in allowance for tangible personal property accepted as payment, not to exceed the full sales price for any tangible personal property sold, when the full sales price is included in taxable gross income. Trade-in allowances are not allowed for manufactured buildings taxable under Section 7A-427.
  - (4) When coupons issued by a vendor are later accepted by the vendor as a discount against the transaction, the discount may be excluded from gross income as a cash discount. Amounts credited or refunded by a vendor for redemption of coupons issued by any person other than the vendor may not be excluded from gross income.
  - (5) Rebates issued by the vendor to a customer as a discount against the transaction may be excluded from gross income as a cash discount. Rebates issued by a person other than the vendor may not be excluded from gross income, even when the vendee assigns his right to the rebate to the vendor.
  - (6) In computing the tax base, gross proceeds of sales or gross income does not include a manufacturer's cash rebate on the sales price of a motor vehicle if the buyer assigns the buyer's right in the rebate to the retailer.
- (b) If the amount specified in subsection (a) above is credited by a vendor subsequent to the reporting period in which the original transaction occurs, such amount may be excluded from the taxable gross income of that subsequent reporting period, but only to the extent that the excludable amount was reported as taxable gross income in that prior reporting period.

**Sec. 7A-250. Exclusion of combined taxes from gross income; itemization; notice; limitations.**

- (a) When tax is separately charged and/or collected. The total amount of gross income shall be exclusive of combined taxes only when the person upon whom the tax is imposed shall establish to the satisfaction of the Tax Collector that such tax has been added to the total price of the transaction. The taxpayer must provide to his customer and also keep a reliable record of the actual tax charged or collected, shown by cash register tapes, sales tickets, or other accurate record, separating net transaction price and combined tax. If at any time the Tax Collector cannot ascertain from the records kept by the taxpayer the total or amounts billed or collected on account of combined taxes, the claimed taxes collected may not be excluded from gross income, unless such records are completed and/or clarified to the satisfaction of the Tax Collector.
- (1) Remittance of all tax charged and/or collected. When an added charge is made to cover City (or combined) Privilege and Use Taxes, the person upon whom the tax is imposed shall pay the full amount of the City taxes due, whether collected by him or not, and in the event he collects more than the amount due he shall remit the excess to the Tax Collector. In the event the Tax Collector cannot ascertain from the records kept by the taxpayer the total or amounts of taxes collected by him, and the Tax Collector is satisfied that the taxpayer has collected taxes in an amount in excess of the tax assessed under this Chapter, the Tax Collector may determine the amount collected and collect the tax so determined in the manner provided in this Chapter.
- (2) Itemization. A taxpayer, in order to be entitled to exclude from his gross income any amounts paid to him by customers for combined taxes passed on to the customer, must prove that he has provided his customer with a written record of the transaction showing at a minimum the price before the tax, the combined taxes, and the total cost. This shall be addition to the record required to be kept under subsection (a) above.
- (b) When tax has been neither separately charged nor separately collected. When the person upon whom the tax is imposed shall establish by means of invoices, sales tickets, or other reliable evidence, that no added charge was made to cover combined taxes, the taxpayer may exclude tax collected from such income by dividing such taxable gross income by 1.00 plus a decimal figure representing the effective combined tax rate expressed as a fraction of 1.00.

**Sec. 7A-260. Exclusion of fees and taxes from gross income; limitations.**

- (a) There shall be excluded from gross income of vendors of motor vehicles those motor vehicle registration fees, license fees and taxes, and lieu taxes imposed pursuant to Title 28, Arizona Revised Statutes in connection with the initial purchase of a motor vehicle, but only to the extent that such taxes or fees or both have been separately itemized and collected from the purchaser of the motor vehicle by the vendor, actually remitted to the proper registering, licensing, and taxing authorities, and the provisions of Article III, regarding recordkeeping, are met. For the purpose of the exclusion provided by this subsection only, the terms vendor and vendee shall also apply to a lessor and lessee respectively, of a motor vehicle if, in addition to all other requirements of this subsection, the lease agreement specifically requires the lessee to pay such fees or taxes, and such amounts are separately itemized in the documentation provided to the lessee.
- (b) There shall be excluded from gross income of vendors at retail of heavy trucks and trailers, the amount attributable to Federal Excise Taxes imposed by 26 U.S.C. Section 4051, but only to the extent that the provisions of Article III, relating to recordkeeping, have been met.
- (c) There shall be excluded from gross income the following fees, taxes, and lieu taxes, but only to the extent that such taxes or fees or both have been separately itemized and collected from the purchaser by the vendor, actually remitted to the proper registering, licensing, and taxing authorities, and the provisions of Article III, regarding recordkeeping, are met:

- (1) emergency telecommunication services excise tax imposed pursuant to A.R.S. Section 42-5252. "Emergency telecommunication services" means telecommunication services or systems that use number 911 or a similarly designated telephone number for emergency calls;
  - (2) the telecommunication devices for the deaf and the severely hearing and speech impaired excise tax imposed pursuant to A.R.S. Section 42-5252;
  - (3) federal excise taxes on communications services as imposed by 26 U.S.C. § 4251;
  - (4) car rental surcharge imposed pursuant to A.R.S. Section 48-4234;
  - (5) federal excise taxes on passenger vehicles as imposed by 26 U.S.C. §4001(.01);
  - (6) waste tire disposal fees, imposed pursuant to A.R.S. Section 44-1302.
- (d) There shall be excluded from gross income of vendors of motor vehicles dealer documentation fees, but only to the extent that such fees have been separately itemized and collected from the purchaser of the motor vehicle by the vendor.

**Sec. 7A-265. (Reserved)**

**Sec. 7A-266. Exclusion of motor carrier revenues from gross income.**

There shall be excluded from gross income the gross proceeds of sale or gross income derived from any of the following:

- (a) a motor carrier's use on the public highways in this State if the motor carrier is subject to a fee prescribed in A.R.S. Title 28, Chapter 15, Article 4 or A.R.S. Title 28, Chapter 16, Article 4.
- (b) Leasing, renting or licensing a motor vehicle subject to and upon which the fee has been paid under A.R.S. Title 28, Chapter 16.
- (c) The sale of a motor vehicle and any repair and replacement parts and tangible personal property becoming a part of such motor vehicle, to a motor carrier who is subject to a fee prescribed in A.R.S. Title 28, Chapter 16 and who is engaged in the business of leasing, renting or licensing such property.
- (d) for the purposes of these exclusions, "motor carrier" includes a motor vehicle weighing 26,000 pounds or more, a lightweight motor vehicle which weighs 12,001 pounds to 26,000 pounds and a light motor vehicle weighing 12,000 pounds or less, which pay the fee prescribed in A.R.S. Title 28, Chapter 15 or A.R.S. Title 28, Chapter 16.

**Sec. 7A-270. Exclusion of gross income of persons deemed not engaged in business.**

- (a) For the purposes of this Section, the following definitions shall apply:
  - (1) "Federally Exempt Organization" means an organization which has received a determination of exemption, or qualifies for such exemption, under 26 U.S.C. Section 501(c) and rules and regulations of the Commissioner of Internal Revenue pertaining to same, but not including a "governmental entity", "non-licensed business", or "public educational entity".
  - (2) "Governmental Entity" means the Federal Government, the State of Arizona, any other state, or any political subdivision, department, or agency of any of the foregoing; provided further that persons contracting with such a governmental entity to operate any part of a governmentally adopted and controlled program to provide urban mass transportation shall be deemed a governmental entity in all activities such person performs when engaged in said contract.
  - (3) "Non-Licensed Business" means any person conducting any business activity for gain or profit, whether or not actually realized, which person is not required to be licensed for the conduct or transaction of activities subject to the tax imposed under this Chapter.

- (4) "Proprietary Club" means any club which has qualified or would otherwise qualify as an exempt club under the provisions of 26 U.S.C. Section 501(c)(7), (8), and (9), notwithstanding the fact that some or all of the members may own a proprietary interest in the property and assets of the club.
  - (5) "Public Educational Entity" means any educational entity operated pursuant to any provisions of Title 15, Arizona Revised Statutes.
- (b) Transactions which, if conducted by any other person, would produce gross income subject to tax under this Chapter shall not be subject to the imposition of such tax if conducted entirely by a public educational entity; governmental entity, except "proprietary activities" of municipalities as provided by Regulation; or non-licensed business.
  - (c) Transactions which, if conducted by any other person, would produce gross income subject to the tax under this Chapter shall not be subject to the imposition of such tax if conducted entirely by a federally exempt organization or proprietary club with the following exceptions:
    - (1) Transactions involving proprietary clubs and organizations exempt under 26 U.S.C. Section 501(c)(7), (8), and (9), where the gross revenue of the activity received from persons other than members and bona fide guests of members is in an amount in excess of fifteen percent (15%) of total gross revenue, as prescribed by Regulation. In the event this fifteen percent (15%) limit is exceeded, the entire gross income of such entity shall be subject to the applicable tax.
    - (2) Gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512, including all statutory definitions and determinations, the rules and regulations of the Commissioner of Internal Revenue, and his administrative interpretations and guidelines.
    - (3) (Reserved)
  - (d) Except as may be provided elsewhere in this Chapter, transactions where customers are exempt organizations, proprietary clubs, public educational entities, governmental entities, or non-licensed businesses shall be deemed taxable transactions for the purpose of the imposition of taxes under this Chapter, notwithstanding that property so acquired may in fact be resold or leased by the acquiring person to others. In the case of sales, rentals, leases, or licenses to proprietary clubs or exempt organizations, the vendor may be relieved from the responsibility for reporting and paying tax on such income only by obtaining from its vendee a verified statement that includes:
    - (1) a statement that when the property so acquired is resold, rented, leased, or licensed, that the otherwise exempt vendee chooses, or is required, to pay City Privilege Tax or an equivalent excise tax on its gross income from such transactions and does in fact file returns on same; and
    - (2) the Privilege License number of the otherwise exempt vendee; and
    - (3) such other information as the Tax Collector may require.
  - (e) Franchisees or concessionaires operating businesses for or on behalf of any exempt organization, governmental entity, public educational entity, proprietary club, or non-licensed business shall not be considered to be such an exempt organization, club, entity, or non-licensed business, but shall be deemed to be a taxpayer subject to the provisions of this Chapter, except as provided in the definition of governmental entity, regarding urban mass transit.
  - (f) In any case, if a federally exempt organization, proprietary club, or non-licensed business rents, leases, licenses, or purchases any tangible personal property for its own storage or use, and no city privilege or use tax or equivalent excise tax has been paid on such transaction, said organization, club, or business shall be liable for the use tax upon such acquisitions or use of such property.

**Sec. 7A-280. (Reserved)**

**Sec. 7A-285. (Reserved)**

**Sec. 7A-290. (Reserved)**

## Article III - Licensing and Recordkeeping

### Sec. 7A-300. Licensing requirements.

- (a) The following persons shall make application to the Tax Collector for a Transaction Privilege and Use Tax License and no person shall engage or continue in business or engage in such activities until he shall have such a license:
  - (1) Every person engaging or continuing in business activities within the city or town upon which a Transaction Privilege Tax is imposed by this Chapter.
  - (2) Every person engaging or continuing in business within the city and storing or using tangible personal property in this municipality upon which a Use tax is imposed by this Chapter
  - (3) (Reserved)
- (b) For the purpose of determining whether a Transaction Privilege and Use Tax License is required, a person shall be deemed to be "engaging or continuing in business" within the city or town if:
  - (1) engaging in any activity as a principal or broker, the gross receipts of which may be subject to Transaction Privilege Tax under Article IV of this Chapter, or
  - (2) maintaining within the city or town directly, or if a corporation by a subsidiary, an office, distribution house, sales house, warehouse or other place of business; maintaining within the city or town directly, or if a corporation by a subsidiary, any real or tangible personal property; or having any agent or other representative operating within the city or town under the authority of such person, or if a corporation by a subsidiary, irrespective of whether such place of business, property, or agent or other representative is located here permanently or temporarily, or
  - (3) soliciting sales, orders, contracts, leases, and other similar forms of business relationships, within the City from customers, consumers, or users located within the city or town, by means of salesmen, solicitors, agents, representatives, brokers, and other similar agents or by means of catalogs or other advertising, whether such orders are received or accepted within or without this City.
  - (4) A person shall also be deemed to be "engaging or continuing in business" if engaging in any activity subject to Use Tax under Article VI of this Chapter for business purposes. Individuals who acquire items subject to Use Tax for their own personal use or their family's personal use are not required to obtain a license.
  - (5) (Reserved)
- (c) A person engaging in more than one activity subject to Transaction Privilege Tax at any one business location is not required to obtain a separate license for each activity, provided that, at the time such person makes application for a license, he shall list on such application each category of activity in which he is engaged.
- (d) The licensee shall inform the Tax Collector of any changes in his business activities, location, or mailing address within thirty (30) days.
- (e) Limitation. The issuance of a Transaction Privilege and Use Tax License by the Tax Collector shall in no way be construed as permission to operate a business activity in violation of any other law or regulation to which such activity may be subject
- (f) Casual activity. For the purposes of this Chapter, individuals engaging in a "casual activity or sale" are not subject to the license requirements imposed under this Article provided that they are only engaged in private sales activities, such as the sale of a personal automobile or garage sale, on no more than three separate occasions during any calendar year.

**Sec. 7A-310. Licensing; Special requirements.**

- (a) Partnerships. Application for a Transaction Privilege and Use Tax License for a partnership engaging or continuing in business shall provide, as a minimum, the names and addresses of all general partners. Licenses issued to persons engaging in business as partners, limited or general, shall be in the name of the partnership.
- (b) Limited Liability Companies. Application for a Transaction Privilege and Use Tax License for a Limited Liability Company (LLC) engaging or continuing in business shall provide, as a minimum, the names and addresses of all members and the manager. Licenses issued to persons engaging in business as Limited Liability Companies, shall be in the name of the LLC.
- (c) Corporations. Application for a Transaction Privilege and Use Tax License for a corporation engaging or continuing in business shall provide, as a minimum, the names and addresses of both the Chief Executive manager or Officer and Chief Financial Officer of the corporation. Licenses issued to persons engaging in business as corporations shall be in the name of the corporation.
- (d) Multiple Locations or Multiple Business Names. A person engaging or continuing in one or more businesses at two (2) or more locations or under two (2) or more business names shall procure a license for each such location or business name. A "location" is a place of a separate business establishment.
- (e) Real Property Rental, Leasing, and Licensing for Use. In all cases the Transaction Privilege and Use Tax License shall be issued only to the owner of the real property regardless of the owner engaging a property other broker to oversee the owner's business activity including filing tax returns on behalf of the owner. Each rental property that can be independently sold or transferred is deemed to be a separate business establishment. Each platted parcel of real property subject to the tax imposed by this Chapter is deemed to be a separate business establishment and requires a separate license, regardless of the number of rental units located on that platted parcel. If one structure is located on multiple parcels in a manner such that ownership of an individual parcel cannot be sold or transferred without requiring alteration to divide the structure, one license shall be required for all affected parcels.

**Sec. 7A-320. License fees: annual renewal; renewal fees.**

- (a) The Transaction Privilege and Use Tax License shall be valid upon receipt of a non-refundable license fee of two dollars (\$2.00), except for a license to engage in the business activity of residential or commercial real property rental, leasing, and licensing for use as separately identified in this Section. The Transaction Privilege and Use Tax License shall be valid only for the calendar year in which it is issued unless renewed each year by filing the appropriate The Transaction Privilege and Use Tax License shall be valid upon receipt of a non-refundable license fee of application for license renewal and paying an annual license renewal fee of zero dollars (\$0.00) for each license, subject to the limitations in A.R.S. 42-5005. Such annual renewal fee shall be due and payable on January 1 of each year and shall be considered delinquent if not paid and received on or before the last business day of January.
- (b) The Transaction Privilege and Use Tax License to engage in the business activity of residential real property rental, leasing, and licensing for use shall be valid only upon receipt of a non-refundable license fee of two dollars (\$2.00). The Transaction Privilege and Use Tax License shall be valid only for the calendar year in which it is issued unless renewed each year by filing the appropriate application for license renewal and paying an annual license renewal fee of zero dollars (\$0.00) for each license, subject to the limitations in A.R.S. 42-5005. Such fee shall be due and payable on January 1 of each year and shall be considered delinquent if not paid and received on or before the last business day of January.

- (c) The Transaction Privilege and Use Tax License to engage in the business activity of commercial real property rental, leasing, and licensing for use shall be valid only upon receipt of a non-refundable license fee of two dollars (\$2.00). The Transaction Privilege and Use Tax License shall be valid only for the calendar year in which it is issued unless renewed each year by filing the appropriate application for license renewal and paying an annual license renewal fee of zero dollars (\$0.00) for each license, subject to the limitations in A.R.S. 42-5005. Such fee shall be due and payable on January 1 of each year and shall be considered delinquent if not paid and received on or before the last business day of January.

**Sec. 7A-330. Licensing: transferability; display; penalties; penalty waiver; relicensing; fees collectable as taxes**

- (a) The Transaction Privilege and Use Tax License shall be valid only for the calendar year in which it is issued unless renewed each year by filing the appropriate application for license renewal and paying the applicable license renewal fee for each license, subject to the limitations in A.R.S. 42-5005. Such fee shall be due and payable on January 1 of each year and shall be considered delinquent if not paid and received on or before the last business day of January. Application and payment of the annual fee must be received in the Tax Collector's office to be deemed paid and received.
- (b) The Transaction Privilege and Use Tax License shall be nontransferable between owners or locations, and shall be on display to the public in the licensee's place of business.
- (c) Any person required to be licensed under this Chapter who fails to obtain a license on or before conducting any business activity requiring such license shall be subject to the license fees due for each year in business plus a penalty in the amount of fifty percent (50%) of the applicable fee for each period of time for which such fee would have been imposed, from and after the date on which such activity commenced until paid. This penalty shall be in addition to any other penalty imposed under this Chapter and must be paid prior to the issuance of any license. License fee penalties may be waived by the Tax Collector subject to the same terms as the waiver of tax penalties as provided for in Section 7A-540.
- (d) Any licensee who fails to renew his license on or before the due date shall be deemed to be operating without a license following such due date, and shall be subject to all penalties imposed under this Chapter against persons required to be licensed and operating without a license. The non-licensed status may be removed by payment of the annual license fee for each year or portion of a year he operated without a license, plus a license fee penalty of 50% of the license fee due for each year. License fee penalties may be waived by the Tax Collector subject to the same terms as the waiver of tax penalties as provided for in Section 7A-540.
- (e) Any licensee who permits his license to expire through cancellation as provided in Section 7A-340, by his request for cancellation, by surrender of the license, or by the cessation of the business activity for which the license was issued, and who thereafter applies for a license, shall be granted a new license as a new applicant and shall pay the current license fee imposed under Section 7A-320.
- (f) Any licensee who needs a copy of his Transaction Privilege and Use Tax License which is still in effect shall be charged the current license fee for each reissuance of a license.
- (g) Any person conducting a business activity subject to licensing without obtaining a Transaction Privilege and Use Tax License shall be liable to the city for all applicable fees and penalties and shall be subject to the provisions of Sections 7A-580 and 7A-590, to the same extent as if such fees and penalties were taxes and penalties under such Sections.

**Sec. 7A-340. Licensing: cancellation; revocation.**

- (a) Cancellation. The Tax Collector may cancel the Transaction Privilege and Use Tax License of any licensee as "inactive" if the taxpayer, required to report monthly, has neither filed any return nor remitted any taxes imposed by this Chapter for a period of six (6) consecutive months; or, if required to report quarterly, has neither filed any return nor remitted any taxes imposed by this Chapter for two (2) consecutive quarters; or, if required to report annually, has neither filed any return nor remitted any taxes imposed by this Chapter when such annual report and tax are due to be filed with and remitted to the Tax Collector.
- (b) Revocation. If any licensee fails to pay any tax, interest, penalty, fee, or sum required to be paid under this Chapter, or if such licensee fails to comply with any other provisions of this Chapter, the Tax Collector may revoke the Transaction Privilege and Use Tax License of said licensee.
- (c) Notice and Hearing. The Tax Collector shall deliver notice to such licensee of cancellation or revocation of the Transaction Privilege and Use Tax License. If the licensee requests a hearing within twenty (20) days of receipt of such notice, he shall be granted a hearing before the Tax Collector.
- (d) After cancellation or revocation of a taxpayer's license, the taxpayer shall not be issued a new license until all reports have been filed; all fees, taxes, interest, and penalties due have been paid; and he is in compliance with all provisions of this Chapter.

**Sec. 7A-350. Operating without a license.**

It shall be unlawful for any person who is required by this Chapter to obtain a Transaction Privilege and Use Tax License to engage in or continue in business without a license. The Tax Collector shall assess any delinquencies in tax, interest, and penalties which may apply against such person upon any transactions subject to the taxes imposed by this Chapter.

**Sec. 7A-360. Recordkeeping: requirements**

- (a) It shall be the duty of every person subject to the tax imposed by this Chapter to keep and preserve suitable records and such other books and accounts as may be necessary to determine the amount of tax for which he is liable under this Chapter. The books and records must contain, at a minimum, such detail and summary information as may be required by this Article; or when records are maintained within an electronic data processing (EDP) system, the requirements established by the Arizona Department of Revenue for privilege tax filings will be accepted. It shall be the duty of every person to keep and preserve such books and records for a period equal to the applicable limitation period for assessment of tax, and all such books and records shall be open for inspection by the Tax Collector during any business day.
- (b) The Tax Collector may direct, by letter, a specific taxpayer to keep specific other books, records, and documents. Such letter directive shall apply:
  - (1) only for future reporting periods, and
  - (2) only by express determination of the Tax Collector that such specific recordkeeping is necessary due to the inability of the taxing jurisdiction to conduct an adequate examination of the past activities of the taxpayer, which inability resulted from inaccurate or inadequate books, records, or documentation maintained by the taxpayer.

**Sec. 7A-362. Recordkeeping: Income.**

The minimum records required for persons having gross income subject to, or exempt or excluded from, tax by this Chapter must show:

- (a) The gross income of the taxpayer attributable to any activity occurring in whole or in part in the City
- (b) The gross income taxable under this Chapter, divided into categories as stated in the official City tax return.
- (c) The gross income subject to Arizona Transaction Privilege Taxes, divided into categories as stated in the official State
- (d) The gross income claimed to be exempt, and with respect to each activity or transaction so claimed:
  - (1) If the transaction is claimed to be exempt as a sale for resale or as a sale, rental, lease, or license for use of rental equipment:
    - (A) The City Privilege License number and State Transaction Privilege Tax License number of the customer (or the equivalent city, if applicable, and state tax numbers of the city and state where the customer resides), and
    - (B) The business address, and business activity of the customer, and
    - (C) Evidence sufficient to persuade a reasonably prudent businessman that the transaction is believed to be in good faith a purchase for resale, or a purchase, rental, lease, or license for use of rental equipment, by the vendee in the ordinary and regular course of his business activity, as provided by Regulation.
  - (2) If the transaction is claimed to be exempt for any other reason:
    - (A) The name, business address, and business activity of the customer, and
    - (B) Evidence sufficient to persuade a reasonably prudent businessman that the transaction is believed to be in good faith a purchase for resale, or a purchase, rental, lease, or license for use of rental equipment, by the vendee in the ordinary and regular course of his business activity, as provided by Regulation.
- (e) With respect to those allowed deductions or exclusions for tax collected or charges for delivery or other direct customer services, where applicable, evidence that the deductible income has been separately stated and shown on the records of the taxpayer and on invoices or receipts provided to the customer. All other deductions, exemptions, and exclusions shall be separately shown and substantiated.
- (f) With respect to special classes and activities, such other books, records, and documentation as the Tax Collector, by regulation, shall deem necessary for specific classes of taxpayer by reason of the specialized business activity of any such class.
- (g) In all cases, the books and records of the taxpayer shall indicate both individual transaction amounts and totals for each reporting period for each category of taxable, exempt, and excluded income defined by this Chapter

**Sec. 7A-364. Recordkeeping: expenditures**

The minimum records required for persons having expenditures, costs, purchases and rental or lease or License expenses subject to, or exempt or excluded from, tax by this Chapter are:

- (a) The total price of all goods acquired for use or storage in the City
- (b) The date of acquisition and the name and business address of the seller or lessor of all goods acquired for use or storage in the City

- (c) Documentation of taxes, freight, and direct customer service labor separately charged and paid for each purchase, rental, lease, or license.
- (d) The gross price of each acquisition claimed as exempt from tax, and with respect to each transaction so claimed, sufficient evidence to satisfy the Tax Collector that the exemption claimed is applicable.
- (e) As applicable to each taxpayer, documentation sufficient to the Tax Collector, so that he may ascertain:
  - (1) All construction expenditures and all Privilege and Use Taxes claimed paid, relating to owner-builders and speculative builders.
  - (2) Disbursement of collected gratuities and related payroll information required of restaurants.
  - (3) Franchise and license fee payments and computations thereto which relate to:
    - (A) Utility service
  - (4) The validity of any claims of proof of exemption.
  - (5) A claimed alternative prior value for reconstruction.
  - (6) All claimed exemptions to the Use Tax imposed by Article VI of this Chapter.
  - (7) Costs used to compute the "computed charge" claimed for retail service and repair.
  - (8) Payments of tax to the Arizona Department of Transportation and computations therefor, when a motor-vehicle transporter claims such the exemption.
  - (9) Payments by tenants subject to the tax upon Rental Occupancy imposed by Section 7A-440.
- (f) Any additional documentation as the Tax Collector, by Regulation, shall deem necessary for any specific class of taxpayer by reason of the specialized business activity of specific exemptions afforded to that class of taxpayer.
- (g) In all cases, the books and records of the taxpayer shall indicate both individual transaction amounts and totals for each reporting period for each category of taxable, exempt, and excluded expenditures as defined by this Chapter.

**Sec. 7A-366. Recordkeeping: out of City and out of State sales.**

- (a) Out-of-City Sales. Any person engaging or continuing in a business who claims out-of-City sales shall maintain and keep accounting records or books indicating separately the gross income from the sales of tangible personal property from such out-of-City branches or locations.
- (b) Out-of-State sales. Persons engaged in a business claiming out-of-State sales shall maintain accounting records or books indicating for each out-of-State sale the following documentation:
  - (1) documentation of location of the buyer at the time of order placement; and
  - (2) shipping, delivery, or freight documents showing where the buyer took delivery; and
  - (3) documentation of intended location of use or storage of the property sold to such buyer.

**Sec. 7A-370. Recordkeeping: claim of exclusion, exemption, deduction, or credit: documentation; liability**

- (a) All deductions, exclusions, exemptions, and credits provided in this Chapter are conditional upon adequate proof and documentation of such as may be required under A.R.S. Section 42-5022 or by this Chapter or Regulation.

- (b) Any person who claims and receives an exemption, deduction, exclusion, or credit to which he is not entitled under this Chapter, shall be subject to, liable for, and pay the tax on the transaction as if the vendor subject to the tax had passed the burden of the payment of the tax to the person wrongfully claiming the exemption. A person who wrongfully claimed such exemption shall be treated as if he is delinquent in the payment of the tax and shall be subject to interest and penalties upon such delinquency. However, if the tax is collected from the vendor on such transaction it shall not again be collected from the person claiming the exemption, or if collected from the person claiming the exemption it shall not also be collected from the vendor

**Sec. 7A-372. Proof of exemption: sale for resale; sale; rental; lease or rental equipment.**

A claim of purchase for resale or of purchase, rental, lease, or license for rent, lease, or license is valid only if the evidence is sufficient to persuade a reasonably prudent businessman that the particular item is being acquired for resale or for rental, lease, or license in the ordinary course of business. The fact that the acquiring person possesses a Privilege License number, and makes a verbal claim of "sale for resale or lease" or "lease for re-lease" does not meet this burden and is insufficient to justify an exemption. The "reasonable evidence" must be evidence which exists objectively, and not merely in the mind of the vendor, that the property being acquired is normally sold, rented, leased, or licensed by the acquiring person in the ordinary course of business. Failure to obtain such reasonable evidence at the time of the transaction will be a basis for disallowance of any claimed deduction on returns filed for such transactions.

**Sec. 7A-380. Inadequate or unsuitable records.**

In the event the records provided by the taxpayer are considered by the Tax Collector to be inadequate or unsuitable to determine the amount of the tax for which such taxpayer is liable under the provisions of this Chapter, it is the responsibility of the taxpayer either:

- (a) to provide such other records required by this Chapter or Regulation; or
- (b) to correct or to reconstruct his records, to the satisfaction of the Tax Collector.

## Article IV - Privilege Taxes

### Sec. 7A-400. Imposition of Privilege Taxes; presumption.

- (a) There are hereby levied and imposed, subject to all other provisions of this Chapter, the following Privilege Taxes for the purpose of raising revenue to be used in defraying the necessary expenses of the City, such taxes to be collected by the Tax Collector:
  - (1) a Privilege Tax upon persons on account of their business activities, to the extent provided elsewhere in this Article, to be measured by the gross income of persons, whether derived from residents of the City or not, or whether derived from within the City or from without.
  - (2) (Reserved)
- (b) Taxes imposed by this Chapter are in addition to others. Except as specifically designated elsewhere in this Chapter, each of the taxes imposed by this Chapter shall be in addition to all other licenses, fees, and taxes levied by law, including other taxes imposed by this Chapter.
- (c) Presumption. For the purpose of proper administration of this Chapter and to prevent evasion of the taxes imposed by this Chapter, it shall be presumed that all gross income is subject to the tax until the contrary is established by the taxpayer.
- (d) Limitation of exemptions, deductions, and credits allowed against the measure of taxes imposed by this Chapter. All exemptions, deductions, and credits set forth in this Chapter shall be limited to the specific activity or transaction described and not extended to include any other activity or transaction subject to the tax.

### Sec. 7A-405. Advertising.

- (a) The tax rate shall be at an amount equal to four percent (4%) of the gross income from the business activity upon every person engaging or continuing in the business of "local advertising" by billboards, direct mail, radio, television, or by any other means. However, commission and fees retained by an advertising agency shall not be includable in gross income from "local advertising". All delivery or disseminating of information directly to the public or any portion thereof for a consideration shall be considered "Local Advertising", except the following:
  - (1) the advertising of a product or service which is sold or provided both within and without the State by more than one "commonly designated business entity" within the State, and in which the advertisement names either no "commonly designated business entity" within the State or more than one "commonly designated business entity". "Commonly Designated Business Entity" means any person selling or providing any product or service to its customers under a common business name or style, even though there may be more than one legal entity conducting business functions using the same or substantially the same business name or style by virtue of a franchise, license, or similar agreement.
  - (2) the advertising of a facility or of a service or activity in which neither the facility nor a business site carrying on such service or activity is located within the State.
  - (3) the advertising of a product which may only be purchased from an out-of-State supplier.
  - (4) political advertising for United States Presidential and Vice Presidential candidates only.
  - (5) advertising by means of product purchase coupons redeemable at any retail establishment carrying such product but not product coupons redeemable only at a single commonly designated business entity.
  - (6) advertising transportation services where a substantial portion of the transportation activity of the business entity advertised involves interstate or foreign carriage.
- (b) (Reserved)

### Sec. 7A-407. (Reserved)

**Sec. 7A-410. Amusements, exhibitions, and similar activities.**

- (a) The tax rate shall be at an amount equal to four percent (4%) of the gross income from the business activity upon every person engaging or continuing in the business of providing amusement that begins in the city or takes place entirely within the City, which includes the following type or nature of businesses:
  - (1) operating or conducting theaters, movies, operas, shows of any type or nature, exhibitions, concerts, carnivals, circuses, amusement parks, menageries, fairs, races, contests, games, billiard or pool parlors, bowling alleys, skating rinks, tennis courts, golf courses, video games, pinball machines, public dances, dance halls, sports events, jukeboxes, batting and driving ranges, animal rides, or any other business charging admission for exhibition, amusement, or entertainment.
  - (2) (Reserved)
- (b) Deductions or exemptions. The gross proceeds of sales or gross income derived from the following sources is exempt from the tax imposed by this Section:
  - (1) (Reserved)
  - (2) Amounts retained by the Arizona Exposition and State Fair Board from ride ticket sales at the annual Arizona State Fair.
  - (3) Income received from a hotel business subject to tax under Section 7A-444, if all of the following apply:
    - (A) The hotel business receives gross income from a customer for the specific business activity otherwise subject to amusement tax.
    - (B) The consideration received by the hotel business is equal to or greater than the amount to be deducted under this subsection.
    - (C) The hotel business has provided an exemption certificate to the person engaging in business under this section.
  - (4) Income that is specifically included as the gross income of a business activity upon which another Section of this Article imposes a tax, that is separately stated to the customer and is taxable to the person engaged in that classification not to exceed consideration paid to the person conducting the activity.
  - (5) Income from arranging transportation connected to amusement activity that is separately stated to the customer, not to exceed consideration paid to the transportation business.
- (c) The tax imposed by this Section shall not include arranging an amusement activity as a service to a person's customers if that person is not otherwise engaged in the business of operating or conducting an amusement themselves or through others. This exception does not apply to businesses that operate or conduct amusements pursuant to customer orders and send the billings and receive the payments associated with that activity, including when the amusement is performed by third party independent contractors. For the purposes of this paragraph, "arranging" includes billing for or collecting amusement charges from a person's customers on behalf of the persons providing the amusement.

**Sec. 7A-415. Construction contracting: construction contractors.**

- (a) The tax rate shall be at an amount equal to four percent (4%) of the gross income from the business upon every construction contractor engaging or continuing in the business activity of construction contracting within the City.
  - (1) However, gross income from construction contracting shall not include charges related to groundwater measuring devices required by A.R.S. Section 45-604.
  - (2) (Reserved)
  - (3) gross income from construction contracting shall not include gross income from the sale of manufactured buildings taxable under Section 7A-427.
  - (4) For taxable periods beginning from and after July 1, 2008, the portion of gross proceeds of sales or gross income attributable to the actual direct costs of providing architectural or engineering services that are incorporated in a contract is not subject to tax under this Section. For the purposes of this subsection, "direct costs" means the portion of the actual costs that are directly expended in providing architectural or engineering services.

(b) Deductions and exemptions.

- (1) Gross income derived from acting as a "subcontractor" shall be exempt from the tax imposed by this Section.
- (2) All construction contracting gross income subject to the tax and not deductible herein shall be allowed a deduction of thirty-five percent (35%).
- (3) The gross proceeds of sales or gross income attributable to the purchase of machinery, equipment or other tangible personal property that is exempt from or deductible from privilege or use tax under:
  - (A) Section 7A-465, subsections (g) and (p)
  - (B) Section 7A-660, subsections (g) and (p)shall be exempt or deductible, respectively, from the tax imposed by this Section.
- (4) The gross proceeds of sales or gross income that is derived from a contract entered into for the installation, assembly, repair or maintenance of income-producing capital equipment, as defined in Section 7A-110, that is deducted from the retail classification pursuant to Section 7A-465(g) that does not become a permanent attachment to a building, highway, road, railroad, excavation or manufactured building or other structure, project, development or improvement shall be exempt from the tax imposed by this Section. If the ownership of the realty is separate from the ownership of the income-producing capital equipment, the determination as to permanent attachment shall be made as if the ownership was the same. The deduction provided in this paragraph does not include gross proceeds of sales or gross income from that portion of any contracting activity which consists of the development of, or modification to, real property in order to facilitate the installation, assembly, repair, maintenance or removal of the income-producing capital equipment. For purposes of this paragraph, "permanent attachment" means at least one of the following:
  - (A) to be incorporated into real property.
  - (B) to become so affixed to real property that it becomes part of the real property.
  - (C) to be so attached to real property that removal would cause substantial damage to the real property from which it is removed.
- (5) The gross proceeds of sales or gross income received from a contract for the construction of an environmentally controlled facility for the raising of poultry for the production of eggs and the sorting, or cooling and packaging of eggs shall be exempt from the tax imposed under this Section.
- (6) The gross proceeds of sales or gross income that is derived from the installation, assembly, repair or maintenance of cleanrooms that are deducted from the tax base of the retail classification pursuant to Section 7A-465, subsection (g) shall be exempt from the tax imposed under this Section.
- (7) The gross proceeds of sales or gross income that is derived from a contract entered into with a person who is engaged in the commercial production of livestock, livestock products or agricultural, horticultural, viticultural or floricultural crops or products in this State for the construction, alteration, repair, improvement, movement, wrecking or demolition or addition to or subtraction from any building, highway, road, excavation, manufactured building or other structure, project, development or improvement used directly and primarily to prevent, monitor, control or reduce air, water or land pollution shall be exempt from the tax imposed under this Section.
- (8) The gross proceeds of sales or gross income received from a post construction contract to perform post-construction treatment of real property for termite and general pest control, including wood destroying organisms, shall be exempt from tax imposed under this Section.
- (9) Through December 31, 2009, the gross proceeds of sales or gross income received from a contract for constructing any lake facility development in a commercial enhancement reuse district that is designated pursuant to A.R.S. § 9-499.08 if the contractor maintains the following records in a form satisfactory to the Arizona Department of Revenue and to the City:
  - (A) The certificate of qualification of the lake facility development issued by the City pursuant to A.R.S. § 9-499.08, subsection D.
  - (B) All state and local transaction privilege tax returns for the period of time during which the contractor received gross proceeds of sales or gross income from a contract to construct a lake facility development in a designated commercial enhancement reuse district, showing the amount exempted from state and local taxation.
  - (C) Any other information considered to be necessary.

- (10) Any amount attributable to development fees that are incurred in relation to the construction, development or improvement of real property and paid by the taxpayer as defined in the model city tax code or by a contractor providing services to the taxpayer. For the purposes of this paragraph:
- (A) the attributable amount shall not exceed the value of the development fees actually imposed.
  - (B) the attributable amount is equal to the total amount of development fees paid by the taxpayer or by a contractor providing services to the taxpayer and the total development fees credited in exchange for the construction of, contribution to or dedication of real property for providing public infrastructure, public safety or other public services necessary to the development. The real property must be the subject of the development fees.
  - (C) "development fees" means fees imposed to offset capital costs of providing public infrastructure, public safety or other public services to a development and authorized pursuant to A.R.S. Section 9-463.05, A.R.S. Section 11-1102 or A.R.S. Title 48 regardless of the jurisdiction to which the fees are paid.
- (11) For taxable periods beginning from and after July 1, 2008 and ending before January 1, 2017, the gross proceeds of sales or gross income derived from a contract to provide and install a solar energy device. The contractor shall register with the department of revenue as a solar energy contractor. By registering, the contractor acknowledges that it will make its books and records relating to sales of solar energy devices available to the department of revenue and the city, as applicable, for examination.
- (c) "Subcontractor" means a construction contractor performing work for either:
- (1) a construction contractor who has provided the subcontractor with a written declaration that he is liable for the tax for the project and has provided the subcontractor his City Privilege License number.
  - (2) an owner-builder who has provided the subcontractor with a written declaration that:
    - (A) the owner-builder is improving the property for sale; and
    - (B) the owner-builder is liable for the tax for such construction contracting activity; and
    - (C) the owner-builder has provided the contractor his City Privilege License number.
  - (3) a person selling new manufactured buildings who has provided the subcontractor with a written declaration that he is liable for the tax for the site preparation and set-up; and provided the subcontractor his City Privilege License number.

Subcontractor also includes a construction contractor performing work for another subcontractor as defined above.

**Sec. 7A-416. Construction contracting: speculative builders.**

- (a) The tax shall be equal to four percent (4%) of the gross income from the business activity upon every person engaging or continuing in business as a speculative builder within the City.
- (1) The gross income of a speculative builder considered taxable shall include the total selling price from the sale of improved real property at the time of closing of escrow or transfer of title.
  - (2) "Improved Real Property" means any real property:
    - (A) upon which a structure has been constructed; or
    - (B) where improvements have been made to land containing no structure (such as paving or landscaping); or
    - (C) which has been reconstructed as provided by Regulation; or
    - (D) where water, power, and streets have been constructed to the property line.
  - (3) "Sale of Improved Real Property" includes any form of transaction, whether characterized as a lease or otherwise, which in substance is a transfer of title of, or equitable ownership in, improved real property and includes any lease of the property for a term of thirty (30) years or more (with all options for renewal being included as a part of the term). In the case of multiple unit projects, "sale" refers to the sale of the entire project or to the sale of any individual parcel or unit.

- (4) "Partially Improved Residential Real Property", as used in this Section, means any improved real property, as defined in subsection (a)(2) above, being developed for sale to individual homeowners, where the construction of the residence upon such property is not substantially complete at the time of the sale.
- (b) Exclusions.
- (1) In cases involving reconstruction contracting, the speculative builder may exclude from gross income the prior value allowed for reconstruction contracting in determining his taxable gross income, as provided by Regulation.
  - (2) Neither the cost nor the fair market value of the land which constitutes part of the improved real property sold may be excluded or deducted from gross income subject to the tax imposed by this Section.
  - (3) (Reserved)
  - (4) A speculative builder may exclude gross income from the sale of partially improved residential real property as defined in (a)(4) above to another speculative builder only if all of the following conditions are satisfied:
    - (A) The speculative builder purchasing the partially improved residential real property has a valid City privilege license for construction contracting as a speculative builder; and
    - (B) At the time of the transaction, the purchaser provides the seller with a properly completed written declaration that the purchaser assumes liability for and will pay all privilege taxes which would otherwise be due the City at the time of sale of the partially improved residential real property; and
    - (C) The seller also:
      - (i) maintains proper records of such transactions in a manner similar to the requirements provided in this chapter relating to sales for resale; and
      - (ii) retains a copy of the written declaration provided by the buyer for the transaction; and
      - (iii) is properly licensed with the City as a speculative builder and provides the City with the written declaration attached to the City privilege tax return where he claims the exclusion.
  - (5) For taxable periods beginning from and after July 1, 2008, the portion of gross proceeds of sales or gross income attributable to the actual direct costs of providing architectural or engineering services that are incorporated in a contract is not subject to tax under this section. For the purposes of this subsection, "direct costs" means the portion of the actual costs that are directly expended in providing architectural or engineering services.
- (c) Tax liability for speculative builders occurs at close of escrow or transfer of title, whichever occurs earlier, and is subject to the following provisions, relating to exemptions, deductions and tax credits:
- (1) Exemptions.
    - (A) The gross proceeds of sales or gross income attributable to the purchase of machinery, equipment or other tangible personal property that is exempt from or deductible from privilege or use tax under:
      - (i) Section 7A-465, subsections (g) and (p)
      - (ii) Section 7A-660, subsections (g) and (p)
 shall be exempt or deductible, respectively, from the tax imposed by this Section.
    - (B) The gross proceeds of sales or gross income received from a contract for the construction of an environmentally controlled facility for the raising of poultry for the production of eggs and the sorting, or cooling and packaging of eggs shall be exempt from the tax imposed under this Section.
    - (C) The gross proceeds of sales or gross income that is derived from the installation, assembly, repair or maintenance of cleanrooms that are deducted from the tax base of the retail classification pursuant to Section 7A-465, subsection (g) shall be exempt from the tax imposed under this section.

- (D) The gross proceeds of sales or gross income that is derived from a contract entered into with a person who is engaged in the commercial production of livestock, livestock products or agricultural, horticultural, viticultural or floricultural crops or products in this state for the construction, alteration, repair, improvement, movement, wrecking or demolition or addition to or subtraction from any building, highway, road, excavation, manufactured building or other structure, project, development or improvement used directly and primarily to prevent, monitor, control or reduce air, water or land pollution shall be exempt from the tax imposed under this Section.
- (E) Any amount attributable to development fees that are incurred in relation to the construction, development or improvement of real property and paid by the taxpayer as defined in the model city tax code or by a contractor providing services to the taxpayer shall be exempt from the tax imposed under this section. For the purposes of this paragraph:
  - (i) the attributable amount shall not exceed the value of the development fees actually imposed.
  - (ii) the attributable amount is equal to the total amount of development fees paid by the taxpayer or by a contractor providing services to the taxpayer and the total development fees credited in exchange for the construction of, contribution to or dedication of real property for providing public infrastructure, public safety or other public services necessary to the development. The real property must be the subject of the development fees.
  - (iii) "development fees" means fees imposed to offset capital costs of providing public infrastructure, public safety or other public services to a development and authorized pursuant to A.R.S. Section 9-463.05, A.R.S. Section 11-1102 or A.R.S. Title 48 regardless of the jurisdiction to which the fees are paid.

(2) Deductions.

- (A) All amounts subject to the tax shall be allowed a deduction in the amount of thirty-five percent (35%).
- (B) The gross proceeds of sales or gross income that is derived from a contract entered into for the installation, assembly, repair or maintenance of income-producing capital equipment, as defined in Section 7A-110, that is deducted from the retail classification pursuant to Section 7A-465(g), that does not become a permanent attachment to a building, highway, road, railroad, excavation or manufactured building or other structure, project, development or improvement shall be exempt from the tax imposed by this Section. If the ownership of the realty is separate from the ownership of the income-producing capital equipment, the determination as to permanent attachment shall be made as if the ownership was the same. The deduction provided in this paragraph does not include gross proceeds of sales or gross income from that portion of any contracting activity which consists of the development of, or modification to, real property in order to facilitate the installation, assembly, repair, maintenance or removal of the income-producing capital equipment. For purposes of this paragraph, "permanent attachment" means at least one of the following:
  - (i) to be incorporated into real property.
  - (ii) to become so affixed to real property that it becomes part of the real property.
  - (iii) to be so attached to real property that removal would cause substantial damage to the real property from which it is removed.
- (C) For taxable periods beginning from and after July 1, 2008 and ending before January 1, 2017, the gross proceeds of sales or gross income derived from a contract to provide and install a solar energy device. The contractor shall register with the department of revenue as a solar energy contractor. By registering, the contractor acknowledges that it will make its books and records relating to sales of solar energy devices available to the department of revenue and the city, as applicable, for examination.

(3) Tax credits.

The following tax credits are available to owner-builders or speculative builders, not to exceed the tax liability against which such credits apply, provided such credits are documented to the satisfaction of the tax collector:

- (A) A tax credit equal to the amount of city privilege or use tax, or the equivalent excise tax, paid directly to a taxing jurisdiction or as a separately itemized charge paid directly to the vendor with respect to the tangible personal property incorporated into the said structure or improvement to real property undertaken by the owner-builder or speculative builder.
- (B) A tax credit equal to the amount of privilege taxes paid to this City, or charged separately to the speculative builder, by a construction contractor, on the gross income derived by said person from the construction of any improvement to the real property.
- (C) No credits provided herein may be claimed until such time that the gross income against which said credits apply is reported.

**Sec. 7A-417. Construction contracting: owner-builders who are not speculative builders.**

- (a) At the expiration of twenty-four (24) months after improvement to the property is substantially complete, the tax liability for an owner-builder who is not a speculative builder shall be at an amount equal to four percent (4%) of:
  - (1) the gross income from the activity of construction contracting upon the real property in question which was realized by those construction contractors to whom the owner-builder provided written declaration that they were not responsible for the taxes as prescribed in Subsection 7A-415(c)(2); and
  - (2) the purchase of tangible personal property for incorporation into any improvement to real property, computed on the sales price.
- (b) For taxable periods beginning from and after July 1, 2008, the portion of gross proceeds of sales or gross income attributable to the actual direct costs of providing architectural or engineering services that are incorporated in a contract is not subject to tax under this section. For the purposes of this subsection, "direct costs" means the portion of the actual costs that are directly expended in providing architectural or engineering services.
- (c) The tax liability of this Section is subject to the following provisions, relating to exemptions, deductions and tax credits:
  - (1) Exemptions.
    - (A) The gross proceeds of sales or gross income attributable to the purchase of machinery, equipment or other tangible personal property that is exempt from or deductible from privilege or use tax under:
      - (i) Section 7A-465, subsections (g) and (p)
      - (ii) Section 7A-660, subsections (g) and (p)
 shall be exempt or deductible, respectively, from the tax imposed by this Section.
    - (B) The gross proceeds of sales or gross income received from a contract for the construction of an environmentally controlled facility for the raising of poultry for the production of eggs and the sorting, or cooling and packaging of eggs shall be exempt from the tax imposed under this Section.
    - (C) The gross proceeds of sales or gross income that is derived from the installation, assembly, repair or maintenance of cleanrooms that are deducted from the tax base of the retail classification pursuant to Section 7A-465, subsection (g) shall be exempt from the tax imposed under this Section.
    - (D) The gross proceeds of sales or gross income that is derived from a contract entered into with a person who is engaged in the commercial production of livestock, livestock products or agricultural, horticultural, viticultural or floricultural crops or products in this state for the construction, alteration, repair, improvement, movement, wrecking or demolition or addition to or subtraction from any building, highway, road, excavation, manufactured building or other structure, project, development or improvement used directly and primarily to prevent, monitor, control or reduce air, water or land pollution shall be exempt from the tax imposed under this Section.

- (E) Any amount attributable to development fees that are incurred in relation to the construction, development or improvement of real property and paid by the taxpayer as defined in the model city tax code or by a contractor providing services to the taxpayer shall be exempt from the tax imposed under this section. For the purposes of this paragraph:
- (i) the attributable amount shall not exceed the value of the development fees actually imposed.
  - (ii) the attributable amount is equal to the total amount of development fees paid by the taxpayer or by a contractor providing services to the taxpayer and the total development fees credited in exchange for the construction of, contribution to or dedication of real property for providing public infrastructure, public safety or other public services necessary to the development. The real property must be the subject of the development fees.
  - (iii) "development fees" means fees imposed to offset capital costs of providing public infrastructure, public safety or other public services to a development and authorized pursuant to A.R.S. Section 9-463.05, A.R.S. Section 11-1102 or A.R.S. Title 48 regardless of the jurisdiction to which the fees are paid.

(2) Deductions.

- (A) All amounts subject to the tax shall be allowed a deduction in the amount of thirty-five percent (35%).
- (B) The gross proceeds of sales or gross income that is derived from a contract entered into for the installation, assembly, repair or maintenance of income-producing capital equipment, as defined in Section 7A-110, that is deducted from the retail classification pursuant to Section 7A-465(g), that does not become a permanent attachment to a building, highway, road, railroad, excavation or manufactured building or other structure, project, development or improvement shall be exempt from the tax imposed by this Section. If the ownership of the realty is separate from the ownership of the income-producing capital equipment, the determination as to permanent attachment shall be made as if the ownership was the same. The deduction provided in this paragraph does not include gross proceeds of sales or gross income from that portion of any contracting activity which consists of the development of, or modification to, real property in order to facilitate the installation, assembly, repair, maintenance or removal of the income-producing capital equipment. For purposes of this paragraph, "permanent attachment" means at least one of the following:
- (i) to be incorporated into real property.
  - (ii) to become so affixed to real property that it becomes part of the real property.
  - (iii) to be so attached to real property that removal would cause substantial damage to the real property from which it is removed.
- (C) For taxable periods beginning from and after July 1, 2008 and ending before January 1, 2017, the gross proceeds of sales or gross income derived from a contract to provide and install a solar energy device. The contractor shall register with the department of revenue as a solar energy contractor. By registering, the contractor acknowledges that it will make its books and records relating to sales of solar energy devices available to the department of revenue and the city, as applicable, for examination.

(3) Tax credits.

The following tax credits are available to owner-builders and speculative builders, not to exceed the tax liability against which such credits apply, provided such credits are documented to the satisfaction of the tax collector:

- (A) A tax credit equal to the amount of city privilege or use tax, or the equivalent excise tax, paid directly to a taxing jurisdiction or as a separately itemized charge paid directly to the vendor with respect to the tangible personal property incorporated into the said structure or improvement to real property undertaken by the owner-builder or speculative builder.

- (B) A tax credit equal to the amount of privilege taxes paid to this City, or charged separately to the speculative builder, by a construction contractor, on the gross income derived by said person from the construction of any improvement to the real property.
- (C) No credits provided herein may be claimed until such time that the gross income against which said credits apply is reported.
- (d) The limitation period for the assessment of taxes imposed by this Section is measured based upon when such liability is reportable, that is, in the reporting period that encompasses the twenty-fifth (25th) month after said unit or project was substantially complete. Interest and penalties, as provided in Section 7A-540, will be based on reportable date.
- (e) (Reserved)

**Sec. 7A-418. (Reserved)**

**Sec. 7A-420. (Reserved)**

**Sec. 7A-425. Job printing.**

- (a) The tax rate shall be at an amount equal to four percent (4%) of the gross income from the business activity upon every person engaging or continuing in the business of job printing, which includes engraving of printing plates, embossing, copying, micrographics, and photo reproduction.
- (b) The tax imposed by this Section shall not apply to:
  - (1) job printing purchased for the purpose of resale by the purchaser in the form supplied by the job printer.
  - (2) out-of-City sales.
  - (3) out-of-State sales.
  - (4) (Reserved)
  - (5) sales of job printing to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when the property sold is for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512.
  - (6) (Reserved)
  - (7) Sales of postage and freight except that the amount deducted shall not exceed the actual postage and freight expense that is paid to the United States Postal Service or a commercial delivery service and that is separately itemized by the taxpayer on the customer's invoice and in the taxpayer's records.

**Sec. 7A-427. Manufactured buildings.**

- (a) The tax rate shall be at an amount equal to four percent (4%) of the gross income, including site preparation, moving to the site, and/or set-up, upon every person engaging or continuing in the business activity of selling manufactured buildings within the City. Such business activity is deemed to occur at the business location of the seller where the purchaser first entered into the contract to purchase the manufactured building.
- (b) Sales of used manufactured buildings are not taxable.
- (c) The sale prices of furniture, furnishings, fixtures, appliances, and attachments that are not incorporated as component parts of or attached to a manufactured building are exempt from the tax imposed by this Section. Sales of such items are subject to the tax under Section 7A-460.

- (d) Under this Section, a trade-in will not be allowed for the purpose of reducing the tax liability.

**Sec. 7A-430. Timbering and other extraction.**

- (a) The tax rate shall be at an amount equal to four percent (4%) of the gross income from the business activity upon every person engaging or continuing in the following businesses:
  - (1) felling, producing, or preparing timber or any product of the forest for sale, profit, or commercial use.
  - (2) extracting, refining, or producing any oil or natural gas for sale, profit, or commercial use.
- (b) The rate specified in subsection (a) above shall be applied to the value of the entire product extracted, refined, produced, or prepared for sale, profit, or commercial use, when such activity occurs within the City, regardless of the place of sale of the product or the fact that delivery may be made to a point without the City or without the State.
- (c) If any person engaging in any business classified in this Section ships or transports products, or any part thereof, out of the State without making sale of such products, or ships his products outside of the State in an unfinished condition, the value of the products or articles in the condition or form in which they existed when transported out-of-State and before they enter interstate commerce shall be the basis for assessment of the tax imposed by this Section.
- (d) (Reserved)

**Sec. 7A-432. Mining.**

- (a) The tax rate shall be at an amount equal to one tenth of one percent (.1%), not to exceed one tenth of one percent, of the gross income from the business activity upon every person engaging or continuing in the business of mining, smelting, or producing for sale, profit, or commercial use any copper, gold, silver, or other mineral product, compound, or combination of mineral products; but not including the extraction, removal, or production of sand, gravel, or rock from the ground for sale, profit, or commercial use.
- (b) The rate specified in subsection (a) above shall be applied to the value of the entire product mined, smelted or produced for sale, profit, or commercial use, when such activity occurs within the City, regardless of the place of sale of the product or the fact that delivery may be made to a point without the City or without the State.
- (c) If any person engaging in any business classified in this Section ships or transports products, or any part thereof, out of the State without making sale of such products, or ships his products outside of the State in an unfinished condition, the value of the products or articles in the condition or form in which they existed when transported out-of-State and before they enter interstate commerce shall be the basis for assessment of the tax imposed by this Section.

**Sec. 7A-435. Publishing and periodicals distribution.**

- (a) The tax rate shall be at an amount equal to four percent (4%) of the gross income from the business activity upon every person engaging or continuing in the business activity of:
  - (1) publication of newspapers, magazines, or other periodicals when published within the City, measured by the gross income derived from notices, subscriptions, and local advertising as defined in Section 7A-405. In cases where the location of publication is both within and without this State, gross income subject to the tax shall refer only to gross income derived from residents of this State or generated by permanent business locations within this State.
  - (2) distribution or delivery within the City of newspapers, magazines, or other periodicals not published within the City, measured by the gross income derived from subscriptions.

- (b) "Location of Publication" is determined by:
  - (1) location of the editorial offices of the publisher, when the physical printing is not performed by the publisher; or
  - (2) location of either the editorial offices or the printing facilities, if the publisher performs his own physical printing.
- (c) "Subscription income" shall include all circulation revenue of the publisher except amounts retained by or credited to carriers or other vendors as compensation for delivery within the State by such carriers or vendors, and further except sales of published items, directly or through distributors, for the purpose of resale, to retailers subject to the Privilege Tax on such resale.
- (d) "Circulation", for the purpose of measurement of gross income subject to the tax, shall be considered to occur at the place of delivery of the published items to the subscriber or intended reader irrespective of the location of the physical facilities or personnel of the publisher. However, delivery by the United States mails shall be considered to have occurred at the location of publication.
- (e) Allocation of taxes between cities and towns. In cases where publication or distribution occurs in more than one city or town, the measurement of gross income subject to tax by the City shall include:
  - (1) that portion of the gross income from publication which reflects the ratio of circulation within this City to circulation in all incorporated cities and towns in this State having substantially similar provisions; plus
  - (2) only when publication occurs within the City, that portion of the remaining gross income from publication which reflects the ratio of circulation within this City to the total circulation of all incorporated cities or towns in this State within which cities the taxpayer maintains a location of publication.
- (f) The tax imposed by this Section shall not apply to sales of newspapers, magazines or other periodicals to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when the property sold is for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512.

**Sec. 7A-440. (Reserved)**

**Sec. 7A-444. Hotels.**

The tax rate shall be at an amount equal to four percent (4%) of the gross income from the business activity upon every person engaging or continuing in the business of operating a hotel charging for lodging and/or lodging space furnished to any:

- (a) Transient.
- (b) Exclusions. The tax imposed by this Section shall not include:
  - (1) Income derived from incarcerating or detaining prisoners who are under the jurisdiction of the United States, this State or any other state or a political subdivision of this State or of any other state in a privately operated prison, jail or detention facility.
  - (2) Gross proceeds of sales or gross income that is properly included in another business activity under this Article and that is taxable to the person engaged in that business activity, but the gross proceeds of sales or gross income to be deducted shall not exceed the consideration paid to the person conducting the activity.
  - (3) Gross proceeds of sales or gross income from transactions or activities that are not limited to transients and that would not be taxable if engaged in by a person not subject to tax under this Article.

- (4) Gross proceeds of sales or gross income from transactions or activities that are not limited to transients and that would not be taxable if engaged in by a person subject to taxation under Section 7A-410 or Section 7A-475 due to an exclusion, exemption or deduction.
- (5) Gross proceeds of sales or gross income from commissions received from a person providing services or property to the customers of the hotel. However, such commissions may be subject to tax under Section 7A-445 or Section 7A-450 as rental, leasing or licensing for use of real or tangible personal property.
- (6) Income from providing telephone, fax or Internet services to customers at an additional charge, that is separately stated to the customer and is separately maintained in the hotel's books and records. However, such gross proceeds of sales or gross income may be subject to tax under Section 7A-470 as telecommunication services.

**Sec. 7A-445. Rental, leasing, and licensing for use of real property.**

- (a) The tax rate shall be at an amount equal to four percent (4%) of the gross income from the business activity upon every person engaging or continuing in the business of leasing or renting real property located within the City for a consideration, to the tenant in actual possession, or the licensing for use of real property to the final licensee located within the City for a consideration including any improvements, rights, or interest in such property; provided further that:
  - (1) Payments made by the lessee to, or on behalf of, the lessor for property taxes, repairs, or improvements are considered to be part of the taxable gross income.
  - (2) Charges for such items as telecommunications, utilities, pet fees, or maintenance are considered to be part of the taxable gross income.
  - (3) However, if the lessor engages in telecommunication activity, as evidenced by installing individual metering equipment and by billing each tenant based upon actual usage, such activity is taxable under Section 7A-470.
- (b) If individual utility meters have been installed for each tenant and the lessor separately charges each single tenant for the exact billing from the utility company, such charges are exempt.
- (c) Charges by a qualifying hospital, qualifying community health center or a qualifying health care organization to patients of such facilities for use of rooms or other real property during the course of their treatment by such facilities are exempt.
- (d) Charges for joint pole usage by a person engaged in the business of providing or furnishing utility or telecommunication services to another person engaged in the business of providing or furnishing utility or telecommunication services are exempt from the tax imposed by this Section.
- (e) (Reserved)
- (f) (Reserved)
- (g) (Reserved)
- (h) (Reserved)
- (i) (Reserved)
- (j) Exempt from the tax imposed by this Section is gross income derived from the activities taxable under Section 7A-444 of this code.
- (k) (Reserved)
- (l) (Reserved)
- (m) (Reserved)

- (n) Notwithstanding the provisions of Section 7A-200(b), the fair market value of one (1) apartment, in an apartment complex provided rent free to an employee of the apartment complex is not subject to the tax imposed by this Section. For an apartment complex with more than fifty (50) units, an additional apartment provided rent free to an employee for every additional fifty (50) units is not subject to the tax imposed by this Section.
- (o) Income derived from incarcerating or detaining prisoners who are under the jurisdiction of the United States, this State or any other state or a political subdivision of this State or of any other state in a privately operated prison, jail or detention facility is exempt from the tax imposed by this Section.
- (p) Charges by any hospital, any licensed nursing care institution, or any kidney dialysis facility to patients of such facilities for the use of rooms or other real property during the course of their treatment by such facilities are exempt.
- (q) Charges to patients receiving "personal care" or "directed care", by any licensed assisted living facility, licensed assisted living center or licensed assisted living home as defined and licensed pursuant to Chapter 4 Title 36 Arizona Revised Statutes and Title 9 of the Arizona Administrative Code are exempt.
- (r) Income received from the rental of any "low-income unit" as established under Section 42 of the Internal Revenue Code, including the low-income housing credit provided by IRC Section 42, to the extent that the collection of tax on rental income causes the "gross rent" defined by IRC Section 42 to exceed the income limitation for the low-income unit is exempt. This exemption also applies to income received from the rental of individual rental units subject to statutory or regulatory "low-income unit" rent restrictions similar to IRC Section 42 to the extent that the collection of tax from the tenant causes the rental receipts to exceed a rent restriction for the low-income unit. This subsection also applies to rent received by a person other than the owner or lessor of the low-income unit, including a broker. This subsection does not apply unless a taxpayer maintains the documentation to support the qualification of a unit as a low-income unit, the "gross rent" limitation for the unit and the rent received from that unit.
- (s) The gross proceeds of a commercial lease of real property between affiliated companies, businesses, persons, or reciprocal insurers are exempt. For the purposes of this paragraph:
  - (1) "Affiliated companies, business, persons or reciprocal insurers" means the lessor holds a controlling interest in the lessee, the lessee hold a controlling interest in the lessor, an affiliated entity holds a controlling interest in both the lessor and the lessee or an unrelated person holds a controlling interest in both the lessor and lessee:
  - (2) "Controlling interest" means direct or indirect ownership of at least eighty percent of the voting shares of a corporation or of the interests in a company, business or person other than a corporation.
  - (3) "Reciprocal insurer" has the same meaning as prescribed in A.R.S. Section 20-762.

**Sec. 7A-446. (Reserved)**

**Sec. 7A-447. (Reserved)**

**Sec. 7A-450. Rental, leasing, and licensing for use of tangible personal property.**

- (a) The tax rate shall be at an amount equal to four percent (4%) of the gross income from the business activity upon every person engaging or continuing in the business of leasing, licensing for use, or renting tangible personal property for a consideration, including that which is semi-permanently or permanently installed within the City as provided by Regulation.

- (b) Special provisions relating to long-term motor vehicle leases. A lease transaction involving a motor vehicle for a minimum period of twenty-four (24) months shall be considered to have occurred at the location of the motor vehicle dealership, rather than the location of the place of business of the lessor, even if the lessor's interest in the lease and its proceeds are sold, transferred, or otherwise assigned to a lease financing institution; provided further that the city or town where such motor vehicle dealership is located levies a Privilege Tax or an equivalent excise tax upon the transaction.
- (c) Gross income derived from the following transactions shall be exempt from Privilege Taxes imposed by this Section:
- (1) rental, leasing, or licensing for use of tangible personal property to persons engaged or continuing in the business of leasing, licensing for use, or rental of such property.
  - (2) rental, leasing, or licensing for use of tangible personal property that is semi-permanently or permanently installed within another city or town that levies an equivalent excise tax on the transaction.
  - (3) rental, leasing, or licensing for use of film, tape, or slides to a theater or other person taxed under Section 7A-410, or to a radio station, television station, or subscription television system.
  - (4) rental, leasing, or licensing for use of the following:
    - (A) prosthetics.
    - (B) income-producing capital equipment.
    - (C) mining and metallurgical supplies.
 These exemptions include the rental, leasing, or licensing for use of tangible personal property which, if it had been purchased instead of leased, rented, or licensed by the lessee or licensee, would qualify as income-producing capital equipment or mining and metallurgical supplies.
  - (5) rental, leasing, or licensing for use of tangible personal property to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when the property so rented, leased, or licensed is for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512 or rental, leasing, or licensing for use of tangible personal property in this State by a nonprofit charitable organization that has qualified under Section 501(c)(3) of the United States Internal Revenue Code and that engages in and uses such property exclusively for training, job placement or rehabilitation programs or testing for mentally or physically handicapped persons.
  - (6) separately billed charges for delivery, installation, repair, and/or maintenance as provided by Regulation.
  - (7) charges for joint pole usage by a person engaged in the business of providing or furnishing utility or telecommunication services to another person engaged in the business of providing or furnishing utility or telecommunication services.
  - (8) (Reserved)
  - (9) rental, leasing, or licensing of aircraft that would qualify as aircraft acquired for use outside the State, as prescribed by Regulation, if such rental, leasing, or licensing had been a sale.
  - (10) rental, leasing and licensing for use of an alternative fuel vehicle if such vehicle was manufactured as a diesel fuel vehicle and converted to operate on alternative fuel and equipment that is installed in a conventional diesel fuel motor vehicle to convert the vehicle to operate on an alternative fuel, as defined in A.R.S. Section 1-215.
  - (11) rental, leasing, and licensing for use of solar energy devices, for taxable periods beginning from and after July 1, 2008. The lessor shall register with the department of revenue as a solar energy retailer. By registering, the lessor acknowledges that it will make its books and records relating to leases of solar energy devices available to the department of revenue and City, as applicable, for examination.
  - (12) Leasing or renting certified ignition interlock devices installed pursuant to the requirements prescribed by A.R.S. Section 28-1461. For the purposes of this paragraph, "certified ignition interlock device" has the same meaning prescribed in A.R.S. 28-1301

**Sec. 7A-452. (Reserved)**

**Sec. 7A-455. Restaurants and Bars.**

- (a) The tax rate shall be at an amount equal to four percent (4%) of the gross income from the business activity upon every person engaging or continuing in the business of preparing or serving food or beverage in a bar, cocktail lounge, restaurant, or similar establishment where articles of food or drink are prepared or served for consumption on or off the premises, including also the activity of catering. Cover charges and minimum charges must be included in the gross income of this business activity.
- (b) Caterers and other taxpayers subject to the tax who deliver food and/or serve such food off premises shall also be allowed to exclude separately charged delivery, set-up, and clean-up charges, provided that the charges are also maintained separately in the books and records. When a taxpayer delivers food and/or serves such food off premises, his regular business location shall still be deemed the location of the transaction for the purposes of the tax imposed by this Section.
- (c) The tax imposed by this Section shall not apply to sales to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when sold for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512.
- (d) The tax imposed by this Section shall not apply to sales of food, beverages, condiments and accessories used for serving food and beverages to a commercial airline, as defined in A.R.S. § 42-5061(A)49, that serves the food and beverages to its passengers, without additional charge, for consumption in flight.
- (e) The tax imposed by this Section shall not apply to sales of prepared food, beverages, condiments or accessories to a public educational entity, pursuant to any of the provisions of Title 15, Arizona Revised Statutes, to the extent such items are to be prepared or served to individuals for consumption on the premises of a public educational entity during school hours.
- (f) For the purposes of this Section, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

**Sec. 7A-460. Retail sales: measure of tax; burden of proof; exclusions.**

- (a) The tax rate shall be at an amount equal to four percent (4%) of the gross income from the business activity upon every person engaging or continuing in the business of selling tangible personal property at retail.
- (b) The burden of proving that a sale of tangible personal property is not a taxable retail sale shall be upon the person who made the sale.
- (c) Exclusions. For the purposes of this Chapter, sales of tangible personal property shall not include:
  - (1) sales of stocks, bonds, options, or other similar materials.
  - (2) sales of lottery tickets or shares pursuant to Article I, Chapter 5, Title 5, Arizona Revised Statutes.
  - (3) sales of platinum, bullion, or monetized bullion, except minted or manufactured coins transferred or acquired primarily for their numismatic value as prescribed by Regulation.
  - (4) gross income derived from the transfer of tangible personal property which is specifically included as the gross income of a business activity upon which another Section of this Article imposes a tax, shall be considered gross income of that business activity, and are not includable as gross income subject to the tax imposed by this Section.
  - (5) sales by professional or personal service occupations where such sales are inconsequential elements of the service provided.

- (6) Sales of cash equivalents. The gross proceeds of sales or gross income derived from the redemption of any cash equivalent by the holder as a means of payment for goods or services that are taxable under this article is subject to the tax. "Cash equivalents" means items or intangibles, whether or not negotiable, that are sold to one or more persons, through which a value denominated in money is purchased in advance and may be redeemed in full or in part for tangible personal property, intangibles or services. Cash equivalents include gift cards, stored value cards, gift certificates, vouchers, traveler's checks, money orders or other instruments, orders or electronic mechanisms, such as an electronic code, personal identification number or digital payment mechanism, or any other prepaid intangible right to acquire tangible personal property, intangibles or services in the future, whether from the seller of the cash equivalent or from another person. Cash equivalents do not include either of the following:
- (A) Items or intangibles that are sold to one or more persons, through which a value is not denominated in money.
  - (B) Prepaid calling cards or prepaid authorization numbers for telecommunications services made taxable by subsection (g) of this section.
- (d) Notwithstanding the provisions of subsection (a) above, when the gross income from the sale of a single item of tangible personal property exceeds two thousand five hundred dollars (\$2,500.00), the four percent (4%) tax rate shall apply to the first \$2,500.00. Above \$2,500.00, the measure of tax shall be at a rate of one and one half percent (1.5%).
- (e) When this City and another Arizona city or town with an equivalent excise tax could claim nexus for taxing a retail sale, the city or town where the permanent business location of the seller at which the order was received shall be deemed to have precedence, and for the purposes of this Chapter such city or town has sole and exclusive right to such tax.
- (f) The appropriate tax liability for any retail sale where the order is received at a permanent business location of the seller located in this City or in an Arizona city or town that levies an equivalent excise tax shall be at the tax rate of the city or town of such seller's location.
- (g) Retail sales of prepaid calling cards or prepaid authorization numbers for telecommunications services, including sales of reauthorization of a prepaid card or authorization number, are subject to tax under this Section.

**Sec. 7A-462. Retail sales: food for home consumption**

- (a) Tax rate shall be at an amount equal to four percent (4.0%) of the gross income from the business activity upon every person engaging or continuing in the business of selling food for home consumption at retail.
- (b) For the purposes of this section only, the following definitions shall be applicable:
- (1) "Eligible grocery business" means an establishment whose sales of food are such that it is eligible to participate in the food stamp program established by the Food Stamp Act of 1977 (P.L. 95-113; 91 stat. 958; 7 U.S.C. section 2011 et seq.), according to regulations in effect on January 1, 1979. An establishment is deemed eligible to participate in the food stamp program if it is authorized to participate in the program by the United States Department of Agriculture Food and Nutrition Service Field Office on the effective date of this section, or if, prior to a reporting period for which the return is filed, such retailer proves to the satisfaction of the Tax Collector that the establishment, based on the nature of the retailer's food sales, could be eligible to participate in the food stamp program established by the Food Stamp Act of 1977 according to regulations in effect on January 1, 1979.
  - (2) "Facilities for the consumption of food" means tables, chairs, benches, booths, stools, counters, and similar conveniences, trays, glasses, dishes, or other tableware and parking areas for the convenience of in car consumption of food in or on the premises on which the retailer conducts business.

- (3) "Food for consumption on the premises" means any of the following:
- (A) "Hot prepared food" as defined below.
  - (B) Hot or cold sandwiches.
  - (C) Food served by an attendant to be eaten at tables, chairs, benches, booths, stools, counters, and similar conveniences and within parking areas for the convenience of in-car consumption of food.
  - (D) Food served with trays, glasses, dishes, or other tableware.
  - (E) Beverages sold in cups, glasses, or open containers.
  - (F) Food sold by caterers.
  - (G) Food sold within the premises of theatres, movies, operas, shows of any type or nature, exhibitions, concerts, carnivals, circuses, amusement parks, fairs, races, contests, games, athletic events, rodeos, billiard and pool parlors, bowling alleys, public dances, dance halls, boxing, wrestling and other matches, and any business which charges admission, entrance, or cover fees for exhibition, amusement, entertainment, or instruction.
  - (H) Any items contained in subsections (b)(3)(A) through (G) above even though they are sold on a "take-out" or "to go" basis, and whether or not the item is packaged, wrapped, or is actually taken from the premises.
- (4) "Hot prepared food" means those products, items, or ingredients of food which are prepared and intended for consumption in a heated condition. "Hot prepared food" includes a combination of hot and cold food items or ingredients if a single price has been established.
- (5) "Premises" means the total space and facilities in or on which a vendor conducts business and which are owned or controlled, in whole or in part, by a vendor or which are made available for the use of customers of the vendor or group of vendors, including any building or part of a building, parking lot, or grounds.
- (6) "Food for home consumption" means all food, except food for consumption on the premises, if sold by any of the following:
- (A) An eligible grocery business.
  - (B) A person who conducts a business whose primary business is not the sale of food but who sells food which is displayed, packaged, and sold in a similar manner as an eligible grocery business.
  - (C) A person who sells food and does not provide or make available any facilities for the consumption of food on the premises.
  - (D) A person who conducts a delicatessen business either from a counter which is separate from the place and cash register where taxable sales are made or from a counter which has two cash registers and which are used to record taxable and tax exempt sales, or a retailer who conducts a delicatessen business who uses a cash register which has at least two tax computing keys which are used to record taxable and tax exempt sales.
  - (E) Vending machines and other types of automatic retailers.
  - (F) A person's sales of food, drink and condiment for consumption within the premises of any prison, jail or other institution under the jurisdiction of the State Department of Corrections, the Department of Public Safety, the Department of Juvenile Corrections or a county sheriff.
- (c) Income derived from the following sources is exempt from the tax imposed by this section:
- (1) Sales of food for home consumption to a person regularly engaged in the business of selling such property.
  - (2) Out-of-city sales or out-of-state sales.
  - (3) Charges for delivery or other "direct customer services" as prescribed by regulation.
  - (4) Food purchased with food stamps provided through the food stamp program established by the Food Stamp Act of 1977 (P.L. 95-113; 91 stat. 958; 7 U.S.C. section 2011 et seq.) or purchased with food instruments issued under section 17 of the Child Nutrition Act (P.L. 95-627; 92 stat. 3603; and P.L. 99-669 section 4302; 42 U.S.C. Sec. 1786) but only to the extent that food stamps or food instruments were actually used to purchase such food.
  - (5) Sales of food products by producers as provided for by A.R.S. sections 3-561, 3-562 and 3-563.

- (6) Sales of food, beverages, condiments and accessories to a public educational entity, pursuant to any of the provisions of Title 15, Arizona Revised Statutes, including a regularly organized private or parochial school that offers an educational program for grade twelve or under which may be attended in substitution for a public school pursuant to A.R.S. § 15-802; to the extent such items are to be prepared or served to individuals for consumption on the premises of a public educational entity during school hours. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.
- (7) Sales of food, beverages, condiments and accessories to a nonprofit charitable organization that has qualified as an exempt organization under 26 U.S.C. Section 501(c)(3) and regularly serves meals to the needy and indigent on a continuing basis at no cost. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.
- (d) Reporting. Such persons who sell food for home consumption shall, in conjunction with the return required pursuant to section 7A-520, report to the tax collector in a manner prescribed by the tax collector all sales of food for home consumption exempted from taxes imposed by this chapter.
- (e) Recordkeeping.
  - (1) Retailers shall maintain accurate, verifiable, and complete records of all purchases and sales of tangible personal property in order to verify exemptions from taxes imposed by this chapter. A retailer may use any method of reporting that properly reflects all purchases and sales of food for home consumption, as well as all purchases and sales of items subject to taxes imposed by this chapter, provided that such records are maintained in accordance with Article III, and regulations of the Tax Collector.
  - (2) Any person who fails to maintain records as provided herein shall be deemed to have had no sales of food for home consumption, and if upon request by the tax collector, a person cannot demonstrate to the tax collector that such records and reports do properly reflect all sales of food for home consumption, the tax collector may re-compute the amount of tax to be paid as provided in sections 7A-370 and 7A-545(b).

**Sec. 7A-465. Retail sales: exemptions.**

Income derived from the following sources is exempt from the tax imposed by Section 7A-460:

- (a) sales of tangible personal property to a person regularly engaged in the business of selling such property.
- (b) out-of-City sales or out-of-State sales.
- (c) charges for delivery, installation, or other direct customer services as prescribed by Regulation.
- (d) charges for repair services as prescribed by Regulation, when separately charged and separately maintained in the books and records of the taxpayer.
- (e) sales of warranty, maintenance, and service contracts, when separately charged and separately maintained in the books and records of the taxpayer.
- (f) sales of prosthetics.
- (g) sales of income-producing capital equipment.
- (h) sales of rental equipment and rental supplies.
- (i) sales of mining and metallurgical supplies.

- (j) sales of motor vehicle fuel and use fuel which are subject to a tax imposed under the provisions of Article I or II, Chapter 16, Title 28, Arizona Revised Statutes; or sales of use fuel to a holder of a valid single trip use fuel tax permit issued under A.R.S. Section 28-5739, or sales of natural gas or liquefied petroleum gas used to propel a motor vehicle.
- (k) sales of tangible personal property to a construction contractor who holds a valid Privilege Tax License for engaging or continuing in the business of construction contracting where the tangible personal property sold is incorporated into any structure or improvement to real property as part of construction contracting activity.
- (l) sales of motor vehicles to nonresidents of this State for use outside this State if the vendor ships or delivers the motor vehicle to a destination outside this State.
- (m) sales of tangible personal property which directly enters into and becomes an ingredient or component part of a product sold in the regular course of the business of job printing, manufacturing, or publication of newspapers, magazines, or other periodicals. Tangible personal property which is consumed or used up in a manufacturing, job printing, publishing, or production process is not an ingredient nor component part of a product.
- (n) (Reserved)
  - (1) (Reserved)
  - (2) (Reserved)
- (o) sales to hotels, bars, restaurants, dining cars, lunchrooms, boarding houses, or similar establishments of articles consumed as food, drink, or condiment, whether simple, mixed, or compounded, where such articles are customarily prepared or served to patrons for consumption on or off the premises, where the purchaser is properly licensed and paying a tax under Section 7A-455 or the equivalent excise tax upon such income.
- (p) sales of tangible personal property to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when the property sold is for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512 or sales of tangible personal property purchased in this State by a nonprofit charitable organization that has qualified under Section 501(c)(3) of the United States Internal Revenue Code and that engages in and uses such property exclusively for training, job placement or rehabilitation programs or testing for mentally or physically handicapped persons.
- (q) (Reserved)
- (r) (Reserved)
  - (1) (Reserved)
  - (2) (Reserved)
  - (3) (Reserved)
  - (4) (Reserved)
- (s) sales of groundwater measuring devices required by A.R.S. Section 45-604.
- (t) (Reserved)
- (u) sales of aircraft acquired for use outside the State, as prescribed by Regulation.
- (v) sales of food products by producers as provided for by A.R.S. Sections 3-561, 3-562 and 3-563.
- (w) (Reserved)
- (x) (Reserved)
- (y) (Reserved)
- (z) (Reserved)

- (aa) the sale of tangible personal property used in remediation contracting as defined in Section 7A-100 and Regulation 7A-100.5.
- (bb) sales of materials that are purchased by or for publicly funded libraries including school district libraries, charter school libraries, community college libraries, state university libraries or federal, state, county or municipal libraries for use by the public as follows:
  - (1) printed or photographic materials.
  - (2) electronic or digital media materials.
- (cc) sales of food, beverages, condiments and accessories used for serving food and beverages to a commercial airline, as defined in A.R.S. § 42-5061(A)(49), that serves the food and beverages to its passengers, without additional charge, for consumption in flight. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.
- (dd) in computing the tax base in the case of the sale or transfer of wireless telecommunication equipment as an inducement to a customer to enter into or continue a contract for telecommunication services that are taxable under Section 7A-470, gross proceeds of sales or gross income does not include any sales commissions or other compensation received by the retailer as a result of the customer entering into or continuing a contract for the telecommunications services.
- (ee) for the purposes of this Section, a sale of wireless telecommunication equipment to a person who holds the equipment for sale or transfer to a customer as an inducement to enter into or continue a contract for telecommunication services that are taxable under Section 7A-470 is considered to be a sale for resale in the regular course of business.
- (ff) sales of alternative fuel as defined in A.R.S. § 1-215, to a used oil fuel burner who has received a Department of Environmental Quality permit to burn used oil or used oil fuel under A.R.S. § 49-426 or § 49-480.
- (gg) Sales of food, beverages, condiments and accessories to a public educational entity, pursuant to any of the provisions of Title 15, Arizona Revised Statutes, including a regularly organized private or parochial school that offers an educational program for grade twelve or under which may be attended in substitution for a public school pursuant to A.R.S. § 15-802; to the extent such items are to be prepared or served to individuals for consumption on the premises of a public educational entity during school hours. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.
- (hh) sales of personal hygiene items to a person engaged in the business of and subject to tax under Section 7A-444 of this code if the tangible personal property is furnished without additional charge to and intended to be consumed by the person during his occupancy.
- (ii) For the purposes of this Section, the diversion of gas from a pipeline by a person engaged in the business of operating a natural or artificial gas pipeline, for the sole purpose of fueling compressor equipment to pressurize the pipeline, is not a sale of the gas to the operator of the pipeline.
- (jj) Sales of food, beverages, condiments and accessories to a nonprofit charitable organization that has qualified as an exempt organization under 26 U.S.C Section 501(c)(3) and regularly serves meals to the needy and indigent on a continuing basis at no cost. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.
- (kk) sales of motor vehicles that use alternative fuel if such vehicle was manufactured as a diesel fuel vehicle and converted to operate on alternative fuel and sales of equipment that is installed in a conventional diesel fuel motor vehicle to convert the vehicle to operate on an alternative fuel, as defined in A.R.S. § 1-215.

- (ll) Sales of solar energy devices, for taxable periods beginning from and after July 1, 2008. The retailer shall register with the department of Revenue as a solar energy retailer. By registering, the retailer acknowledges that it will make its books and records relating to sales of solar energy devices available to the department of revenue and city, as applicable, for examination.
- (mm) Sales or other transfers of renewable energy credits or any other unit created to track energy derived from renewable energy resources. For the purposes of this paragraph, "renewable energy credit" means a unit created administratively by the corporation commission or governing body of a public power utility to track kilowatt hours of electricity derived from a renewable energy resource or the kilowatt hour equivalent of conventional energy resources displaced by distributed renewable energy resources.
- (nn) Sales of magazines or other periodicals or other publications by this state to encourage tourist travel.
- (oo) Sales of paper machine clothing, such as forming fabrics and dryer felts, sold to a paper manufacturer and directly used or consumed in paper manufacturing.
- (pp) Sales of overhead materials or other tangible personal property that is used in performing a contract between the United States government and a manufacturer, modifier, assembler or repairer, including property used in performing a subcontract with a government contractor who is a manufacturer, modifier, assembler or repairer, to which title passes to the government under the terms of the contract or subcontract.
- (qq) Sales of coal, petroleum, coke, natural gas, virgin fuel oil and electricity sold to a qualified environmental technology manufacturer, producer or processor as defined in A.R.S. section 41-1514.02 and directly used or consumed in the generation or provision of on-site power or energy solely for environmental technology manufacturing, producing or processing or environmental protection. This paragraph shall apply for twenty full consecutive calendar or fiscal years from the date the first paper manufacturing machine is placed in service. In the case of an environmental technology manufacturer, producer or processor who does not manufacture paper, the time period shall begin with the date the first manufacturing, processing or production equipment is placed in service.
- (rr) Sales or gross income derived from sales of machinery, equipment, materials and other tangible personal property used directly and predominantly to construct a qualified environmental technology manufacturing, producing or processing facility as described in A.R.S. section 41-1514.02. This subsection applies for ten full consecutive calendar or fiscal years after the start of initial construction.

**Sec. 7A-470. Telecommunication services.**

- (a) The tax rate shall be at an amount equal to four percent (4%) of the gross income from the business activity upon every person engaging or continuing in the business of providing telecommunication services to consumers within this City.
  - (1) Telecommunication services shall include:
    - (A) two-way voice, sound, and/or video communication over a communications channel.
    - (B) one-way voice, sound, and/or video transmission or relay over a communications channel.
    - (C) facsimile transmissions.
    - (D) providing relay or repeater service.
    - (E) providing computer interface services over a communications channel.
    - (F) time-sharing activities with a computer accomplished through the use of a communications channel.
  - (2) Gross income from the business activity of providing telecommunication services to consumers within this City shall include:
    - (A) all fees for connection to a telecommunication system.

- (B) toll charges, charges for transmissions, and charges for other telecommunications services; provided that such charges relate to transmissions originating in the City and terminating in this State.
  - (C) fees charged for access to or subscription to or membership in a telecommunication system or network.
  - (D) charges for monitoring services relating to a security or burglar alarm system located within the City where such system transmits or receives signals or data over a communications channel.
  - (E) charges for telephone, fax or Internet access services provided at an additional charge by a hotel business subject to taxation under Section 7A-444.
- (b) Resale telecommunication services. Gross income from sales of telecommunication services to another provider of telecommunication services for the purpose of providing the purchaser's customers with such service shall be exempt from the tax imposed by this Section; provided, however, that such purchaser is properly licensed by the City to engage in such business.
- (c) Interstate transmissions. Charges by a provider of telecommunication services for transmissions originating in the City and terminating outside the State are exempt from the tax imposed by this Section.
- (d) Tax credit offset for franchise fees. There shall be allowed as an offset, up to the amount of tax due, any amounts paid to the City for license fees or franchise fees, but such offset shall not be allowed against taxes imposed by any other Section of this Chapter. Such offset shall not be deemed in conflict with or violation of subsection 7A-400(b).
- (e) (Reserved)
- (f) Prepaid calling cards. Telecommunications services purchased with a prepaid calling card that are taxable under Section 7A-460 are exempt from the tax imposed under this Section.
- (g) Internet Access Services - the gross income subject to tax under this section shall not include sales of internet access services to the person's subscribers and customers. For the purposes of this subsection:
- (1) "Internet" means the computer and telecommunications facilities that comprise the interconnected worldwide network of networks that employ the transmission control protocol or internet protocol, or any predecessor or successor protocol, to communicate information of all kinds by wire or radio.
  - (2) "Internet Access" means a service that enables users to access content, information, electronic mail or other services over the internet. Internet access does not include telecommunication services provided by a common carrier.

**Sec. 7A-475. Transporting for hire.**

The tax rate shall be at an amount equal to four percent (4%) of the gross income from the business activity upon every person engaging or continuing in the business of providing the following forms of transportation for hire from this City to another point within the State:

- (a) transporting of persons or property by railroad; provided, however, that the tax imposed by this subsection shall not apply to transporting freight or property for hire by a railroad operating exclusively in this State if the transportation comprises a portion of a single shipment of freight or property, involving more than one railroad, either from a point in this State to a point outside this State or from a point outside this State to a point in this State. For purposes of this paragraph, "a single shipment" means the transportation that begins at the point at which one of the railroads first takes possession of the freight or property and continues until the point at which one of the railroads relinquishes possession of the freight or property to a party other than one of the railroads.

- (b) transporting of oil or natural or artificial gas through pipe or conduit.
- (c) transporting of property by aircraft.
- (d) transporting of persons or property by motor vehicle, including towing and the operation of private car lines, as such are defined in Article VII, Chapter 14, Title 42 , Arizona Revised Statutes; provided, however, that the tax imposed by this subsection shall not apply to:
  - (1) gross income subject to the tax imposed by Article IV, Chapter 16, Title 28, Arizona Revised Statutes.
  - (2) gross income derived from the operation of a governmentally adopted and controlled program to provide urban mass transportation.
  - (3) (Reserved)
  - (4) (Reserved)
- (e) (Reserved)
- (f) Deductions or exemptions. The gross proceeds of sales or gross income derived from the following sources is exempt from the tax imposed by this Section:
  - (1) income that is specifically included as the gross income of a business activity upon which another Section of Article IV imposes a tax, that is separately stated to the customer and is taxable to the person engaged in that classification not to exceed consideration paid to the person conducting the activity.
  - (2) income from arranging amusement or transportation when the amusement or transportation is conducted by another person not to exceed consideration paid to the amusement or transportation business.
- (g) The tax imposed by this Section shall not include arranging transportation as a convenience to a person's customers if that person is not otherwise engaged in the business of transporting persons, freight or property for hire. This exception does not apply to businesses that dispatch vehicles pursuant to customer orders and send the billings and receive the payments associated with that activity, including when the transportation is performed by third party independent contractors. For the purposes of this paragraph, "arranging" includes billing for or collecting transportation charges from a person's customers on behalf of the persons providing the transportation.

**Sec. 7A-480. Utility services.**

- (a) The tax rate shall be at an amount equal to four percent (4%) of the gross income from the business activity upon every person engaging or continuing in the business of producing, providing, or furnishing utility services, including electricity, electric lights, current, power, gas (natural or artificial), or water to:
  - (1) consumers or ratepayers who reside within the City.
  - (2) (Reserved)
- (b) Exclusion of certain sales of natural gas to a public utility. Notwithstanding the provisions of subsection (a) above, the gross income derived from the sale of natural gas to a public utility for the purpose of generation of power to be transferred by the utility to its ratepayers shall be considered a retail sale of tangible personal property subject to Sections 7A-460 and 7A-465, and not considered gross income taxable under this Section.
- (c) Resale utility services. Sales of utility services to another provider of the same utility services for the purpose of providing such utility services either to another properly licensed utility provider or directly to such purchaser's customers or ratepayers shall be exempt and deductible from the gross income subject to the tax imposed by this Section, provided that the purchaser is properly licensed by all applicable taxing jurisdictions to engage or continue in the business of providing utility services, and further provided that the seller maintains proper documentation, in a manner similar to that for sales for resale, of such transactions.

- (d) (Reserved)
- (e) The tax imposed by this Section shall not apply to sales of utility services to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when sold for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512.
- (f) The tax imposed by this Section shall not apply to sales of natural gas or liquefied petroleum gas used to propel a motor vehicle.
- (g) The tax imposed by this Section shall not apply to:
  - (1) revenues received by a municipally owned utility in the form of fees charged to persons constructing residential, commercial or industrial developments or connecting residential, commercial or industrial developments to a municipal utility system or systems if the fees are segregated and used only for capital expansion, system enlargement or debt service of the utility system or systems.
  - (2) revenues received by any person or persons owning a utility system in the form of reimbursement or contribution compensation for property and equipment installed to provide utility access to, on or across the land of an actual utility consumer if the property and equipment become the property of the utility. This exclusion shall not exceed the value of such property and equipment.
- (h) The tax imposed by this Section shall not apply to sales of alternative fuel as defined in A.R.S. § 1-215, to a used oil fuel burner who has received a Department of Environmental Quality permit to burn used oil or used oil fuel under A.R.S. § 49-426 or § 49-480.
- (i) The tax imposed by this section shall not apply to the portion of gross proceeds of sales or gross income attributable to transfers of electricity by any retail electric customer owning a solar photovoltaic energy generating system to an electric distribution system, if the electricity transferred is generated by the customer's system.
- (j) (Reserved)

**Sec. 7A-485. Waste Water Removable Services**

- (a) The tax rate shall be an amount equal to zero percent (0%) of the gross income from the business activity upon every person engaging or continuing in the business of providing wastewater removal services by means of sewer lines or similar pipelines to:
  - (1) Consumers or rate payers who reside within the City.
  - (2) Consumers or ratepayers of this city, whether within the City or without, to the extent that this city provides such persons wastewater removal services, excluding consumers or ratepayers who are residents of another city or town which levies an equivalent excise tax upon this city for providing such wastewater removal services to such persons.
- (b) The tax imposed by this section shall not apply to gross income relating to the providing of wastewater removal services from a qualifying hospital, qualifying community health center or a qualifying health care organization.

## **Article V - Administration**

(Notice: Both the Department of Revenue and the City of San Luis may perform audits of local taxpayers. Although many of the administrative procedures are the same, regardless of which entity is performing the audit, some differences will apply. To identify those differences, the words "state administration and audits" or "local audits" appear following the title of the section. If the section applies to audits performed by both the state and the City, no notation appears.)

### **Sec. 7A-500. Administration of this Chapter; rule making. (State Administration and Audits)**

- (a) The administration of this Chapter is vested in and exercised by the City of San Luis, and except as otherwise provided, and all payments shall be made to the City of San Luis. The City may, pursuant to an intergovernmental agreement, contract with the State of Arizona Department of Revenue for the administration of the tax. In such cases, "Tax Collector" shall also mean the Arizona Department of Revenue, when acting as agent in administering this tax.
- (b) The Tax Collector shall prescribe the forms and procedures necessary for the administration of the taxes imposed by this Chapter.
- (c) Except where such Regulations would conflict with administrative regulations adopted by the City Council or with provisions of this Chapter, all regulations on the Transaction Privilege Tax adopted by the Arizona Department of Revenue under the authority of A.R.S. Section 42-1005 shall be considered Regulations of this Chapter and enforceable as such.
- (d) Taxpayers shall be subject to the State taxpayer bill of rights (A.R.S. § 42-2051 et. seq).
- (e) The unified audit committee shall publish uniform guidelines that interpret the model city tax code and that apply to all cities and towns that have adopted the model city tax code as provided by A.R.S. Section 42-6005.
  - (1) Prior to finalization of uniform guidelines that interpret the model city tax code, the unified audit committee shall disseminate draft guidelines for public comment.
  - (2) Pursuant to A.R.S. Section 42-6005(D), when the state statutes and the model city tax code are the same and where the Arizona Department of Revenue has issued written guidance, the department's interpretation is binding on cities and towns.

### **Sec. 7A-500. Administration Of This Chapter; Rule Making. (Local Audits)**

- (a) The administration of this Chapter is vested in and exercised by the City of San Luis, and except as otherwise provided, all payments shall be made to the City of San Luis. The City may, pursuant to an intergovernmental agreement, contract with the State of Arizona Department of Revenue for the administration of the tax. In such cases, "tax collector" shall also mean the Arizona Department of Revenue, when acting as agent in administering this tax.
- (b) The tax collector shall prescribe the forms and procedures necessary for the administration of the taxes imposed by this Chapter.
- (c) Except where such regulations would conflict with administrative regulations adopted by the City Council or with provisions of this Chapter, all regulations on the transaction privilege tax adopted by the Arizona Department of Revenue under the authority of A.R.S. Section 42-1005 shall be considered regulations of this Chapter and enforceable as such.
- (d) (Reserved)
- (e) The Unified Audit Committee shall publish uniform guidelines that interpret the model city tax code and that apply to all cities and towns that have adopted the model city tax code as provided by A.R.S. Section 42-6005.
  - (1) prior to finalization of uniform guidelines that interpret the model city tax code, the Unified Audit Committee shall disseminate draft guidelines for public comment.

- (2) pursuant to A.R.S. Section 42-6005(d), when the state statutes and the model city tax code are the same and where the Arizona Department of Revenue has issued written guidance, the department's interpretation is binding on cities and towns.

**Sec. 7A-510. Divulging of information prohibited; exceptions allowing disclosure.**

- (a) Except as specifically provided, it shall be unlawful for any official or employee of the City to make known information obtained pursuant to this Chapter concerning the business financial affairs or operations of any person.
- (b) The City Council may authorize an examination of any return or audit of a specific taxpayer made pursuant to this Chapter by authorized agents of the Federal Government, the State of Arizona, or any political subdivisions.
- (c) The Tax Collector may provide to an Arizona county, city, or town any information concerning any taxes imposed in this Chapter relative to the taxing ordinances of that county, city, or town.
- (d) Successors, receivers, trustees, personal representatives, executors, guardians, administrators, and assignees, if directly interested, may be given information by the Tax Collector as to the items included in the measure and amounts of any unpaid tax, interest, and penalties required to be paid.
- (e) Upon a written direction by the City Attorney or other legal advisor to the City designated by the City Council, officials or employees of the City may divulge the amount and source of income, profits, leases, or expenditures disclosed in any return or report, and the amount of such delinquent and unpaid tax, penalty, or interest, to a private collection agency having a written collection agreement with the City.
- (f) The Tax Collector shall provide information to appropriate representatives of any Arizona city or town to comply with the provisions of A.R.S. Section 42-6003, A.R.S. Section 42-6005, and A.R.S. Section 42-6056.
- (g) The Tax Collector may provide information to authorized agents of any other Arizona governmental agency involving the allocation of taxes imposed by Section 7A-435 upon publishing and distribution of periodicals.
- (h) The Tax Collector may provide information regarding the enforcement and collection of taxes imposed by this Chapter to any governmental agency with which the City has an agreement.

**Sec. 7A-515. (Reserved) (State Administration And Audits)**

**Sec. 7A-515. Duties Of The Taxpayer Problem Resolution Officer. (Local Audits)**

- (a) The Taxpayer Problem Resolution Officer shall assist taxpayers in:
  - (1) obtaining easily understandable tax information and information on audits, corrections and appeals procedures of the city.
  - (2) answering questions regarding preparing and filing the returns required under this chapter.
  - (3) locating documents filed with or payments submitted to the Tax Collector by the taxpayer.
- (b) The Taxpayer Problem Resolution Officer shall also:
  - (1) receive and evaluate complaints of improper, abusive or inefficient service by the Tax Collector or any of his designees, employees, or agents and recommend to the City Manager or, for a City without a City Manager, the Chief Administrative Officer appropriate action to correct such service.
  - (2) identify policies and practices of the Tax Collector or any of his designees, employees, or agents that might be barriers to the equitable treatment of taxpayers and recommend alternatives to the City Manager or, for a CITY without a City Manager, the Chief Administrative Officer.

- (3) provide expeditious service to taxpayers whose problems are not resolved through normal channels.
  - (4) negotiate with The Tax Collector, his designees, employees, or agents to resolve the most complex and sensitive taxpayer problems.
  - (5) take action to stop or prohibit the Tax Collector from taking an action against a taxpayer.
  - (6) participate and present taxpayers' interests and concerns in meetings formulating the city's policies and procedures under and interpretation of this chapter.
  - (7) compile data each year on the number and type of taxpayer complaints and evaluate the actions taken to resolve those complaints.
  - (8) survey taxpayers each year to obtain their evaluation of the quality of service provided by the Tax Collector, his designees, employees, and agents.
  - (9) perform other functions which relate to taxpayer assistance as prescribed by the City Manager or, for a City without a City Manager, the Chief Administrative Officer.
- (c) Actions taken by the Taxpayer Problem Resolution Officer may be reviewed and/or modified only by the City Manager or, for A City without a City Manager, the Chief Administrative Officer upon request of the Tax Collector or a taxpayer.
- (d) The Mayor and Council of the City shall be provided with a report quarterly which identifies:
- (1) any complaints of improper, abusive or inefficient service received by the Taxpayer Problem Resolution Officer since the date of the last report.
  - (2) any recommendations made, action taken or surveys obtained by Taxpayer Problem Resolution Officer pursuant to subsection (b)(1)-(9), above, since the date of the last report.

**Sec. 7A-516. (Reserved) (State Administration And Audits)**

**Sec. 7A-516. Taxpayer Assistance Orders. (Local Audits)**

- (a) The Taxpayer Problem Resolution Officer, with or without a formal written request from a taxpayer, may issue a taxpayer assistance order that suspends or stays an action or proposed action by the Tax Collector if, in the problem resolution officer's determination, a taxpayer is suffering or will suffer a significant hardship due to the manner in which the tax collector is administering the tax laws.
- (b) A taxpayer assistance order may require the tax collector to release any lien perfected under this chapter, or cease any action or refrain from taking any action to enforce against the taxpayer any section of this chapter pending resolution of the issue giving rise to the taxpayer assistance order.
- (c) The Taxpayer Problem Resolution Officer, City Manager or, for a City without a City Manager, the Chief Administrative Officer may modify, reverse or rescind a taxpayer assistance order. A taxpayer assistance order is binding on the Tax Collector until it is reversed or rescinded.
- (d) The running of the applicable statute of limitations for any action that is the subject of a taxpayer assistance order is suspended from the date the taxpayer applies for the order or the date the order is issued, whichever is earlier, until the order's expiration date, modification date or rescision date, if any. Interest that would otherwise accrue on an outstanding tax obligation is not affected by the issuance of a taxpayer assistance order.
- (e) A taxpayer assistance order may not be used:
  - (1) to contest the merits of a tax liability.
  - (2) to substitute for informal protest procedures or administrative or judicial proceedings to review a deficiency assessment, collection action or denial of a refund claim.

**Sec. 7A-517. (Reserved) (State Administration And Audits)**

**Sec. 7A-517. Basis For Evaluating Employee Performance. (Local Audits)**

- (a) The Tax Collector shall solicit evaluations from taxpayers and include such evaluations in the performance appraisals of his employees, where applicable.
- (b) The Tax Collector shall not evaluate an employee on the basis of taxes assessed or collected by that employee.

**Sec. 7A-520. Reporting and payment of tax.**

- (a) The taxpayer shall be required to use the report form authorized by the Tax Collector and shall mail or deliver the same, together with remittance for the amount of tax due, payable to the City of San Luis, to the Tax Collector or any City representative or agent authorized to receive such payment. The tax return shall be signed by the taxpayer or his authorized agent, and such signature shall be evidence that the person signing the return verifies the accuracy of the information supplied in the return.
- (b) Payment. If payment is made in any form other than United States legal tender, the tax obligation shall not be satisfied until the payment has been honored in funds.
- (c) Requirement of Security. If a taxpayer has remitted payment in the form of a check or other form of draw upon a bank or third party and such remittance has not been honored in funds, the Tax Collector may demand security for future payments.
- (d) Method of Reporting. Each taxpayer shall elect to report on either a cash receipts basis or an accrual basis and shall indicate the choice on the Privilege License application. A taxpayer shall not change his reporting method without receiving prior written approval by the Tax Collector.
  - (1) Taxpayers must report all gross income subject to the tax using the same basis of reporting.
  - (2) Taxes imposed upon construction contracting shall be reported as follows:
    - (A) Construction contractors shall report on either a progressive billing ("accrual") basis or cash receipts basis.
    - (B) Speculative builders shall report the gross income derived from sale of improved real property at close of escrow or at transfer of title or possession, whichever occurs earlier.
    - (C) Owner-builders who are not speculative builders shall report taxable amounts as provided in Section 7A-417.

**Sec. 7A-530. When tax due; when delinquent; verification of return; extensions.**

- (a) Except as otherwise specified in this Section, the taxes levied under this Chapter shall be due, payable, and delinquent on the dates specified for the State Transaction Privilege Taxes in A.R.S. Section 42-5014. The taxpayer shall report on the taxes imposed by this Chapter at such frequency to be identical to the taxpayer's reporting frequency for the reporting of State Transaction Privilege Taxes.
- (b) (Reserved)
- (c) (Reserved)
- (d) (Reserved)
- (e) The Tax Collector may for good cause extend the date for making any return required under the provisions of this Section as prescribed by A.R.S. Section 42-1107.

**Sec. 7A-540. Interest and civil penalties.**

Any taxpayer who shall have failed to timely pay any taxes imposed by this Chapter, or file a report for the same in a timely manner, or fail or refuse to allow examination of records by the Tax Collector, shall be subject to any interest or civil penalties on such tax in like manner as such interest and penalties are provided in A.R.S. Sections 42-1123 and 42-1125 for the State Transaction Privilege Tax.

- (a) (Reserved)
- (b) (Reserved)
- (c) (Reserved)
- (d) (Reserved)
- (e) (Reserved)
- (f) (Reserved)
- (g) (Reserved)
- (h) (Reserved)
- (i) (Reserved)

**Sec. 7A-541. (Reserved) (State Administration And Audits)**

**Sec. 7A-541. Erroneous Advice Or Misleading Statements By The Tax Collector; Abatement Of Penalties And Interest; Definition. (Local Audits)**

- (a) Notwithstanding Section 7A-540(a), no interest or penalty may be assessed on an amount assessed as a deficiency if either:
  - (1) the deficiency assessed is directly attributable to erroneous written advice furnished to the taxpayer by an employee of the City acting in an official capacity in response to a specific request from the taxpayer and not from the taxpayer's failure to provide adequate or accurate information.
  - (2) all of the following are true:
    - (a) a tax return form prepared by the Tax Collector contains a statement that, if followed by a taxpayer, would cause the taxpayer to misapply this Chapter.
    - (b) the taxpayer reasonably relies on the statement.
    - (c) the taxpayer's underpayment directly results from this reliance.
- (b) Each employee of the Tax Collector, at the time any oral advice is given to any person, shall inform the person that the Tax Collector is not bound by such oral advice.
- (c) For purposes of this Section "tax return form" includes the instructions that the Tax Collector prepares for use with the tax return form.

**Sec. 7A-542. Prospective application of new law or interpretation or application of law.**

- (a) Unless expressly authorized by law, the Tax Collector shall not apply any newly enacted legislation retroactively or in a manner that will penalize a taxpayer for complying with prior law.

- (b) If the Tax Collector adopts a new interpretation or application of any provision of this Chapter or determines that any provision applies to a new or additional category or type of business and the change in interpretation or application is not due to a change in the law:
  - (1) the change in interpretation or application applies prospectively only unless it is favorable to taxpayers.
  - (2) the Tax Collector shall not assess any tax, penalty or interest retroactively based on the change in interpretation or application.
- (c) For purposes of subsection (b), "new interpretation or application" includes policies and procedures which differ from established interpretations of this Chapter.
- (d) (Reserved)

**Sec. 7A-545. Deficiencies; when inaccurate return is filed; when no return is filed; estimates.**

- (a) If a taxpayer has failed to file a return or if the Tax Collector is not satisfied with the return or payment of tax required, the Tax Collector may re-determine the tax due, plus penalties and interest, and notify the taxpayer, as provided and prescribed by A.R.S. Sections 42-1108 and 42-1109.
  - (1) (Reserved)
  - (2) (Reserved)
- (b) Estimates by the Tax Collector. Any estimate made by the Tax Collector is to be made on a reasonable basis. The existence of another reasonable basis of estimation does not, in any way, invalidate the Tax Collector's estimate. It is the responsibility of the taxpayer to prove that the Tax Collector's estimate is not reasonable and correct, by providing sufficient documentation of the type and form required by this Chapter or satisfactory to the Tax Collector.

**Sec. 7A-546. (Reserved) (State Administration And Audits)**

**Sec. 7A-546. Closing Agreements In Cases Of Extensive Taxpayer Misunderstanding Or Misapplication; Approval; Rules. (Local Audits)**

- (a) If the Tax Collector determines that noncompliance with tax obligations results from extensive misunderstanding or misapplication of provisions of this Chapter it may enter into closing agreements with those taxpayers under the following terms and conditions:
  - (1) Extensive misunderstanding or misapplication of the tax laws occurs if the tax collector determines that more than sixty percent (60%) of the persons in the affected class have failed to properly account for their taxes owing to the same misunderstanding or misapplication of the tax laws.
  - (2) The Tax Collector shall publicly declare the nature of the possible misapplication and the proposed definition of the class of affected taxpayers and shall conduct a public hearing to hear testimony regarding the extent of the misapplication and the definition of the affected class.
  - (3) If, after the public hearing, the Tax Collector determines that a class of affected taxpayers has failed to comply with their tax obligations because of extensive misunderstanding or misapplication of the tax laws it shall issue a tax ruling announcing that finding and publish the ruling in a newspaper of general circulation in the City and through the next two model city tax code updates.
  - (4) A closing agreement under this Section may abate some or all of the penalties, interest and tax that taxpayers have failed to remit, or the agreement may provide for the prospective treatment of the matter as to the class of affected taxpayers. All taxpayers in the class shall be offered the opportunity to enter into a similar agreement for the same tax periods.

- (5) Taxpayers in the affected class who have properly accounted for their tax obligations for these tax periods shall be offered the opportunity to enter into an equivalent closing agreement providing for a pro rata credit or refund of their taxes previously paid.
  - (6) The closing agreement shall require the taxpayers to properly account for and pay such taxes in the future. If a taxpayer fails to adhere to such a requirement, the closing agreement is voidable by the Tax Collector and he may assess the taxpayer for the delinquent taxes. The Tax Collector may issue such a proposed assessment within six months after the date that he declares that closing agreement void or within the period prescribed by section 7A-550 of this Chapter.
- (b) Before entering into closing agreements pursuant to this section, the tax collector shall secure such approval as required by charter, ordinance or administrative regulation.
  - (c) After a closing agreement has been signed pursuant to this Section, it is final and conclusive except on a showing of fraud, malfeasance or misrepresentation of a material fact. The case shall not be reopened as to the matters agreed upon or the agreement shall not be modified by any officer, employee or agent of the City. The agreement or any determination, assessment, collection, payment abatement, refund or credit made pursuant to the agreement shall not be annulled, modified, set aside or disregarded in any suit, action or proceeding.
  - (d) The Tax Collector shall report in writing its activities under this Section to the Mayor and City Council on or before February 1 of each year.

**Sec. 7A-550. Limitation periods.**

- (a) Except as provided elsewhere in this Chapter, deficiency assessments for the taxes imposed by this Chapter must be issued within the limitation periods prescribed in A.R.S. Section 42-1104, and must meet the provisions of A.R.S. Section 42-1108.
- (b) (Reserved)
- (c) In cases of failure to file a return or a false or fraudulent return, the limitation period shall be as prescribed in A.R.S. Section 42-1109.
- (d) Special provisions relating to owner-builders. The limitation for an owner-builder subject to the tax as prescribed in Section 7A-417 shall be based upon the date such tax liability is reportable or was reported, as provided in Section 7A-417.

**Sec. 7A-553. (Reserved) (State Administration And Audits)**

**Sec. 7A-553. Examination Of Taxpayer Records; Joint Audits. (Local Audits)**

- (a) Waiver of joint audit. A taxpayer that does not authorize a joint audit to be conducted for a tax jurisdiction is subject to audit by that tax jurisdiction at any time subject to the limitation provisions provided in section 7A-550.
- (b) Tax jurisdiction acceptance of joint audit. If the Arizona Department Of Revenue intends to conduct an audit of a taxpayer, the cities or towns for whom a joint audit is being conducted may accept the audit by the Arizona Department Of Revenue or may elect to have a representative participate, provided that no more than two city or town representatives in total may participate.
  - (1) If a city or town does not accept the audit as a joint audit, the city or town may not conduct an audit of the taxpayer for forty-two months from the close of the last tax period covered by the audit unless an exception applies to that taxpayer pursuant to A.R.S. Section 42-2059.
  - (2) If a joint audit is performed by a city or town, the Arizona Department Of Revenue is not prohibited from conducting an audit that does not violate the provisions of A.R.S. Section 42-2059.

**Sec. 7A-555. Tax Collector may examine books and other records; failure to provide records.**

- (a) The Tax Collector may require the taxpayer to provide and may examine any books, records, or other documents of any person who, in the opinion of the Tax Collector, might be liable for any tax under this Chapter, for any periods available to him under Section 7A-550.
- (b) (Reserved)
- (c) (Reserved)
- (d) The Tax Collector may use any generally accepted auditing procedures, including sampling techniques, to determine the correct tax liability of any taxpayer. The Tax Collector shall ensure that the procedures used are in accordance with generally accepted auditing standards.
- (e) The fact that the taxpayer has not maintained or provided such books and records which the Tax Collector considers necessary to determine the tax liability of any person does not preclude the Tax Collector from making any assessment. In such cases, the Tax Collector is authorized to use estimates, projections, or samplings, to determine the correct tax. The provisions of Section 7A-545(b), concerning estimates, shall apply.
- (f) (Reserved)

**Sec. 7A-556. (Reserved) (State Administration And Audits)**

**Sec. 7A-556. No Additional Audits Or Proposed Assessments; Exceptions. (Local Audits)**

- (a) Once the Tax Collector completes an examination authorized by section 7A-555 and a written notice of the determination of a deficiency has been issued to the taxpayer pursuant to Section 7A-545(a) or 7A-555(f), the taxpayer's liability for the time period subjected to the examination is fixed and determined, and no additional audit or examination may be conducted by the tax collector with respect to such time period except under the following circumstances:
  - (1) If a taxpayer files a claim for refund under section 7A-560, the Tax Collector may conduct an examination limited to the issues presented in the refund claim.
  - (2) If the taxpayer failed to disclose material information during the initial examination, falsified books or records, or otherwise engaged in conduct which prevented the Tax Collector from conducting an accurate examination. The applicability of this subsection, and the Tax Collector's right to proceed thereunder, may be raised and contested by the taxpayer in a subsequent administrative review brought pursuant to section 7A-570.
- (b) An audit or examination conducted by any other taxing jurisdiction will not preclude the Tax Collector from conducting an audit or examination for the same time period.
- (c) If the Tax Collector issues a notice of deficiency pursuant to either section 7A-545(a) or section 7A-555(f), the tax collector may not increase the proposed deficiency except in one or more of the following circumstances:
  - (1) the taxpayer made a material misrepresentation of fact.
  - (2) the taxpayer failed to disclose a material fact.
  - (3) the Tax Collector submitted a written request for information and the taxpayer, despite possessing or having access to such information, failed to provide it within 60 days as required by section 7A-555(c).
  - (4) after issuing the notice of determination of deficiency but before the deficiency became final, the Arizona Tax Court, Court Of Appeals or Supreme Court issued a decision, the applicability of which causes the deficiency initially proposed to increase.

**Sec. 7A-560. Erroneous payment of tax; credits and refunds; limitations.**

- (a) Except as provided in Section 7A-565, the period within which a claim, meeting the requirements of subsection (c) of this Section, for credit may be filed, or refund allowed or made if no claim is filed, shall be as provided in A.R.S. Sections 42-1106 and 42-1118. For purposes of this Section, "claimant" means a taxpayer that has paid a tax imposed under this article and has submitted a credit or refund claim under this Section. Except where the taxpayer has granted a customer a power of attorney to pursue a credit or refund claim on the taxpayer's behalf, claimant does not include any customer of such taxpayer, whether or not the claimant collected the tax from customers by separately stated itemization.
- (b) (Reserved)
- (c) A credit or refund claim submitted by a claimant for credit or refund of any taxes, penalties, or interest paid must be in writing and:
  - (1) Identify the name, address and city tax identification number of the taxpayer; and
  - (2) Identify the dollar amount of the credit or refund requested; and
  - (3) Identify the specific tax period involved; and
  - (4) Identify the specific grounds upon which the claim is based.
- (d) (Reserved)
- (e) (Reserved)
- (f) Interest shall be allowed on the overpayment of tax for any credit or refund authorized pursuant to this Section at the rate and in the manner set forth in Section 7A-540(a). Interest shall be calculated from the date the Tax Collector receives the claimant's written claim meeting the requirements of subsection (c) of this Section.
- (g) The denial of a refund by the Tax Collector is subject to the provisions of A.R.S. Section 42-1119.
- (h) Claimants shall be subject to the State taxpayer bill of rights (A.R.S. Section 42-2051 et. seq.), except that reasonable fees and other costs may be awarded and are not subject to the monetary limitations of A.R.S. Section 42-2064 if the Tax Collector's position was not substantially justified or was brought for the purpose of harassing the claimant, frustrating the credit or refund process or delaying the credit or refund. For the purposes of this Section, "reasonable fees and other costs" means fees and other costs that are based on prevailing market rates for the kind and quality of the furnished services, not to exceed the amounts actually paid for expert witnesses, the cost of any study, analysis, report, test, project or computer program that is found to be necessary to prepare the claimant's case and necessary fees for attorneys or other representatives.
- (i) (Reserved)
- (j) Any refund paid under the provisions of this Section shall be paid from the Privilege Tax revenue accounts.

**Sec. 7A-565. Payment of tax by the incorrect taxpayer or to the incorrect Arizona city or town.**

- (a) When it is determined that taxes have been reported and paid to the City by the wrong taxpayer, any taxes erroneously paid shall be transferred by the City to the privilege tax account of the person who actually owes and should have paid such taxes, provided that the City receives an assignment and waiver signed by both the person who actually paid the tax and the person who should have paid the tax.
- (b) An assignment and waiver provided under this Section must:

- (1) identify the name and City privilege license number of the person who erroneously paid the tax and the person who should have paid the tax.
  - (2) provide that the person who erroneously paid the tax waives any right such person may have to a refund of the taxes erroneously paid.
  - (3) authorize the City Treasurer to transfer the erroneously paid tax to the privilege tax account of the person who should have paid the tax.
- (c) When it is determined that taxes have been reported and paid to the wrong Arizona city or town, such taxes shall be remitted to the correct city or town, provided that the city or town to whom the taxes were erroneously paid receives an assignment and waiver signed by both the person who actually paid the tax and the person who should have paid the tax. Where the person who actually paid the tax and the person who should have paid the tax are one and the same, no assignment and waiver need be provided. The City shall neither pay nor charge any interest or penalty on any overpayment or underpayment except such interest and penalty actually paid by the taxpayer relating to such tax.
- (d) This Section in no way limits or restricts the applicability of any remedies which may otherwise be available under A.R.S. Section 42-6003. The limitations and procedures set forth in A.R.S. Section 42-6003 shall apply to all payments under this Section.
- (e) When reference is made in this Section to this City or an Arizona city or town, and payments made to or requested from this City or an Arizona city or town, the provisions shall be applicable to the Arizona Department of Revenue when it is acting for or on behalf of this City or an Arizona city or town.

**Sec. 7A-567. (Reserved)**

**Sec. 7A-570. Administrative review; petition for hearing or for redetermination; finality of order. (State Administration And Audits)**

- (a) Closing agreements between the Tax Collector and a taxpayer have no force of law unless made in accordance with the provisions of A.R.S. Section 42-1113.
- (b) Administrative review.
- (1) Petitions of appeal shall be made to, and hearings shall be conducted by, the Arizona Department of Revenue, in accordance with the provisions of A.R.S. Section 42-1251, as modified by Section 7A-571.
  - (2) Extension to file a petition. In all cases, the taxpayer may request an extension from the Tax Collector. Such request must be in writing, state the reasons for the requested delay, and must be filed with the Tax Collector within the period allowed above for originally filing a petition. The Tax Collector shall allow a forty-five day extension to file a petition, when such written request has been properly and timely made by the taxpayer. The Tax Collector may grant an additional extension and may determine the corresponding time of any such
  - (3) (Reserved)
  - (4) (Reserved)
  - (5) Hearings shall be held by the Arizona Department of Revenue in accordance with the provisions of A.R.S. Section 42-1251. The Department's decision may be appealed to the State Board of Tax Appeals, in accordance with the provisions of A.R.S. Section 42-1253.
  - (6) (Reserved)
  - (7) (Reserved)
  - (8) (Reserved)
- (c) (Reserved)
- (d) (Reserved)
- (e) Taxpayers shall be subject to the state taxpayer bill of rights (A.R.S. § 42-2051 et. Seq.).

**Sec. 7A-570. Administrative Review; Petition For Hearing Or For Redetermination; Finality Of Order. (Local Audits)**

For the purposes of this Section, "Municipal Tax Hearing Office" means the administrative offices of the municipal tax hearing officer.

- (a) Informal Conference. A taxpayer shall have the right to discuss any proposed assessment with the auditor prior to the issuance of any assessment, but any such informal conference is not required for the taxpayer to file a petition for administrative review.
- (b) Administrative Review.
  - (1) Filing a Petition. Other than in the case of a jeopardy assessment, a taxpayer may contest the applicability or amount of tax, penalty, or interest imposed upon or paid by him pursuant to this Chapter by filing a petition for a hearing or for redetermination with the Tax Collector as set forth below:
    - (A) within forty-five (45) days of receipt by the taxpayer of notice of a determination by the tax collector that a tax, penalty, or interest amount is due, or that a request for refund or credit has been denied; or
    - (B) by voluntary payment of any contested amount when accompanied by a timely filed return and a petition requesting a refund of the protested portion of said payment; or
    - (C) by petition accompanying a timely filed return contesting an amount reported but not paid; or
    - (D) by petition requesting review of denial of waiver of penalty as provided in subsection 7A-540(g).
  - (2) Extension to file a petition. In all cases, the taxpayer may request only one (1) extension from the Tax Collector. Such request must be in writing, state the reasons for the requested delay and time of delay requested, and must be filed with the Tax Collector within the period allowed above for originally filing a petition. The Tax Collector shall allow such extension to file a petition, when such written request has been properly and timely made by the taxpayer, but such extension shall not exceed forty-five (45) days beyond the time provided for originally filing a petition.
  - (3) Requirements for petition.
    - (A) The petition shall be in writing and shall set forth the reasons why any correction, abatement, or refund should be granted, and the amount of reduction or refund requested. The petition may be amended at any time prior to the time the taxpayer rests his case at the hearing or such time as the Hearing Officer allows for submitting of amendments in cases of redeterminations without hearings. The Hearing Officer may require that amendments be in writing, and in that case, he shall provide a reasonable period of time to file the amendment. The Hearing Officer shall provide a reasonable period of time for the Tax Collector to review and respond to the petition and to any written amendments.
    - (B) The taxpayer, as part of the petition, may request a hearing which shall be granted by the Hearing Officer. If no request for hearing is made the petition shall be considered to be submitted for decision by the Hearing Officer on the matters contained in the petition and in any reply made by the Tax Collector.
    - (C) The provisions of this Section are exclusive, and no petition seeking any correction, abatement, or refund shall be considered unless the petition is timely and properly filed under the Section.
  - (4) Transmittal to Hearing Officer. The City shall designate a Hearing Officer, who may be other than an employee of the city. The Tax Collector, if designated to receive petitions, shall forward any petition to the Municipal Tax Hearing Officer (MTHO) within twenty (20) days after receipt, accompanied by documentation as to timeliness. In cases where the Hearing Officer determines that the petition is not timely or not in proper form, he shall notify both the taxpayer and the Tax Collector; and in cases of petitions not in proper form only, the Hearing Officer shall provide the taxpayer with an extension up to forty-five (45) days to correct the petition.

- (5) Hearings shall be conducted by a hearing officer and shall be continuous until the Hearing Officer closes the record. The taxpayer may be heard in person or by his authorized representative at such hearing. Hearings shall be conducted informally as to the order of proceeding and presentation of evidence. The Hearing Officer shall admit evidence over hearsay objections where the offered evidence has substantial probative value and reliability. Further, copies of records and documents prepared in the ordinary course of business may be admitted, without objection as to foundation, but subject to argument as to weight, admissibility, and authenticity. Summary accounting records may be admitted subject to satisfactory proof of the reliability of the summaries. In all cases, the decision of the Hearing Officer shall be made solely upon substantial and reliable evidence. All expenses incurred in the hearing shall be paid by the party incurring the same.
  - (6) Redeterminations upon a "petition for redetermination" shall follow the same conditions, except that no oral hearing shall be held.
  - (7) Hearing Ruling. In either case, the hearing officer shall issue his ruling not later than forty-five (45) days after the close of the record by the Hearing Officer.
  - (8) Notice of refund or adjusted assessment. Within sixty (60) days of the issuance of the Hearing Officer's decision, the Tax Collector shall issue to the taxpayer either a notice of refund or an adjusted assessment recalculated to conform to the Hearing Officer's decision.
- (c) Stipulations that future tax is also protested. A taxpayer may enter into a stipulation with the Tax Collector that future taxes of similar nature are also at issue in any protest or appeal. However, unless such stipulation is made, it is presumed that the protest or appeal deals solely and exclusively with the tax specifically protested and no other. When a taxpayer enters into such a stipulation with the Tax Collector that future taxes of similar nature will be included in any redetermination, hearing, or court case, it is the burden of that taxpayer to identify, segregate, and keep record of such income or protested taxable amount in his books and records in the same manner as the taxpayer is required to segregate exempt income.
- (d) When an assessment is final.
- (1) If a request for administrative review and petition for hearing or redetermination of an assessment made by the tax collector is not filed within the period required by subsection (b) above, such person shall be deemed to have waived and abandoned the right to question the amount determined to be due and any tax, interest, or penalty determined to be due shall be final as provided in subsections 7A-545(a) and 7A-555(f).
  - (2) The decision made by the Hearing Officer upon administrative review by hearing or redetermination shall become final thirty (30) days after the taxpayer receives the notice of refund or adjusted assessment required by subsection (b)(8) above, unless the taxpayer appeals the order or decision in the manner provided in section 7A-575.
- (e) The provisions of the State taxpayer bill of rights (A.R.S. Section 42-2051 et. seq.) shall not apply.

**Sec. 7A-571. Jeopardy assessments. (State Administration And Audits)**

- (a) If the Tax Collector believes that collection of any amounts imposed by this Chapter will be jeopardized by delay, he shall issue notice to the taxpayer in accordance with the provisions of A.R.S. Section 42-1111.
- (b) In cases where such jeopardy notice has been issued, the taxpayer must meet the provisions of A.R.S. Section 42-1111, concerning appeals of jeopardy assessments, before any request for administrative review shall be honored. Any bond or collateral that may be required shall meet the provisions of A.R.S. Section 42-1102.
- (c) (Reserved)
- (d) (Reserved)
- (e) (Reserved)

**Sec. 7A-571. Jeopardy Assessments. (Local Audits)**

- (a) If the Tax Collector believes that the collection of any assessment or deficiency of any amounts imposed by this Chapter will be jeopardized by delay, he shall deliver to the taxpayer a notice of such finding and demand immediate payment of the tax or deficiency declared to be in jeopardy, including interest, penalties, and additions.
- (b) Jeopardy assessments are immediately due and payable, and the Tax Collector may immediately begin proceedings for collection. The taxpayer, however, may stay collection by filing, within ten (10) days after receipt of notice of jeopardy assessment, or within such additional time as the Tax Collector may allow, by bond or collateral in favor of the City in the amount Tax Collector declared to be in jeopardy in his notice.
- (c) "Bond or Collateral", as required by this Section,
  - (1) shall mean either:
    - (A) a bond issued in favor of the City by a surety company authorized to transact business in this State and approved by the Director of Insurance as to solvency and responsibility, or
    - (b) collateral composed of securities or cash which are deposited with, and kept in the custody of, the Tax Collector.
  - (2) shall be of such form that it may, at any time without notice, be applied to any tax, penalties, or interest due and payable for the purposes of this Chapter. Securities held as collateral by the Tax Collector must be of a nature that they may be sold at public or private sale without notice to the taxpayer.
- (d) If bond or collateral is not filed within the period prescribed by subsection (b) above, the Tax Collector may treat the assessment as final for purposes of any collection proceedings. The taxpayer nevertheless shall be afforded the appeal rights provided in Sections 7A-570 and 7A-575. The filing of a petition by the taxpayer under section 7A-570, however, shall not stay the Tax Collector's rights to pursue any collection proceedings.
- (e) If the taxpayer timely files sufficient bond or collateral, the jeopardy requirements are deemed satisfied, and the taxpayer may avail himself of the provisions of section 7A-570, including requests for additional time to file a petition.

**Sec. 7A-572. (Reserved) (State Administration And Audits)**

**Sec. 7A-572. Expedited Review Of Jeopardy Assessments. (Local Audits)**

- (a) Within thirty (30) days after the day on which the Tax Collector furnishes the written notice required by section 7A-571(a), the taxpayer, pursuant to section 7A-570, may request the Tax Collector to review the action taken. Within fifteen (15) days after the request for review, the Tax Collector shall determine whether both the jeopardy determination and the amount assessed are reasonable.
- (b) Within thirty (30) days after the Tax Collector notifies the taxpayer of the determination he reached pursuant to subsection (a) above, the taxpayer may bring a civil action in the appropriate court. If the taxpayer so requests, the City shall stipulate to an accelerated and expedited resolution of the civil action. If the court determines that either the jeopardy determination or the amount assessed is unreasonable, the court may order the Tax Collector to abate the assessment, to re-determine any part of the amount assessed or to take such other action as the court finds to be appropriate. a determination made by the court under this subsection is final except as provided in Arizona Revised Statutes § 12-170.

**Sec. 7A-575. Judicial review. (State Administration And Audits)**

- (a) Appeal of a State Board of Tax Appeals decision to the courts is valid only if all the provisions of A.R.S. Section 42-1254 are met.
- (b) (Reserved)
- (c) (Reserved)
- (d) (Reserved)
- (e) The City has the burden of proof by a preponderance of the evidence in any court proceeding regarding any factual issue relevant to ascertaining the tax liability of a taxpayer. This subsection does not abrogate any requirement of this Chapter that requires a taxpayer to substantiate an item of gross income, exclusion, exemption, deduction, or credit. This subsection applies to a factual issue if a preponderance of the evidence demonstrates that:
  - (1) the taxpayer asserts a reasonable dispute regarding the issue.
  - (2) the taxpayer has fully cooperated with the tax collector regarding the issue, including providing within a reasonable period of time, access to and inspection of all witnesses, information and documents within the taxpayer's control, as reasonably requested by the tax collector.
  - (3) the taxpayer has kept and maintained records as required by the City.
- (f) The issuance of an adjusted or corrected assessment or notice of refund due to the taxpayer, where made by the Tax Collector pursuant to the decision of the Hearing Officer, shall not be deemed an acquiescence by the City or the Tax Collector in said decision, nor shall it constitute a bar or estoppel to the institution of an action or counterclaim by the City to recover any amounts claimed to be due to it by virtue of the original assessment.
- (g) After the initiation of any action in the appropriate court by either party, the opposite party may file such counterclaim as would be allowed pursuant to the Arizona Rules of Civil Procedure.

**Sec. 7A-575. Judicial Review. (Local Audits)**

- (a) A taxpayer may seek judicial review of all or any part of a Hearing Officer's decision by initiating an action against the City in the appropriate Court of this County. A taxpayer is not required to pay any tax, penalty, or interest upheld by the Hearing Officer before seeking such judicial review.
- (b) The Tax Collector may seek judicial review of all or any part of a Hearing Officer's decision by initiating an action in the appropriate Court of this County.
- (c) An action for judicial review cannot be commenced by either the taxpayer or the Tax Collector more than thirty (30) days after receipt by the taxpayer of notice of any refund or assessment recalculated or reduced to conform to the Hearing Officer's decision, unless the time to commence such an action is extended in writing signed by both the taxpayer and the Tax Collector. Failure to bring the action within thirty (30) days or such other time as is agreed upon in writing shall constitute a waiver of any right to judicial review, except as provided in subsection (f) below.
- (d) The court shall hear and determine the appeal as a trial de novo; however, the Tax Collector cannot raise in the court any grounds or basis for the assessment not asserted before the Hearing Officer. Nothing in this subsection, however, shall preclude the Tax Collector from responding to any arguments which are raised by the taxpayer in the appeal.
- (e) The city has the burden of proof by a preponderance of the evidence in any court proceeding regarding any factual issue relevant to ascertaining the tax liability of a taxpayer. This subsection does not abrogate any requirement of this Chapter that requires a taxpayer to substantiate an item of gross income, exclusion, exemption, deduction, or credit. This subsection applies to a factual issue if a preponderance of the evidence demonstrates that:

- (1) the taxpayer asserts a reasonable dispute regarding the issue.
  - (2) the taxpayer has fully cooperated with the Tax Collector regarding the issue, including providing within a reasonable period of time, access to and inspection of all witnesses, information and documents within the taxpayer's control, as reasonably requested by the Tax Collector.
  - (3) the taxpayer has kept and maintained records as required by the City.
- (f) The issuance of an adjusted or corrected assessment or notice of refund due to the taxpayer, where made by the Tax Collector pursuant to the decision of the Hearing Officer, shall not be deemed an acquiescence by the City or Tax Collector in said decision, nor shall it constitute a bar or estoppel to the institution of an action or counterclaim by the City to recover any amounts claimed to be due to it by virtue of the original assessment.
- (g) After the initiation of any action in the appropriate court by either party, the opposite party may file such counterclaim as would be allowed pursuant to the Arizona Rules of Civil Procedure.

**Sec. 7A-577. (Reserved)**

**Sec. 7A-578. (Reserved) (State Administration And Audits)**

**Sec. 7A-578. Reimbursement Of Fees And Other Costs; Definitions. (Local Audits)**

- (a) A taxpayer who is a prevailing party may be reimbursed for reasonable fees and other costs related to any administrative proceeding brought by the taxpayer pursuant to section 7A-570(b). For purposes of this Section, a taxpayer is considered to be the prevailing party only if both of the following are true:
- (1) the Tax Collector's position was not substantially justified.
  - (2) the taxpayer prevails as to the most significant issue or set of issues.
- (b) Reimbursement under this Section may be denied if any of the following circumstances apply:
- (1) during the course of the proceeding the taxpayer unduly and unreasonably protracted the final resolution of the matter.
  - (2) the reason that the taxpayer prevailed is due to an intervening change in the applicable law.
- (c) The taxpayer shall present an itemization of the reasonable fees and other costs to the Taxpayer Problem Resolution Officer within thirty (30) days after receipt by the taxpayer of a notice of refund or recalculated assessment issued by the Tax Collector pursuant to section 7A-570(b)(8). The Taxpayer Problem Resolution Officer shall determine the validity of the fees and other costs within thirty (30) days after receiving the itemization. The Taxpayer Problem Resolution Officer's decision is considered a final decision. Either the taxpayer or The Tax Collector may seek judicial review of the Taxpayer Problem Resolution Officer's decision. An action for judicial review, however, shall not be commenced more than thirty (30) days after receipt of the resolution officer's decision.
- (d) In the event judicial review is not sought pursuant to subsection (c) above, the City shall pay the fees and other costs awarded as provided in this Section within thirty days after demand by a person who has received an award pursuant to this Section.
- (e) Reimbursement to a taxpayer under this Section shall not exceed twenty thousand dollars or actual monies spent, whichever is less. The reimbursable attorney or representative fees shall not exceed one hundred dollars per hour or actual monies spent, whichever is less, unless the Taxpayer Problem Resolution Officer determines that an increase in the cost of living or a special factor such as the limited availability of qualified attorneys or representatives for the proceeding involved justifies a higher fee.

- (f) For purposes of this Section "reasonable fees and other costs" means fees and other costs that are based on prevailing market rates for the kind and quality of the furnished services, but not exceeding the amounts actually spent for expert witnesses, the cost of any study, analysis, report, test or project that is found to be necessary to prepare the party's case and necessary fees for attorneys or other representatives.

**Sec. 7A-580. Criminal penalties.**

- (a) It is unlawful for any person to knowingly or willfully:
- (1) fail or refuse to make any return required by this Chapter.
  - (2) fail to remit as and when due the full amount of any tax or additional tax or penalty and interest thereon.
  - (3) make or cause to be made a false or fraudulent return.
  - (4) make or cause to be made a false or fraudulent statement in a return, in written support of a return, or to demonstrate or support entitlement to a deduction, exclusion, or credit or to entitle the person to an allocation or apportionment or receipts subject to tax.
  - (5) fail or refuse to permit any lawful examination of any book, account, record, or other memorandum by the Tax Collector.
  - (6) fail or refuse to remit any tax collected by such person from his customer to the Tax Collector before the delinquency date next following such collection.
  - (7) advertise or hold out to the public in any manner, directly or indirectly, that any tax imposed by this Chapter, as provided in this Chapter, is not considered as an element in the price to the consumer.
  - (8) fail or refuse to obtain a Privilege License or to aid or abet another in any attempt to intentionally refuse to obtain such a license or evade the license fee.
  - (9) reproduce, forge, falsify, fraudulently obtain or secure, or aid or abet another in any attempt to reproduce, forge, falsify, or fraudulently obtain or secure, an exemption from taxes imposed by this Chapter.
- (b) The violation of any provision of subsection (a) above shall constitute a Class One Misdemeanor.
- (c) In addition to the foregoing penalties, any person who shall knowingly swear to or verify any false or fraudulent statement, with the intent aforesaid, shall be guilty of the offense of perjury and on conviction thereof shall be punished in the manner provided by law.

**Sec. 7A-590. Civil actions. (State Administration And Audits)**

- (a) Liens.
- (1) Any tax, penalty, or interest imposed under this Chapter which has become final, as provided in this Chapter, shall become a lien when the City perfects a notice and claim of lien setting forth the name of the taxpayer, the amount of the tax, penalty, and interest, the period or periods for which the same is due, and the date of accrual thereof, the amount of the recording costs by the county recorder in any county in which the taxpayer owns real property and the documentation and lien processing fees imposed by the City council and further, stating that the City claims a lien therefor.
  - (2) The notice of claim of lien shall be signed by the city clerk under his official seal or the official seal of the City, and, with respect to real property, shall be recorded in the office of the County Recorder of any county in which the taxpayer owns real property, and, with respect to personal property shall be filed in the office of the Secretary of State. After the notice and claim of lien is recorded or filed, the taxes, penalties, interest and recording costs and lien processing fees referred to above in the amounts specified therein shall be a lien on all real property of the taxpayer located in such county where recorded, and all tangible personal property of the taxpayer within the State, superior to all other liens and assessments recorded or filed subsequent to the recording or filing of the notice and claim of lien.

- (3) Every tax and any increases, interest, penalties, and recording costs and lien processing fees referred to above, shall become from the time the same is due and payable a personal debt from the person liable to the City, but shall be payable to and recoverable by the Tax Collector and which may be collected in the manner set forth in subsection (b) below.
  - (4) Any lien perfected pursuant to this Section shall, upon payment of the taxes, penalties, interest, recording costs and lien processing fees referred to above and lien release fees imposed by the county recorder in any county in which the lien was recorded, thereby, be released by the Tax Collector in the same manner as mortgages and judgments are released. The Tax Collector may, at his sole discretion, release a lien in part, that is, against only specified property, for partial payment of moneys due the City.
- (b) Actions to recover tax. The Arizona Department of Revenue, or any agent or representative authorized by that Department, may bring action, in the name of the City, to recover taxes as provided in A.R.S. Section 42-1114.

**Sec. 7A-590. Civil Actions. (Local Audits)**

- (a) Liens.
- (1) Any tax, penalty, or interest imposed under this Chapter which has become final, as provided in this Chapter, shall become a lien when the City perfects a notice and claim of lien setting forth the name of the taxpayer, the amount of the tax, penalty, and interest, the period or periods for which the same is due, and the date of accrual thereof, the amount of the recording costs by the county recorder in any county in which the taxpayer owns real property and the documentation and lien processing fees imposed by the City Council and further, stating that the City claims a lien therefor.
  - (2) The notice of claim of lien shall be signed by the City Clerk under his official seal or the official seal of the City, and, with respect to real property, shall be recorded in the office of the county recorder of any county in which the taxpayer owns real property, and, with respect to personal property shall be filed in the office of the Secretary Of State. After the notice and claim of lien is recorded or filed, the taxes, penalties, interest and recording costs and lien processing fees referred to above in the amounts specified therein shall be a lien on all real property of the taxpayer located in such county where recorded, and all tangible personal property of the taxpayer within the state, superior to all other liens and assessments recorded or filed subsequent to the recording or filing of the notice and claim of lien.
  - (3) Every tax and any increases, interest, penalties, and recording costs and lien processing fees referred to above, shall become from the time the same is due and payable a personal debt from the person liable to the City, but shall be payable to and recoverable by the Tax Collector and which may be collected in the manner set forth in subsection (b) below.
  - (4) Any lien perfected pursuant to this Section shall, upon payment of the taxes, penalties, interest, recording costs and lien processing fees referred to above and lien release fees imposed by the county recorder in any county in which the lien was recorded, thereby, be released by the Tax Collector in the same manner as mortgages and judgments are released. The Tax Collector may, at his sole discretion, release a lien in part, that is, against only specified property, for partial payment of moneys due the city.
- (b) Actions to recover tax. An action may be brought by the City Attorney or other legal advisor to the City designated by the City Council, at the request of the Tax Collector, in the name of the City, to recover the amount of any taxes, penalties, interest, recording costs, lien processing fees and lien release fees due under this Chapter; provided that:
- (1) no action or proceeding may be taken or commenced to collect any taxes levied by this Chapter until the amount thereof has been established by assessment, correction, or reassessment; and
  - (2) such collection effort is made or the proceedings begun:
    - (a) within six (6) years after the assessment of the tax; or
    - (b) prior to the expiration of any period of collection agreed upon in writing by the Tax Collector and the taxpayer before the expiration of such six (6) year period, or any extensions thereof; or
    - (c) at any time for the collection of tax arising by reason of a tax lien perfected, recorded, or possessed by the City under this Section.

**Sec. 7A-595. Collection of taxes when there is succession in and/or cessation of business.**

- (a) In addition to any remedy provided elsewhere in this City Code that may apply, the Tax Collector may apply the provisions of subsections (b) through (d) below concerning the collection of taxes when there is succession in and/or cessation of business.
- (b) The taxes imposed by this Chapter are a lien on the property of any person subject to this Chapter who sells his business or stock of goods, or quits his business, if the person fails to make a final return and payment of the tax within fifteen (15) days after selling or quitting his business.
- (c) Any person who purchases, or who acquires by foreclosure, by sale under trust deed or warranty deed in lieu of foreclosure, or by any other method, improved real property or a portion of improved real property for which the Privilege Tax imposed by this Chapter has not been paid shall be responsible for payment of such tax as a speculative builder or owner builder, as provided in Sections 7A-416 and 7A-417.
  - (1) Any person who is a creditor or an affiliate of creditor, who acquires improved real property directly or indirectly from the creditor's debtor by any means set forth in this subsection, shall pay the tax based on the amount received by the creditor or its affiliate in a subsequent sale of such improved real property to a party unrelated to the creditor, regardless of when such subsequent sale takes place. Such tax shall be due in the month following the month in which the sale of the improved real property by the creditor or its affiliate occurs. Notwithstanding the foregoing, if the real property meets the definition of partially improved residential real property in Section 7A-416(a)(4) and all of the requirements of Section 7A-416(b)(4) are met by the parties to the subsequent sale transaction, then the tax shall not apply to the subsequent sale.
  - (2) In the event a creditor or its affiliate uses the acquired improved real property for any business purpose, other than operating the property in the manner in which it was operated, or was intended to be operated, before the acquisition or in any other manner unrelated to selling the property, the tax shall be due. The gross income upon which the tax shall be determined pursuant to Sections 7A-416 and 7A-417 shall be the fair market value of the improved real property as of the date of acquisition. The tax shall be due in the month following the month in which such first business use occurs. When applicable, the credit bid shall be deemed to be the fair market value of the property as of the date of acquisition.
  - (3) Once the subsequent sale by the creditor or its affiliate has occurred and the creditor or its affiliate has paid the tax due from it pursuant to this subsection, neither the creditor nor its affiliate, nor any future owner, shall be liable for any outstanding tax, penalties or interest that may continue to be due from the debtor based on the transfer from the debtor to the creditor or its affiliate.
  - (4) If the tax liability imposed by either Section 7A-416 or Section 7A-417 on the transfer of the improved real property to the creditor or its affiliate, or any part thereof, is paid to the tax collector by the debtor subsequent to payment of the tax by the creditor or its affiliate, the amount so paid may constitute a credit, as equitably determined by the tax collector in good faith, against the tax imposed on the creditor or its affiliate by either paragraph 1 or paragraph 2 of this subsection.
  - (5) Notwithstanding anything in this chapter to the contrary, if a creditor or its affiliate is subject to tax as described in paragraph 1 or paragraph 2 of this subsection and such creditor or affiliate has not previously been required to be licensed, such creditor or affiliate shall become licensed no later than the date on which the tax is due.
- (d) A person's successors or assignees shall withhold from the purchase money an amount sufficient to cover the taxes required to be paid, and interest or penalties due and payable, until the former owner produces a receipt from the Tax Collector showing that all City tax has been paid or a certificate stating that no amount is due as then shown by the records of the Tax Collector. The Tax Collector shall respond to a request from the seller for a certificate within fifteen (15) days by either providing the certificate or a written notice stating why the certificate cannot be issued.
  - (1) If a subsequent audit shows a deficiency arising before the sale of the business, the deficiency is an obligation of the seller and does not constitute a liability against a buyer who has received a certificate from the Tax Collector.

- (2) If the purchaser of a business or stock of goods fails to obtain a certificate as provided by this Section, he is personally liable for payment of the amount of taxes required to be paid by the former owner on account of the business so purchased, with interest and penalties accrued by the former owner or assignees.

**Sec. 7A-596. (Reserved) (State Administration And Audits)**

**Sec. 7A-596. Agreement For Installment Payments Of Tax. (Local Audits)**

- (a) The City may enter into an agreement with a taxpayer to allow the taxpayer to satisfy a liability for any tax imposed by this Chapter by means of installment payments. The Tax Collector may require a taxpayer who requests an installment payment agreement to complete a financial report in such form and manner as the tax collector may prescribe.
- (b) The Tax Collector, without notice, may alter, modify or terminate an installment payment agreement if the taxpayer:
  - (1) fails to pay an installment at the time the installment payment is due under the agreement.
  - (2) fails to pay any other tax liability at the time the liability is due.
  - (3) fails to file any tax report or return at the time the report or return is due.
  - (4) fails to furnish any information requested by the Tax Collector within thirty days after receiving a written request for such information.
  - (5) fails to notify the Tax Collector of a material improvement in the taxpayer's financial condition above the income previously reported in the most recent income statement within thirty days after the material improvement.
  - (6) provides inaccurate, false or incomplete information to the Tax Collector.
- (c) Notwithstanding any installment payment agreement, the Tax Collector may offset any tax refunds against the liabilities provided for in the installment payment agreement, may file and perfect any tax liens and, in the event the taxpayer breaches any term or provision of the installment payment agreement, may engage in collection activities.
- (d) The Tax Collector, without notice, may terminate an installment payment agreement if the Tax Collector believes that the collection of tax to which the payment agreement pertains is in jeopardy.
- (e) If the Tax Collector determines that the financial condition of a taxpayer has improved, the Tax Collector may alter, modify or terminate the agreement by providing notice to the taxpayer at least thirty days before the effective date of the action. The notice shall include the reasons why the Tax Collector believes the alteration, modification or termination is appropriate.
- (f) An installment payment agreement shall remain in effect for the term of the agreement except as otherwise provided in this Section.
- (g) A taxpayer who is aggrieved by a decision of the Tax Collector to refuse to enter into an installment payment agreement or to alter, modify or terminate an agreement entered into pursuant to this Section may petition the Taxpayer Problem Resolution Officer to review that determination. The Taxpayer Problem Resolution Officer may stay such alteration, modification or termination pending its review and may modify or nullify the determination.
- (h) The City and the taxpayer may modify any installment payment agreement at any time by entering into a new or modified agreement.

**Sec. 7A-597. (Reserved) (State Administration And Audits)**

**Sec. 7A-597. Private Taxpayer Rulings; Request; Revocation Or Modification; Definition. (Local Audits)**

- (a) The Tax Collector shall issue private taxpayer rulings to taxpayers and potential taxpayers on request. Each request shall be in writing and shall:
  - (1) state the name, address and, if applicable, taxpayer identifying number of the taxpayer or potential taxpayer who requests the ruling.
  - (2) describe all facts that are relevant to the requested ruling.
  - (3) state whether, to the best knowledge of the taxpayer or potential taxpayer, the issue or related issues are being considered by the Tax Collector or any other taxing jurisdiction in connection with an active audit, protest or appeal that involves the taxpayer or potential taxpayer and whether the same request has been or is being submitted to another taxing jurisdiction for a ruling.
  - (4) be signed by the taxpayer or potential taxpayer who makes the request or by an authorized representative of the taxpayer or potential taxpayer.
- (b) A private taxpayer ruling may be revoked or modified by either:
  - (1) a change or clarification in the law that was applicable at the time the ruling was issued, including changes or clarifications caused by regulations and court decisions.
  - (2) actual written notice by the Tax Collector to the last known address of the taxpayer or potential taxpayer of the revocation or modification of the private taxpayer ruling.
- (c) With respect to the taxpayer or prospective taxpayer to whom a private taxpayer ruling is issued, the revocation or modification of a private taxpayer ruling shall not be applied retroactively to tax periods or tax years before the effective date of the revocation or modification and the Tax Collector shall not assess any penalty or tax attributable to erroneous advice that is furnished to the taxpayer or potential taxpayer in the private taxpayer ruling if:
  - (1) the taxpayer reasonably relied on the private taxpayer ruling.
  - (2) the penalty or tax did not result either from a failure by the taxpayer to provide adequate or accurate information or from a change in the information.
- (d) A private taxpayer ruling may not be relied upon, cited nor introduced into evidence in any proceeding by any taxpayer other than the taxpayer who received the ruling.
- (e) A taxpayer may appeal the propriety of a retroactive application of a revoked or modified private taxpayer ruling by filing a written petition with the Tax Collector pursuant to section 7A-570 within forty-five (45) days after receiving written notice of the intent to retroactively apply a revoked or modified private taxpayer ruling.
- (f) A private taxpayer ruling constitutes the tax collector's interpretation of the Sections of this Chapter only as they apply to the taxpayer making, and the particular facts contained in, the request.
- (g) A private taxpayer ruling which addresses a taxpayer's ongoing business activities will apply only to transactions that occur or tax liabilities that accrue from and after the date of the taxpayer's ruling request.
- (h) The Tax Collector shall attempt to issue private taxpayer rulings within forty-five (45) days after receiving the written request and on receiving the facts that are relevant to the ruling. If the ruling is expected to be delayed beyond the forty-five (45) days, the Tax Collector shall notify the requestor of the delay and the proposed date of issuance.
- (i) Within thirty (30) days after being issued, the Tax Collector shall maintain the private taxpayer ruling as a public record and make it available at a reasonable cost for public inspection and copying. The text of private taxpayer rulings are open to public inspection subject to the confidentiality requirements prescribed by section 7A-510.
- (j) In this Section, "private taxpayer ruling" means a written determination by the Tax Collector issued pursuant to this Section that interprets and applies one or more Sections contained in this Chapter and any applicable regulations.

- (k) A private taxpayer ruling issued by the Arizona Department Of Revenue pursuant to A.R.S. Section 42-2101 may be relied upon by the taxpayer to whom the ruling was issued and must be recognized and followed by any City in which such taxpayer has obtained a privilege license if the City has not issued a ruling addressing the facts described in the taxpayer's ruling request and the statute at issue in the taxpayer's ruling request is, in essence, worded and written the same as the applicable section hereunder.

## Article VI - USE TAX

### Sec. 7A-600. Use tax: definitions.

For the purposes of this article only, the following definitions shall apply, in addition to the definitions provided in Article I:

"Acquire (for storage or use)" means purchase, rent, lease, or license for storage or use.

"Retailer" also means any person selling, renting, licensing for use, or leasing tangible personal property under circumstances which would render such transactions subject to the taxes imposed in article iv, if such transactions had occurred within this City.

"Storage (within the City)" means the keeping or retaining of tangible personal property at a place within the City for any purpose, except for those items acquired specifically and solely for the purpose of sale, rental, lease, or license for use in the regular course of business or for the purpose of subsequent use solely outside the City.

"Use (of tangible personal property)" means consumption or exercise of any other right or power over tangible personal property incident to the ownership thereof except the holding for the sale, rental, lease, or license for use of such property in the regular course of business.

### Sec. 7A-601. (Reserved)

### Sec. 7A-602. (Reserved)

### Sec. 7A-610. Use tax: imposition of tax; presumption.

- (a) There is hereby levied and imposed, subject to all other provisions of this chapter, an excise tax on the storage or use in the City of tangible personal property, for the purpose of raising revenue to be used in defraying the necessary expenses of the City, such taxes to be collected by the tax collector.
- (b) The tax rate shall be at an amount equal to four percent (4%) of the:
  - (1) Cost of tangible personal property acquired from a retailer, upon every person storing or using such property in this City.
  - (2) Gross income from the business activity upon every person meeting the requirements of subsection 7A-620(b) or (c) who is engaged or continuing in the business activity of sales, rentals, leases, or licenses of tangible personal property to persons within the City for storage or use within the City, to the extent that tax has been collected upon such transaction.
  - (3) Cost of the tangible personal property provided under the conditions of a warranty, maintenance, or service contract.
  - (4) Cost of complimentary items provided to patrons without itemized charge by a restaurant, hotel, or other business.
  - (5) Cost of food consumed by the owner or by employees or agents of the owner of a restaurant or bar subject to the provisions of Section 7A-455 of this chapter.
- (c) It shall be presumed that all tangible personal property acquired by any person who at the time of such acquisition resides in the City is acquired for storage or use in this City, until the contrary is established by the taxpayer.

- (d) Exclusions. For the purposes of this article, the acquisition of the following shall not be deemed to be the purchase, rental, lease, or license of tangible personal property for storage or use within the City:
  - (1) stocks, bonds, options, or other similar materials.
  - (2) lottery tickets or shares sold pursuant to Article I, Chapter 5, Title 5, Arizona Revised Statutes.
  - (3) platinum, bullion, or monetized bullion, except minted or manufactured coins transferred or acquired primarily for their numismatic value as prescribed by regulation.
- (e) Notwithstanding the provisions of subsection (a) above, when the amount subject to tax for any single item of tangible personal property exceeds two thousand five hundred dollars (\$2,500.00), the four percent (4%) tax rate shall apply to the first \$2,500.00. Above \$2,500.00, the measure of tax shall be at a rate of one and one half percent (1.5%).
- (f) (Reserved)

**Sec. 7A-620. Use tax: liability for tax.**

The following persons shall be deemed liable for the tax imposed by this article; and such liability shall not be extinguished until the tax has been paid to this City, except that a receipt from a retailer separately charging the tax imposed by this chapter is sufficient to relieve the person acquiring such property from further liability for the tax to which the receipt refers:

- (a) Any person who acquires tangible personal property from a retailer, whether or not such retailer is located in this City, when such person stores or uses said property within the City.
- (b) Any retailer not located within the City, selling, renting, leasing, or licensing tangible personal property for storage or use of such property within the City, may obtain a license from the tax collector and collect the use tax on such transactions. Such retailer shall be liable for the use tax to the extent such use tax is collected from his customers.
- (c) Every agent within the City of any retailer not maintaining an office or place of business in this City, when such person sells, rents, leases, or licenses tangible personal property for storage or use in this City shall, at the time of such transaction, collect and be liable for the tax imposed by this article upon the storage or use of the property so transferred, unless such retailer or agent is liable for an equivalent excise tax upon the transaction.
- (d) Any person who acquires tangible personal property from a retailer located in the City and such person claims to be exempt from the City privilege or use tax at the time of the transaction, and upon which no City privilege tax was charged or paid, when such claim is not sustainable.
- (e) Every person storing or using tangible personal property under the conditions of a warranty, maintenance, or service contract.

**Sec. 7A-630. Use tax: recordkeeping requirements.**

All deductions, exclusions, exemptions, and credits provided in this article are conditional upon adequate proof of documentation as required by Article III or elsewhere in this chapter.

**Sec. 7A-640. Use tax: credit for equivalent excise taxes paid another jurisdiction.**

In the event that an equivalent excise tax has been levied and paid upon tangible personal property which is acquired to be stored or used within this City, full credit for any and all such taxes so paid shall be allowed by the tax collector but only to the extent use tax is imposed upon that transaction by this article.

**Sec. 7A-650. Use tax: exclusion when acquisition subject to use tax is taxed or taxable elsewhere in this chapter; limitation.**

The tax levied by this article does not apply to the storage or use in this City of tangible personal property acquired in this City, the gross income from the sale, rental, lease, or license of which were included in the measure of the tax imposed by Article IV of this chapter; provided, however, that any person who has acquired tangible personal property from a vendor in this City without paying the City privilege tax because of a representation to the vendor that the property was not subject to such tax, when such claim is not sustainable, may not claim the exclusion from such use tax provided by this section.

**Sec. 7A-660. Use tax: exemptions.**

The storage or use in this City of the following tangible personal property is exempt from the use tax imposed by this article:

- (a) tangible personal property brought into the City by an individual who was not a resident of the City at the time the property was acquired for his own use, if the first actual use of such property was outside the City, unless such property is used in conducting a business in this City.
- (b) tangible personal property, the value of which does not exceed the amount of one thousand dollars (\$1,000) per item, acquired by an individual outside the limits of the City for his personal use and enjoyment.
- (c) charges for delivery, installation, or other customer services, as prescribed by regulation.
- (d) charges for repair services, as prescribed by regulation.
- (e) separately itemized charges for warranty, maintenance, and service contracts.
- (f) prosthetics.
- (g) income-producing capital equipment.
- (h) rental equipment and rental supplies.
- (i) mining and metallurgical supplies.
- (j) motor vehicle fuel and use fuel which are used upon the highways of this state and upon which a tax has been imposed under the provisions of article I or II, Chapter 16, Title 28, Arizona Revised Statutes.
- (k) tangible personal property purchased by a construction contractor, but not an owner-builder, when such person holds a valid privilege license for engaging or continuing in the business of construction contracting, and where the property acquired is incorporated into any structure or improvement to real property in fulfillment of a construction contract.
- (l) sales of motor vehicles to nonresidents of this State for use outside this State if the vendor ships or delivers the motor vehicle to a destination outside this State.
- (m) tangible personal property which directly enters into and becomes an ingredient or component part of a product sold in the regular course of the business of job printing, manufacturing, or publication of newspapers, magazines or other periodicals. Tangible personal property which is consumed or used up in a manufacturing, job printing, publishing, or production process is not an ingredient nor component part of a product.
- (n) rental, leasing, or licensing for use of film, tape, or slides by a theater or other person taxed under Section 7A-410, or by a radio station, television station, or subscription television system.

- (o) food served to patrons for a consideration by any person engaged in a business properly licensed and taxed under Section 7A-455, but not food consumed by owners, agents, or employees of such business.
- (p) tangible personal property acquired by a qualifying hospital, qualifying community health center or a qualifying health care organization, except when the property is in fact used in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512.
- (q) (Reserved)
- (r) (Reserved)
  - (1) (Reserved)
  - (2) (Reserved)
  - (3) (Reserved)
  - (4) (Reserved)
- (s) groundwater measuring devices required by A.R.S. Section 45-604.
- (t) (Reserved)
- (u) aircraft acquired for use outside the State, as prescribed by Regulation.
- (v) sales of food products by producers as provided for by A.R.S. Sections 3-561, 3-562 and 3-563.
- (w) (Reserved)
- (x) (Reserved)
- (y) (Reserved)
- (z) (Reserved)
- (aa) tangible personal property used in remediation contracting as defined in Section 7A-100 and Regulation 7A-100.5.
- (bb) materials that are purchased by or for publicly funded libraries including school district libraries, charter school libraries, community college libraries, state university libraries or federal, state, county or municipal libraries for use by the public as follows:
  - (1) printed or photographic materials.
  - (2) electronic or digital media materials.
- (cc) food, beverages, condiments and accessories used for serving food and beverages to a commercial airline, as defined in A.R.S. § 42-5061(A)(49), that serves the food and beverages to its passengers, without additional charge, for consumption in flight. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.
- (dd) wireless telecommunication equipment that is held for sale or transfer to a customer as an inducement to enter into or continue a contract for telecommunication services that are taxable under Section 7A-470.
- (ee) (Reserved)
- (ff) alternative fuel as defined in A.R.S. § 1-215, by a used oil fuel burner who has received a Department of Environmental Quality permit to burn used oil or used oil fuel under A.R.S. § 49-426 or § 49-480.

- (gg) Food, beverages, condiments and accessories purchased by or for a public educational entity, pursuant to any of the provisions of Title 15, Arizona Revised Statutes; including a regularly organized private or parochial school that offers an educational program for grade twelve or under which may be attended in substitution for a public school pursuant to A.R.S. 15-802; to the extent such items are to be prepared or served to individuals for consumption on the premises of a public educational entity during school hours. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.
- (hh) personal hygiene items purchased by a person engaged in the business of and subject to tax under Section 7A-444 of this code if the tangible personal property is furnished without additional charge to and intended to be consumed by the person during his occupancy.
- (ii) The diversion of gas from a pipeline by a person engaged in the business of operating a natural or artificial gas pipeline, for the sole purpose of fueling compressor equipment to pressurize the pipeline, is not a sale of the gas to the operator of the pipeline.
- (jj) Food, beverages, condiments and accessories purchased by or for a nonprofit charitable organization that has qualified as an exempt organization under 26 U.S.C Section 501(c)(3) and regularly serves meals to the needy and indigent on a continuing basis at no cost. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.
- (kk) sales of motor vehicles that use alternative fuel if such vehicle was manufactured as a diesel fuel vehicle and converted to operate on alternative fuel and sales of equipment that is installed in a conventional diesel fuel motor vehicle to convert the vehicle to operate on an alternative fuel, as defined in A.R.S. § 1-215.
- (ll) the storage, use or consumption of tangible personal property in the city or town by a school district or charter school.
- (mm) Renewable energy credits or any other unit created to track energy derived from renewable energy resources. For the purposes of this paragraph, "renewable energy credit" means a unit created administratively by the corporation commission or governing body of a public power utility to track kilowatt hours of electricity derived from a renewable energy resource or the kilowatt hour equivalent of conventional energy resources displaced by distributed renewable energy resources.
- (nn) Magazines or other periodicals or other publications by this state to encourage tourist travel.
- (oo) Paper machine clothing, such as forming fabrics and dryer felts, sold to a paper manufacturer and directly used or consumed in paper manufacturing.
- (pp) Overhead materials or other tangible personal property that is used in performing a contract between the united states government and a manufacturer, modifier, assembler or repairer, including property used in performing a subcontract with a government contractor who is a manufacturer, modifier, assembler or repairer, to which title passes to the government under the terms of the contract or subcontract.
- (qq) Coal, petroleum, coke, natural gas, virgin fuel oil and electricity sold to a qualified environmental technology manufacturer, producer or processor as defined in A.R.S. section 41-1514.02 and directly used or consumed in the generation or provision of on-site power or energy solely for environmental technology manufacturing, producing or processing or environmental protection. This paragraph shall apply for twenty full consecutive calendar or fiscal years from the date the first paper manufacturing machine is placed in service. In the case of an environmental technology manufacturer, producer or processor who does not manufacture paper, the time period shall begin with the date the first manufacturing, processing or production equipment is placed in service.

- (rr) Machinery, equipment, materials and other tangible personal property used directly and predominantly to construct a qualified environmental technology manufacturing, producing or processing facility as described in A.R.S. section 41-1514.02. This subsection applies for ten full consecutive calendar or fiscal years after the start of initial construction.
- (ss) (Reserved)

# Model City Tax Code

## City Profile

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San Luis, AZ Post Office Box 1170, 85349

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<b>Contact:</b>	City Administrator (928) 341-8520
<b>Collection By:</b>	Department of Revenue
<b>Sales Tax %:</b>	2; 2.5 (effective 10/1/91); 3.5 (effective October 1, 2004); 4 (effective 6/1/08)
<b>Use Tax %:</b>	2.5 (effective 11/1/96); 3.5 (effective October 1, 2004); 4 (effective 6/1/08)
<b>ADOR City Tax Rates:</b>	<a href="#">Web Page</a>
<b>Interest Rate %/month:</b>	Same as state
<b>License Fee:</b>	\$2.00
<b>Length of License:</b>	Permanent
<b>Criminal Penalty:</b>	Class 1
<b>Date Code Effective:</b>	5-13-87
<b>Chapter #:</b>	7A

#### Amendments or Special Provisions:

1. Ordinance No. 253 of the City of San Luis eliminated the tax credit for utility franchise fees, effective April 1, 2008. Section 7A-480 (d) is hereby amended to read as follows: (d) (Reserved).
2. Effective 06/01/16, imposes a two-tier tax rate for a **retail purchase** of any single item of tangible personal property that exceeds **\$2,500**. A tax rate of **four percent (4.0%)** shall apply to the first \$2,500, and a tax rate of **one and one half percent (1.5%)** shall apply to the amount that exceeds \$2,500.
3. Effective 06/01/16, imposes a two-tier tax rate for a **use tax purchase** of any single item of tangible personal property that exceeds **\$2,500**. A tax rate of **four percent (4.0%)** shall apply to the first \$2,500, and a tax rate of **one and one half percent (1.5%)** shall apply to the amount that exceeds \$2,500.

[Arizona Revised Statutes Annotated](#)

[Title 42. Taxation \(Refs & Annos\)](#)

[Chapter 6. Local Excise Taxes \(Refs & Annos\)](#)

[Article 2. Model City Tax Code \(Refs & Annos\)](#)

A.R.S. § 42-6053

§ 42-6053. Official copy of model city tax code; review and comment on proposed changes

Effective: August 9, 2017

[Currentness](#)

**A.** The department of revenue shall:

1. Maintain the official copy of the model city tax code.
2. Post the official copy on the department's official website.

**B.** At least sixty days before adopting any modification or amendment of the model city tax code, a city or town shall submit the proposed modification or amendment to the municipal tax code commission for review and recommendation.

**C.** The commission shall review and comment on language submitted by any city, town or taxpayer or the department of revenue for the purpose of describing, defining, deleting, adding or otherwise modifying taxable activities, exemptions, administrative procedures or regulations relating to the model city tax code. The commission may hold public hearings within thirty days after receiving a proposed amendment or modification for the purpose of reviewing and receiving comments on the proposed changes, shall consider any information and testimony presented at the hearing, may require changes to the language presented at the hearing and may require changes to the language presented by the city, town, taxpayer or department. All changes to the model city tax code must be reflected in the official copy on file with the department of revenue within ten days after the commission's approval. Any changes not reflected in the official copy on file with the department of revenue are void and have no effect.

**D.** **Changes to the model city tax code approved by the commission shall be adopted by all cities and towns.** This requirement does not prohibit the commission from recommending a model or local option or changes to a model or local option contained in the model city tax code to be adopted only by those cities and towns choosing the option or from approving a change submitted by a city or town that does not apply to any other city or town. The city or town shall not adopt a modification or amendment of any provision of the model city tax code unless it has been approved by the commission.

**E.** Changes in rates of tax are not subject to review, but within ten days after passage of the ordinance imposing a rate change:

1. The city or town imposing a new or different tax rate shall notify the commission and the department of revenue. Failure of a city or town to notify the commission and, beginning July 1, 2012, the department of revenue renders the new or different tax rate void and of no effect. For the purposes of this paragraph, a “new or different tax rate” means the adoption or repeal of a model or local option or any change that increases the amount of tax a taxpayer must pay to a city or town.

2. The change must be reflected in the official copy of the model city tax code. Any change not reflected in the official copy of the model city tax code is void and has no effect.

### **Credits**

Added by [Laws 1997, Ch. 150, § 144, eff. Jan. 1, 1999](#). Amended by [Laws 1999, Ch. 225, § 4, eff. Aug. 6, 1999, retroactively effective to July 1, 1999](#); [Laws 2000, Ch. 297, § 7](#); [Laws 2011, Ch. 129, § 2](#); [Laws 2014, Ch. 121, § 1](#); [Laws 2017, Ch. 178, § 8](#).

A. R. S. § 42-6053, AZ ST § 42-6053

Current through the First Regular Session of the Fifty-Third Legislature (2017)

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**End of Document**

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### Context and Analysis (3)

### Library References (3)

[Taxation](#)  2033.

Westlaw Topic No. [371](#).

[C.J.S. Taxation](#) §§ [9](#) to [10](#).



## AGENDA ITEM REVIEW FORM

### Special City Council Meeting

6.H.

**Meeting Date:** 11/21/2017

**Department Head:** Jose A. Guzman, Acting Director of Planning & Zoning,  
Planning & Zoning Department

**Submitted By:** Jose A. Guzman, Acting Director of Planning & Zoning,  
Planning & Zoning Department

**Action Requested:** Motion

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### ITEM:

Discussion and possible action on any and all matters regarding Subdivision Case No. 2015-0482F. A request by Nicklaus Engineering on behalf of San Luis Port L.L.C., Stephen Shadle, owner, for the final plat approval of San Luis Port Subdivision. The property is located at the northeast corner of Avenue E and County 24th Street. **(Jose A. Guzman, Acting Director of Planning and Zoning)**

### SUMMARY:

This request is for the final plat approval of the first phase of San Luis Port Subdivision. Phase 1 will consist of 8 lots ranging in size from 1.71 to 4 acres in a total of 27 acres. The entire subdivision contains approximately 228 acres. At this time, the property is vacant but has been used for agricultural activities in the past. Zoned as Rural Area- 10 acres (RA-10) for many years, it was rezoned as a combination of General Commercial (C-2), Light Industrial (L-1), Medium Density Residential (R-2), and High Density Residential (R-3). The zoning districts within the first phase are C-2 and L-1.

The area to the north belongs to the Arizona State Land Trust and is under County jurisdiction. The area to the east is occupied by the San Luis Regional Detention and Support Center. It is zoned as Rural Area 10-acre minimum (RA-10). To the south, the properties are vacant land and are zoned Community Commercial (C-2) and Light Industrial (L-1).

### ANALYSIS:

In 2007, the Arizona Legislature adopted legislation that required municipalities to certify that all new subdivision had an assured 100-year water supply. On February 11, 2011 the City of San Luis was designated by the Arizona Department of Water Resources (ADWR) as having a 100-year adequate water supply. Consequently, individual subdivisions do not have to submit additional

certification.

### **GENERAL PLAN:**

This area is designated as Business in the City of San Luis 2020 General Plan. The activities proposed will be consistent with that designation (Chapter 2, Page 21-22). The Business Land Use designation is planned for areas suitable for higher intensity commercial, office, employment and appropriate industrial uses along major roadway corridors.

### **REVIEW(S):**

As part of the review process, all land use cases are reviewed by various city and outside agencies. We have received comments from the following agencies:

1. U.S. Department of the Interior Bureau of Reclamation (12-7-15)
2. Yuma County Flood Control District (11-13-15)

The application for this request was received on October 21, 2015 and the review timeline was as follows:

- December 22, 2015- Staff provided initial review comments to the applicant.
- October 11, 2016- Applicant submitted response to staff review letter dated 12/22/15.
- December 8, 2016- Staff reviewed applicant response and provided additional comments.
- September 5, 2017- Applicant submitted response to staff review letter dated 12/8/16.
- September 22, 2017- Staff reviewed applicant response and provided additional comments.
- October 9, 2017- Applicant submitted response to staff review letter dated 9/22/17.
- November 13, 2017- Staff provided comments to applicant.

### **PLANNING AND ZONING COMMISSION MEETING:**

The Planning and Zoning Commission held a meeting on November 14, 2017. The applicant was present and answered questions and comments.

The Commission recommended approval to City Council with conditions as presented by staff.

Staff recommends approval of the request with the condition that the developer addresses letter from staff dated November 13, 2017.

### **RECOMMENDATION / SUGGESTED MOTION:**

**I MOVE TO APPROVE THE FINAL PLAT ON THE CONDITION THAT THE DEVELOPER ADDRESS THE LETTER FROM STAFF DATED NOVEMBER 13, 2017.**

Supporting information not attached to the Agenda Item Review Form:

N/A

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**Fiscal Impact**

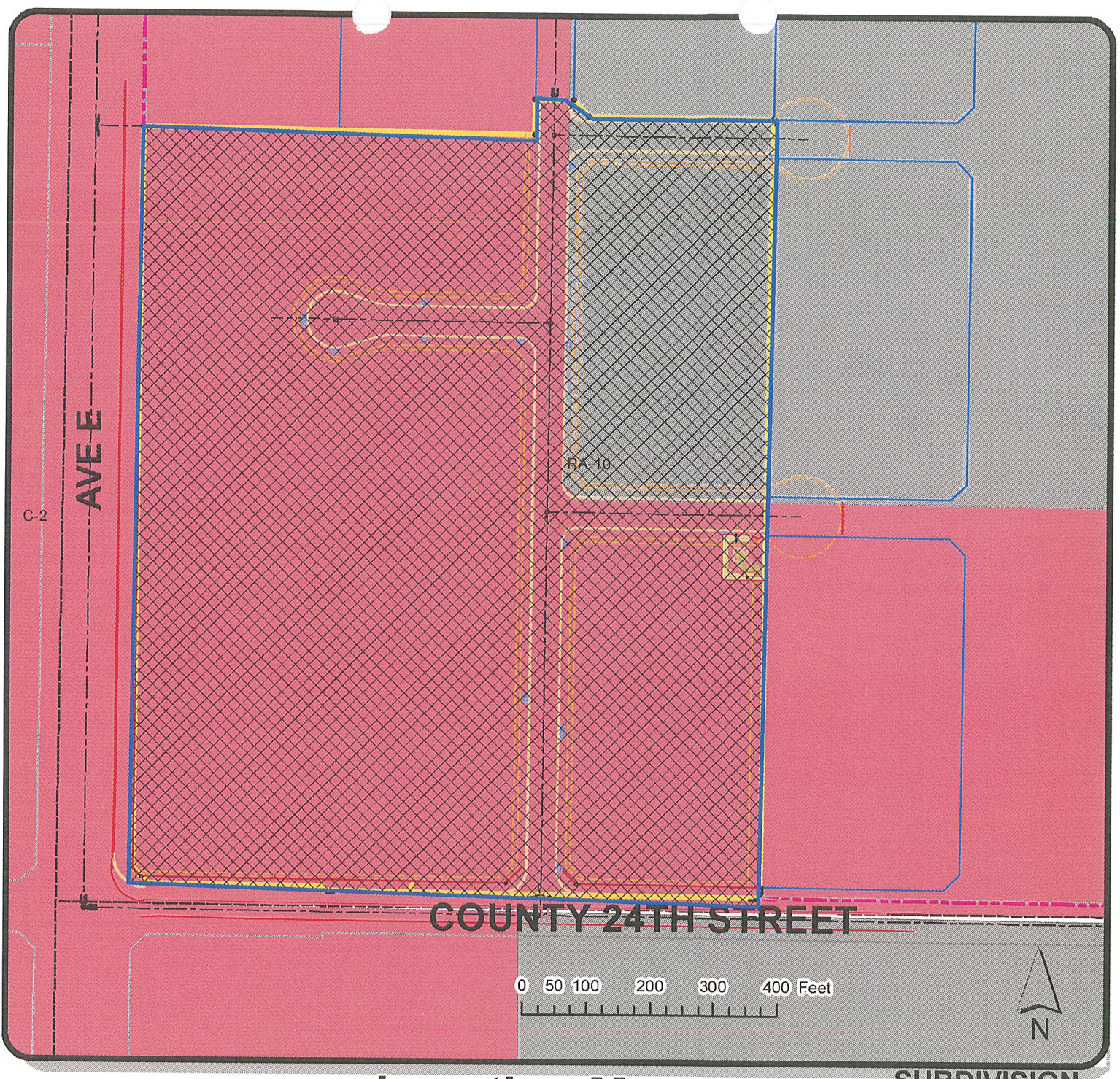
**IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:** N/A  
**CITY/STATE/FEDERAL FUNDS:** N/A  
**TOTAL:** N/A  
**BUDGETED AMOUNT:** N/A  
**AVAILABLE AMOUNT TO TRANSFER:** N/A  
**ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:** N/A  
**FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):**  
N/A

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**Attachments**

Location Map  
Picture of Location  
Final Plat  
Yuma County Flood Control District comments (11-13-15)  
Bureau of Reclamation comments (12-7-15)  
Staff Comments and Applicant Response Letters

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# Location Map

SUBDIVISION

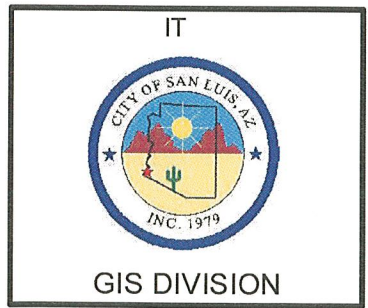


**PROPOSED LOCATION**  
**PARCEL: 22711005 (SW PORTION)**  
**SAN LUIS PORT SUBDIVISION**

- Legend
- MULTIPLE RESIDENCE ZONING DISTRICTS
    - R-2
    - R-3
  - COMMERCIAL ZONING DISTRICTS
    - C-2
  - INDUSTRIAL ZONING DISTRICTS
    - U

**Date:**  
 11/3/2015

**Checked By:**



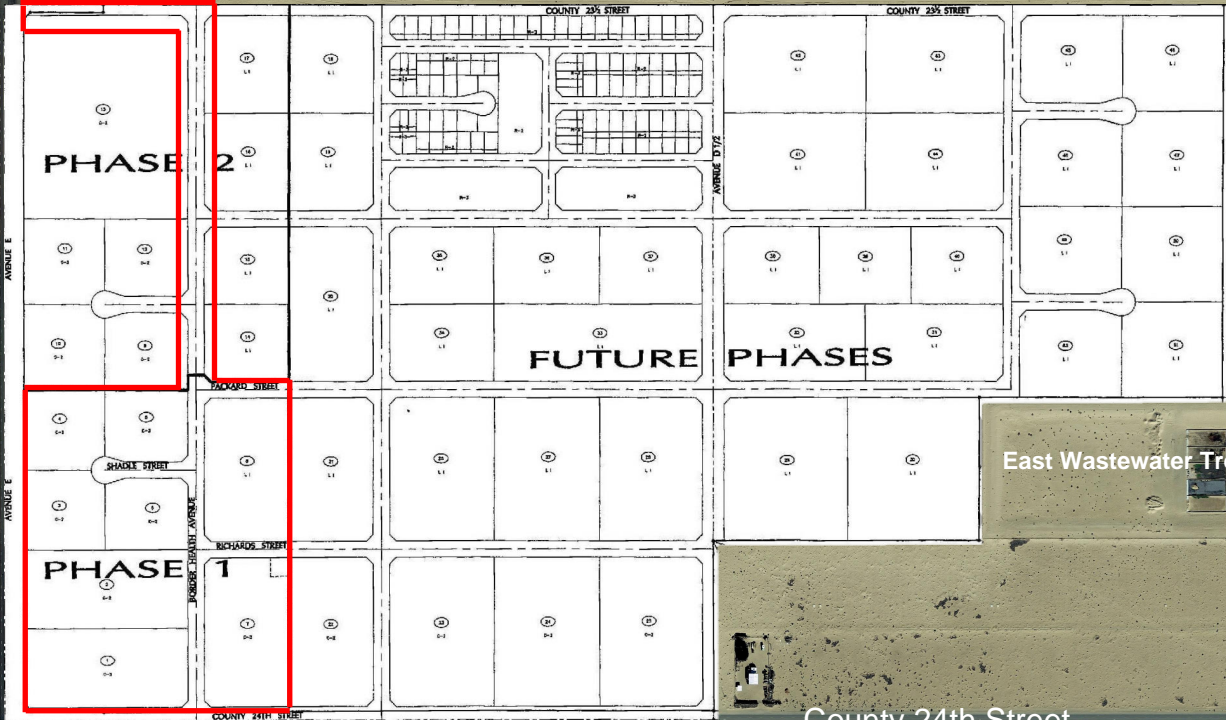
**Prepared By:**  
 IG

**APPROVED BY:**

**Case No.**  
 2015-0482

Juan Sanchez Blvd.

Avenue E



San Luis Regional Detention & Support Center

East Wastewater Treatment Plant

Avenue D

County 24th Street







## Roman Pacheco

---

**From:** Craig Sellers <Craig.Sellers@yumacountyaz.gov>  
**Sent:** Friday, November 13, 2015 11:11 AM  
**To:** Roman Pacheco  
**Subject:** RE: Request for Comment for Subdivision Case No. 2015-0482F / San Luis Port Subdivision

Yuma County Flood Control District - Any offsite drainage entering the project should be addressed by the project.

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**From:** Roman Pacheco [mailto:RPacheco@cityofsanluis.org]  
**Sent:** Thursday, November 12, 2015 6:07 PM  
**Subject:** Request for Comment for Subdivision Case No. 2015-0482F / San Luis Port Subdivision

Good Evening-

Please find attached request for comment form, location map, and site plan for your review. If you have any questions concerning this request, please contact the office of Development Services.

Thanks

*Roman Pacheco*  
Planning Technician  
Development Services Department  
City of San Luis  
1090 E. Union Street | P.O. Box 3750  
San Luis, Arizona 85349  
928.341.8563 Ext. 2047  
928.341.8599 Fax  
[www.cityofsanluis.org](http://www.cityofsanluis.org)



## Roman Pacheco

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**From:** Pinnell, Anna <apinnell@usbr.gov>  
**Sent:** Monday, December 7, 2015 6:29 PM  
**To:** Roman Pacheco; Jose A. Guzman  
**Cc:** Melissa Fairchild; Destiny Johnson  
**Subject:** Re: Request for Comment for Subdivision Case No. 2015-0482F / San Luis Port Subdivision

Roman/Jose,

Reclamation has conducted a preliminary review on your request for comments regarding the subject notice.

Please note, Reclamation is currently in discussions with City of San Luis for a future Groundwater Conveyance Project (Project) to improve a groundwater distribution system. The location of the Project is within the vicinity of the San Luis Port Subdivision. The Project alignment is within Avenue E, and north of our 242 Lateral Wellfiled.

If you have any questions, please contact me.

Thank you,  
Anna

### **Anna Pinnell**

Lands Team Lead/Realty Officer  
U.S. Dept. of the Interior  
Bureau of Reclamation | Yuma Area Office  
Phone: 928-343-8514 | Fax: 928-343-8405  
Email: [apinnell@usbr.gov](mailto:apinnell@usbr.gov)

On Thu, Nov 12, 2015 at 6:06 PM, Roman Pacheco <[RPacheco@cityofsanluis.org](mailto:RPacheco@cityofsanluis.org)> wrote:

Good Evening-

Please find attached request for comment form, location map, and site plan for your review. If you have any questions concerning this request, please contact the office of Development Services.

Thanks



# City of San Luis

## Development Services

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December 22, 2015

Steve Gerber  
Nicklaus Engineering, Inc.  
1851 W. 24<sup>th</sup> Street  
Yuma, AZ 85364

Re: Subdivision Case No. 2015-0482F/ San Luis Port Subdivision, Phase 1

City staff have reviewed the plans for the San Luis Port Subdivision Phase 1 and have the following comments:

**Development Services:**

1. Subdivision Regulations require that Commercial and Industrial Streets have 80 foot right-of-ways with 54 feet pavement width.
2. Full improvement of streets next to development is required.
3. Temporary turn-around will be required to be paved.
4. Sidewalks are require in commercial areas
5. Street lights are required, provide design.

**City Engineer:**

Cover and Index Sheet – No Comments.

Plat – Phase 1

1. Provide reference for existing 33' right-of-way along County 24<sup>th</sup> Street. If right-of-way is in the form of an easement, the limits of the subdivision should extend to the centerline of Co. 24<sup>th</sup> Street.
2. Provide 1' Non-Access Easements along Avenue E and County 24<sup>th</sup> Street.
3. Need a copy of the title report for the property.
4. Possible needed a 15' drainage easement needed along County 24<sup>th</sup> Street/Lots 1 and 7 for drainage from County 24<sup>th</sup> Street. (Need to see new proposed improvements)

T101 and T102 – No comments.

P101 and P102

1. Provide drainage report/drainage calculations. Ensure that the finished grade elevations of the lots are sufficiently below the adjacent roadways. (Shadle Street has to many 161.60)
2. Provide cross-sections of the street improvements.

3. Provide signing and striping plans as needed. Show turn lanes.
4. How is stormwater drainage from County 24<sup>th</sup> Street proposed to be handled?
5. Note 13, calling out for existing utilities to be relocated by others, includes the City's traffic signal conduits and junction box at the corner of Avenue E and County 24<sup>th</sup> Street. This work needs to be done by the developer's contractor. Provide a detail for how the conduits will be extended.
6. Provide grades for new curb and gutter at the County 24<sup>th</sup> and Avenue E intersection.
7. Avenue E improvements are required. Traffic Impact Study is required and possible traffic signal contribution.

WS-01 through WS-06

1. Submit ADEQ Approvals to Construct for water lines and sewer lines.
2. All water and sewer details shall be per City of Yuma standard details (Details shown on the plans are derived from the City of Yuma details – if there are any difference, please specifically note them.)
3. All C900 water mains shall be Class 235 (DR-18.)
4. All manholes shall be constructed of polymer concrete, Armorock or approved equal.
5. All sewer services shall have a cleanout at the property line – reference City of Yuma Std. 5-021.

LS-01 and LS-02

1. (Comment 4 of the Plat - Question – is there a better location for the Sewer Force Main easement than across the back of Lot 7? It will not be accessible and will be subject to improvements constructed on top of it. It would be better to place in the street r/w's even if the force main is slightly longer.)
2. Submit ADEQ Approvals to Construct for sewer lift station. Submit Engineer's Design Report.
3. Provide profile of sewer force main, especially at crossing of County 24<sup>th</sup> Street and existing water line. Provide detail for connection of new sewer force main to existing sewer force main (Note 14 calls out Detail E/D02 but this detail is simply a trench detail.) Provide sewer force main cleanouts as needed.
4. Provide electrical plans for the sewer lift station.
5. Provide details for construction of the shade structure at the sewer lift station.
6. Fencing along Richards Road is called out as Steel Tube Fencing but Detail A/D05 is for Chain Link Fencing.
7. Lift Station wet well shall be constructed of polymer concrete, Armorock or approved equal.
8. Controls for lift station shall include a float switch backup for high level alarm.
9. RTU/SCADA requirements shall meet City of San Luis requirements.
10. Lift station site plan shows wrong grade for retention basin (higher than adjacent ABC paving.)
11. Provide paved driveway from Richards Road to lift station gate.

Section 8.0 – Total Dynamic Head (Phase I)

- Calculation of the total dynamic head needs to consider the pressures that will exist in the existing 10-inch force main. These pressures should be calculated based on the overall hydraulics of the force main with the existing Co. 24<sup>th</sup> Street lift station pumps running plus any other planned or future discharges to the force main. Pump size needs to be revised accordingly.

**Public Works Department:**

1. A traffic impact study should be provided as part of the development plan.
2. Participation in a fund for a future traffic signal at 24<sup>th</sup> Street and Avenue E will be required.
3. More analysis of sewer force main system will be needed. This new lift station would be the third set of pumps on the same force main. Is lift station sized properly to take the additional phases of this subdivision?
4. Improvements on Avenue E and Co, 24<sup>th</sup> need to meet or exceed the minimum required in our subdivision regulations and our zoning ordinance.

**Fire Department:**

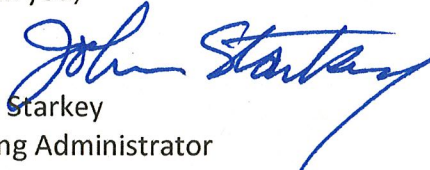
The City of San Luis Fire Department has reviewed the submitted set of plans for the proposed San Luis Port Subdivision, and a second means of ingress/egress with "Fire Department Access Road" signs, are required, for firefighting operations, per NFPA 1-2003 (18.2.2.4) (18.2.2.5.7). The City of San Luis Fire Department would require assurances of completion of the roadway to be able to withstand the loads imposed by fire apparatus, prior to any structures going vertical, above foundations (*refer to included handout "Pre-Construction Fire Code Requirements"*).

Additionally, we need to review the placement locations of fire hydrants prior to the final submittal of the site plans. All fire hydrants need to be on a continuous water supply loop, no dead-end fire hydrants. These fire hydrant locations, in our initial preliminary review, are as follows; the proposed fire hydrant located on the Southeast corner of Border Health Blvd. & Richards Rd. needs to be moved across Border Health Blvd, to the Northwest, parallel with the North side of Richards Rd. The proposed fire hydrant located on the Southeast corner of Border Health Blvd. & Packard Pkwy. needs to be moved across Border Health Blvd., to the Northwest, parallel with the North side of Packard Pkwy.

The proposed fire hydrant located on the Southwest corner of Border Health Blvd. & Shadle St. needs to be moved across Shadle St. to the Northwest corner of Shadle St. & Border Health Blvd., which is acceptable on later submittals, but must be approved prior to installation.

If you have any questions on these comments, please contact John Starkey, Zoning Administrator at 928-341-8563 or Eulogio Vera, Public Works Director at 928-341-8577.

Thank you,

  
John Starkey  
Zoning Administrator



# Nicklaus Engineering, Inc.

8(a) ~ DBE ~ WOSB ~ SBE

• Civil • Survey • Architecture  
• Environmental • Geotechnical

RECEIVED  
R.P.  
2016 OCT 11 PM 4:44  
DEPT OF PLANNING & ZONING  
CITY OF SAN LUIS, AZ

October 11, 2016

City of San Luis  
Development Services  
1090 E Union Street  
San Luis, AZ 85349

Attn: Mr. John Starkey

Re: San Luis Port Subdivision, Phase 1  
Subdivision Case No. 2015-0482F

Dear Mr. Starkey,

I have received your 12/22/2015 review comments for the above referenced project and have responded to them accordingly. Please refer to the itemized responses listed below:

## Development Services:

1. Subdivision Regulations require that Commercial and Industrial Streets have 80 foot rights-of-way with 54 feet pavement width.

**RE: The street rights-of-way within the subdivision have been revised to 80 feet. Also, the pavement width has been revised to 54 feet.**

2. Full improvement of streets next to development is required.

**RE: Avenue E and Co. 24<sup>th</sup> Street have been revised to full improvements; including vertical curb, gutter and sidewalks.**

3. Temporary turn-around will be required to be paved.

**RE: It is requested the temporary turn-arounds remain ABC. The new AC pavement will have to be removed and replaced with the construction of future phases of the subdivision.**

4. Sidewalks are required in commercial areas.

**RE: Vertical curb, gutter and sidewalks have added to the streets adjacent to Commercial lots.**

5. Street lights are required, provide design.

**RE: Street lights have been added to the plans.**

**City Engineer:**

Plat-Phase 1

1. Provide reference for existing 33' right-of-way along County 24<sup>th</sup> Street. If right-of-way is in the form of an easement, the limits of the subdivision should extend to the centerline of Co. 24<sup>th</sup>

**RE: The existing 33' right-of-way for Co. 24<sup>th</sup> Street and Avenue E is now referenced on the plat. The existing right-of-way was Quit-Claimed to Yuma County and is not a part of the subdivision.**

2. Provide 1' Non-Access Easements along Avenue E and County 24<sup>th</sup> Street.

**RE: An existing 1' Non-Access Easement along Avenue E is now referenced on the plat. A new 1' Non-Access Easement along Co. 24<sup>th</sup> Street has been added to the plat.**

3. Need a copy of the title report for the property.

**RE: Please find attached a copy of the title report for the property.**

4. Possible needed a 15' drainage easement needed along Co. 24<sup>th</sup> Street/Lots 1 and 7 for drainage from Co. 24<sup>th</sup> Street. (Need to see new proposed improvements)

**RE: New 6' wide Roadway Drainage Easements have been added to the lots adjacent to the north side of Co. 24<sup>th</sup> Street and the east side of Avenue E. Please refer to the attached Drainage Report and plans.**

T101 and T102 – No comments.

P101 and P102

1. Provide drainage report/drainage calculations. Ensure that the finished grade elevations of the lots are sufficiently below the adjacent roadways. (Shadle Street has to many 161.60)

**RE: The finished lot grades have been revised. Please refer to the attached Drainage Report and plans.**

2. Provide cross-sections of the street improvements.

**RE: Cross-section for the street improvements have been added to the plans.**

3. Provide signing and striping plans as needed. Show turn lanes.

**RE: Stop/street signs have been added to the plans and a striping plan for Co. 24<sup>th</sup> Street has been added to the set of plans.**

4. How is stormwater drainage from Co. 24<sup>th</sup> Street proposed to be handled?

**RE: New 6' wide Roadway Drainage Easements and retention basins have been added adjacent to the north side of Co. 24<sup>th</sup> Street.**

5. Note 13, calling out for existing utilities to be relocated by others, includes the City's traffic signal conduits and junction box at the corner of Avenue E and Co. 24<sup>th</sup> Street. This work needs to be done by the developer's contractor. Provide a detail for how the conduits will be extended.

**RE: Existing traffic signal conduits and junction box shall be relocated per City of Yuma Standards and Details. The Utility companies have been contacted concerning existing and new utilities.**

6. Provide grades for new curb and gutter at the Co. 24<sup>th</sup> Street and Avenue E intersection.

**RE: Grades for new curb and gutter along Co. 24<sup>th</sup> Street and Avenue E have been added to the plans.**

7. Avenue E improvements are required. Traffic Impact Study is required and possible traffic signal contribution.

**RE: Full improvements for Avenue E have been added to the plans.**

WS-01 through WS-06

1. Submit ADEQ Approvals to Construct for water lines and sewer lines.

**RE: Please find attached copies of the ADEQ Approvals to Construct for the water lines, sewer lines and lift station.**

2. All water and sewer details shall be per City of Yuma standard details (Details shown on the plans are derived from the City of Yuma details – if there are any differences, please specifically note them.)

**RE: The standard detail numbers have been added to the details and noted if they are modified.**

3. All C900 water mains shall be Class 235 (DR-18).

**RE: All water mains are now shown as Class 235 (DR-18).**

4. All manholes shall be constructed of polymer concrete, Armorock or approved equal.

**RE: The manhole details have been modified to reference polymer concrete, Armorock or approved equal.**

5. All sewer services shall have a cleanout at the property line – reference City of Yuma Std. 5-021.

**RE: Plans have been revised to include the reference standard.**

LS-01 and LS-02

1. (Comment 4 of the Plat – Question – is there a better location for the Sewer Force Main easement than across the back of Lot 7? It will not be accessible and will be subject to improvements constructed on top of it. It would be better to place in the street r/w's even if the force main s slightly longer.)

**RE: The sewer force main easement has been removed from the east side of Lot 7 and the force main has been relocated to the street rights-of-way.**

2. Submit ADEQ Approvals to Construct for sewer lift station. Submit Engineer's Design Report.

**RE: Please find attached a copy of the ADEQ Approval to Construct for the lift station. A final Engineer's Design Report can be submitted upon receipt of the following information.**

- a. **East Mesa Lift Station – flow meter reading and pressure gauge reading with one pump running and two pumps running.**
- b. **Lift Station 3 – (Co. 25<sup>th</sup> St. & Ave. D) – same as above.**
- c. **Lift Station 3a – (Port of Entry) – same as above.**

3. Provide profile of sewer force main, especially at crossing of Co. 24<sup>th</sup> Street and existing water line. Provide detail for connection of new sewer force main to existing sewer force main (Note 14 calls out Detail E/D02 but this detail is simply a trench detail.) Provide sewer force main cleanouts as needed.

**RE: The new force main has been profiled at Co. 24<sup>th</sup> Street crossing. And force main cleanouts have been added.**

4. Provide electrical plans for the sewer lift station.

**RE: Electrical plans for the new lift station have been added to the plans.**

5. Provide details for construction of the shade structure at the sewer lift station.

**RE: Details for the new shade structure have been added to the plans.**

6. Fencing along Richards Road is called out as Steel Tube Fencing but Detail A/D05 is for Chain Link Fencing.

**RE: Detail A/D05 has been revised to Steel Tube Fencing.**

7. Lift Station wet well shall be constructed of polymer concrete, Armorock or approved equal.

**RE: Note 35 has been added to LS02 referencing polymer concrete, Armorock or approved equal.**

8. Controls for lift station shall include a float switch backup for high level alarm.

**RE: Note 36 has been added to LS02 referencing high level alarm floats.**

9. RTU/SCADA requirements shall meet City of San Luis requirements.

**RE: Note 21 has been added to LS02 stating RTU/SCADA requirements shall meet City of San Luis requirements.**

10. Lift station site plan shows wrong grade for retention basin (higher than adjacent ABC paving.)

**RE: The bottom elevation of the retention has been revised.**

11. Provide paved driveway from Richards Road to lift station gate.

**RE: A new paved driveway has been added to the plans.**

12. Section 8.0 – Total Dynamic Head (Phase 1)

Calculation of the total dynamic head needs to consider the pressure that will exist in the existing 10-inch force main. These pressures should be calculated based on the overall hydraulics of the force main with the existing Co. 24<sup>th</sup> Street lift station pumps running plus any other planned or future discharges to the force main. Pump size needs to be revised accordingly.

**RE: A final Engineer's Design Report can be submitted upon receipt of the following information.**

- a. **East Mesa Lift Station – flow meter reading and pressure gauge reading with one pump running and two pumps running.**
- b. **Lift Station 3 – (Co. 25<sup>th</sup> St. & Ave. D) – same as above.**
- c. **Lift Station 3a – (Port of Entry) – same as above.**

**Public Works Department:**

1. A traffic impact study should be provided as a part of the development plan.

**RE: The plans have been revised to show full improvements on Avenue E and Co. 24<sup>th</sup> Street. Will this eliminate the requirement for a traffic impact study?**

2. Participation in a fund for a future traffic signal at 24<sup>th</sup> Street and Avenue E will be required.

**RE: Per our previous conversations, please advise if this is still required.**

3. More analysis of sewer force main system will be needed. This new lift station would be the third set of pumps on the same force main. Is lift station sized properly to take the additional phases of this subdivision?

**RE: A final Engineer's Design Report can be submitted upon receipt of the following information.**

- a. **East Mesa Lift Station – flow meter reading and pressure gauge reading with one pump running and two pumps running.**
- b. **Lift Station 3 – (Co. 25<sup>th</sup> St. & Ave. D) – same as above.**
- c. **Lift Station 3a – (Port of Entry) – same as above.**

4. Improvements on Avenue E and Co. 24<sup>th</sup> need to meet or exceed the minimum required in our subdivision regulations and our zoning ordinance.

**RE: Avenue E, Co. 24<sup>th</sup> Street and all interior streets of the subdivision have been revised.**

**Fire Department:**

The City of San Luis Fire Department has reviewed the submitted set of plans for the proposed San Luis Port Subdivision, and a second means of ingress/egress with "Fire Department Access Road" signs, are required, for firefighting operations, per NFPA 1-2003 (18.2.2.4)(18.2.2.5.7). The City of San Luis Fire Department would require assurances of completion of the roadway to

be able to withstand the loads imposed by fire apparatus, prior to any structures going vertical, above foundations, (refer to included handout "Pre-Construction Fire Code Requirements").


Additionally, we need to review the placement locations of fire hydrants prior to the final submittal of the site plans. All fire hydrants need to be on a continuous water supply loop, no dead-end fire hydrants. These fire hydrant locations, in our initial preliminary review, are as follows; the proposed fire hydrant located on the Southeast corner of Border Health Blvd. & Richards Rd. needs to be moved across Border Health Blvd, to the Northwest, parallel with the North side of Richards Rd. The proposed fire hydrant located on the Southeast corner of Border Health Blvd. & Richards Pkwy. Needs to be moved across Border Health Blvd., to the Northwest, parallel with the North side of Packard Pkwy. The proposed fire hydrant located on the South West corner of Border Health Blvd. & Shadle St. needs to be moved across Shadle St. to the Northwest corner of Shadle St. & Border Health Blvd., which is acceptable on later submittals, but must be approved prior to installation.

**RE: An emergency access road with signs has been added to the plans.**

**The fire hydrant locations have been revised as requested.**

If you have any questions or require further information, please contact me at your convenience.

Sincerely,  
NICKLAUS ENGINEERING, INC.



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Steve Gerber



# City of San Luis

## Development Services

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December 8, 2016

Steve Gerber  
Nicklaus Engineering, Inc.  
1851 W. 24<sup>th</sup> St., Suite 101  
Yuma, AZ 85364

Re: Subdivision Case No. 2015-0482/ San Luis Port Subdivision, Phase 1

City staff has reviewed the plans for San Luis Port Subdivision Phase 1 and have the following comments:

**Planning and Zoning Department:**

- 1- Please provide landscape plans for Avenue E and County 24<sup>th</sup> Street as required by Section 18.3-A of the City of San Luis Zoning Ordinance.

**City Engineer:**

Plat – Phase 1

4. 6' wide drainage easement along Co. 24<sup>th</sup> Street and along Avenue E is acceptable. See also comments on P101, P102 and the drainage report below.

**P101 and P102**

1. Lot grades/Drainage Report. Yuma County Public Works Standard Volume II, Section 3.7.2 says 'limit the maximum design depth of stormwater storage to 9-inches below top of curb or edge of pavement where no curb exists.' In other words, the high water elevation of onsite storage is to be 9-inches below the adjacent curb (and in this case where there are curb openings for drainage, these openings govern the elevation) – such is desirable to prevent stormwater from seeping into the adjacent pavement section. Lots 1, 7, and 8 do not meet this criteria, with the max. water ponding depth (about 0.5 feet per the report) being almost at the same elevation as the elevation of the spillways.
2. Provide Street Cross Sections. These have been added. Please extend Section C/D-06 to the roadway drainage easement and add proposed slopes and dimensions to the roadside retention basins shown in Section C/D-06 and D/D06.
4. Retention basins along 24<sup>th</sup> (and Avenue E). The retention basins along Avenue E and along County 24<sup>th</sup> Street will be public retention basin and need to be provided

storage that is the greater of either 25% additional basin capacity or 1 foot of freeboard per YCPW Standards Volume III, 3.61 and 3.62. Revise drainage report and plans accordingly.

6. The curb grades along the Avenue E and along County 24<sup>th</sup> Street show positive and negative road slopes, with grade breaks inserted to assist with roadway drainage. Eliminate the grade breaks and grade the roadways as close as possible to parallel to the existing roadway slopes, maintaining minimum slopes. The scuppers will still intercept stormwater flows but need to be calculated as the equivalent of catch basins on grade, rather than in sag conditions, to ensure they are adequate (additional scuppers may be necessary.)
7. Traffic Impact Study and Traffic Signal Contribution. Perimeter street improvements have been added in lieu of a traffic study, which is acceptable.

#### New Comments

8. Provide landscaping plan for retention basins.
9. The 6' drainage easement along Avenue E and along County 24<sup>th</sup> Street can be modified in width depending on final retention basin configuration and construction details of adjacent wall.

#### WS-01 through WS-06

1. ADEQ Approvals. Construction Authorization for Sewage Collection (gravity lines) and Certificate of Approval to Construct for water lines have been received. ADEQ Construction Authorization for Lift Station and Force Main is outstanding. It is understood that this authorization will be issued directly from ADEQ.

#### New Comment

6. For the sewer force main, and for sewer lift station, specify that all ductile iron fittings and components shall be epoxy lined and rated for sewer service.
7. Sewer Schedule of Work – Item 8 Connect New 6" Force Main to Existing 10" Force Main references Detail E/D02 but E/D02 is only the trench backfill detail. Provide detail for connection. Also, delete air relief valve at connection to existing force main (air relief provided in existing force main is sufficient.)
8. As previously discussed, install 12-inch water main in the Avenue E right-of-way adjacent to the subdivision for perimeter street improvements and for looping of water service for future phases of the subdivision.

#### LS-01 and LS-02

2. ADEQ Approval to Construct and Engineers Design Report. See comment 1 above under water and sewer plans – Construction Authorization for lift station and force main is needed. The information requested for the existing pump stations will be provided by the City, as will the pump curves if available (or if not available from the City, they should be available from JCH, the Flygt Pump representative in Phoenix.) With the additional force main pumping into the system, the pressures for all lift stations will increase and will need to be accounted for in the pump selection.
4. Lift Station Electrical Plans – see comments below.

12. Engineer's Design Report – Section 8, Total Dynamic Head. Information requested will be provided (see comment 2 above.) Note that revised design report may require revised pump sizes and corresponding revisions to the electrical plans.

New Comments

13. VAPEX (Or Approved Equal) odor control unit required may be required as future units of the subdivision are developed. The need for such will be evaluated during future phases.

Sheet S-1.1

1. Provide final sealed plans.

Sheet E01 – E05

1. Provide final sealed plans.
2. Provide street lighting on Avenue E. (Subdivision Regulations, Section 3.17.5.)
3. Street light luminaires to be LED (Light Emitting Diode), sized appropriately.
4. Electrical plans and generator sizing may need to be revised depending upon size of final pumps selected for the lift station. Note that one-line diagram currently calls out one 3 HP pump and one 20 HP pump and that load summary is based on 3 HP pumps.
5. Provide a fluorescent light fixture under the shade structure.

**Public Works Department:**

P01 and P02 show 3" ac/8" abc for Ave. E paving. Verify its adequate for the truck loading. Avenue E was recently widened with 5 ½" ac/8" abc and development across the street used 3" ac/12" abc.

WS07 does not show termination of either water or sewer lines extending north beyond limits shown on WS06. Please incorporate into either sheet.

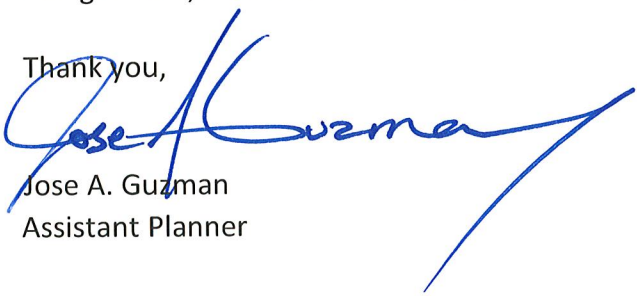
Might not be an issue but keep all slopes 3:1 or flatter.

LS02

- Provide half ton hoist and crane for lift station pump install and retrieval.
- Provide conduit connecting air release valve discharge to the wet well.
- Show installation of flashing beacon on top of site light.

Assure all previous review comments get addressed. If you have any questions on these comments, please contact John Starkey, Planning and Zoning Director at 928-341-8563 or Eulogio Vera, Public Works Director at 928-341-8577.

Thank you,

  
Jose A. Guzman  
Assistant Planner



Nicklaus Engineering, Inc.

B(a) ~ DBE ~ WOSE ~ SBE

• Civil • Survey • Architecture  
• Environmental • Geotechnical

September 05, 2017

City of San Luis  
Development Services  
1090 E Union Street  
San Luis, AZ 85349

Attn: Mr. Jose Guzman  
Assistant Planner

Re: San Luis Port Subdivision, Phase 1  
Subdivision Case No. 2015-0482F

Dear Mr. Guzman,

I have received your 12/08/2016 review comments for the above referenced project and have responded to them accordingly. Please refer to the itemized responses listed below:

**Planning and Zoning Department:**

1. Please provided landscape plans for Avenue E and County 24<sup>th</sup> Street as required by Section 18.3-A of the City of San Luis Zoning Ordinance.

**RE: Landscape and irrigation plans for retention basins along Avenue E and County 24<sup>th</sup> Street have been prepared.**

**City Engineer:**

Plat-Phase 1

4. 6' wide drainage easement along Co. 24<sup>th</sup> Street and along Avenue E is acceptable. See also comments on P101, P102 and drainage report below.

**RE: The drainage easement has been revised to 10' on both Co. 24<sup>th</sup> Street and Avenue E. The plat, plans and drainage report has been revised.**

P101 and P102

1. Lot grades/Drainage Report. Yuma County Public Works Standard Volume II, Section 3.7.2 says "limit the maximum design depth of storm water storage to 9-inches below top of curb or edge of pavement where no curb exists." In other words, the high-water

elevation of onsite storage is to be 9-inches below the adjacent curb (and in this case where there are curb openings for drainage, these openings govern the elevation) – such is desirable to prevent storm water from seeping into the adjacent pavement section. Lots 1, 7, and 8 do not meet this criteria, with the max. water ponding depth (about 0.5 feet per the report) being almost at the same elevation as the elevation of the spillways.

**RE: The minimum difference between adjacent outfall elevation and the high-water elevation has been revised to 0.26'.**

2. Provide Street Cross Sections. These have been added. Please extend Section C/D-06 to the roadway drainage easement and add proposed slopes and dimensions to the roadside retention basins shown in Section C/D-06 and D/D-06.

**RE: The roadway drainage easements and roadside retention basins have been added to Sections C/D-06 and D/D-06.**

4. Retention basins along 24<sup>th</sup> (and Avenue E). The retention basins along Avenue E and along County 24<sup>th</sup> Street will be public retention basin and need to be provided storage that is the greater of either 25% additional basin capacity or 1 foot of freeboard per YCPW Standards Volume III, 3.61 and 3.62. Revise drainage report and plans accordingly.

**RE: The plans and drainage report have been revised so that the retention basins along Co. 24<sup>th</sup> Street and Avenue E include a 25% safety factor.**

6. The curb grades along the Avenue E and along County 24<sup>th</sup> Street show positive and negative road slopes, with grade breaks inserted to assist with roadway drainage. Eliminate the grade breaks and grade the roadways as close as possible to parallel to the existing roadway slopes, maintaining minimum slopes. The scuppers will still intercept storm water flows but need to be calculated as the equivalent of catch basins on grade, rather than in sag conditions, to ensure they are adequate (additional scuppers may be necessary.)

**RE: The existing grades on County 24<sup>th</sup> Street and Avenue E have been reviewed and they do not allow for the placement of new spillway on grade.**

7. Traffic Impact Study and Traffic Signal Contribution. Perimeter street improvements have been added in lieu of a traffic study, which is acceptable.

#### New Comments

8. Provide landscaping plan for retention basins.

**RE: Landscape and irrigation plans have been prepared for the retention basins along Avenue E and County 24<sup>th</sup> Street.**

9. The 6' drainage easement along Avenue E and along County 24<sup>th</sup> Street can be modified in width depending on final retention basin configuration and construction details of adjacent wall.

**RE: The plans and design report have been revised to show a new 10' drainage easement along Avenue E and County 24<sup>th</sup> Street.**

WS-01 through WS-06

1. ADEQ Approvals. Construction Authorization for Sewage Collection (gravity lines) and Certificate of Approval to Construct for water lines haven received. ADEQ Construction Authorization for Lift Station and Force Main is outstanding. It is understood that this authorization will be issued directly from ADEQ.

**RE: Per my telephone conversation with George Amaya of Yuma County; this lift station and force main have been approved through their agreement and they will process the Certificate of Completion, but future Approvals to Construct will have to be submitted directly to ADEQ.**

New Comments

6. For the sewer force main, and for sewer lift station, specify that all ductile iron fittings and components shall be epoxy lined and rated for sewer service.

**RE: Note 12 has been added to the Sewer notes on Sheet LS02.**

7. Sewer Schedule of Work – Item 8 Connect New 6" Force Main to Existing 10" Force Main references Detail E/D02 but E/D02 is only the trench backfill detail. Provide detail for connection. Also, delete air relief valve at connection to existing force main (air relief provided in existing force main is sufficient.)

**RE: The air relief valve has been removed. Detail J/D06 has been added to show connection to existing force main.**

8. As previously discussed, install 12" inch water main in the Avenue E right-of-way adjacent to the subdivision for perimeter street improvements and for looping of water service for future phases of the subdivision.

**RE: Sheets WS07 – WS09 have been added to the plans showing a new 12" water line in Avenue E.**

LS-01 and LS-02

2. ADEQ Approval to Construct and Engineers Design Report. See comment 1 above under water and sewer plans – Construction Authorization for lift station and force main is needed. The information requested for the existing pump stations will be provided by the City, as will the pump curves if available (or if not available from the City, they should be

available from JCH, the Flygt Pump representative in Phoenix.) With the additional force main pumping into the system the pressures for all lift stations will increase and will need to be accounted for in the pump selection.

**RE: Please refer to the response for comment 1 for ADEQ Approval to Construct. The design report has been revised to include the pump curves from the existing lift stations and a new pump selection has been made.**

4. Lift Station Electrical Plans – see comments below.

12. Engineer's Design Report – Section 8, Total dynamic Head. Information requested will be provided (see comment 2 above.) Note that revised design report may require revised pump sizes and corresponding revisions to the electrical plans.

**RE: The plans and design report have been revised.**

#### New Comments

13. VAPEX (Or Approved Equal) odor control unit required may be required as future units of the subdivision are developed. The need for such will be evaluated during future phases.

**RE: A VAPEX odor control unit has been added to the plans as "future phase".**

#### Sheet S-1.1

1. Provide final sealed plans.

**RE: Final sealed structural plans are now included with the plan set.**

#### Sheet E01 – E05

1. Provide final sealed plans.

**RE: Completed.**

2. Provide street lighting on Avenue E. (Subdivision Regulations, Section 3.17.5.)

**RE: Completed.**

3. Street light luminaires to be LED (light Emitting Diode), sized appropriately.

**RE: Completed.**

4. Electrical plans and generator sizing may need to be revised depending upon size of final pumps selected for the lift station. Note that one-line diagram currently calls out one 3 HP pump and one 20 HP pump and that load summary is based on 3 HP pumps.

**RE: Completed. Pumps have been upgraded to 2 x 10hp and the generator was increased from 30kw to 50kw.**

5. Provide a fluorescent light fixture under the shade structure.

**RE: Completed.**

**Public Works Department:**

P01 and P02 show 3" ac/8" abc for Ave. E paving. Verify its adequate for the truck loading. Avenue E was recently widened with 5½"/8" abc and development across the street used 3" ac/12" abc.

**RE: The new pavement section for Avenue E has been revised to 3" ac over 12" abc.**

WS07 does not show termination of either water or sewer lines extending north beyond limits shown on WS06. Please incorporate into either sheet.

**RE: Terminations of the water and sewer lines are now shown on Sheets WS03 and WS06.**

Might not be an issue but keep all slopes 3:1 or flatter.

**RE: Slopes are shown on plans as 3:1 maximum.**

LS02:

- Provide half ton hoist and crane for lift station pump install and retrieval.

**RE: A half ton hoist and crane has been added to the plans. Please refer to Sheets LS01 and D07.**

- Provide conduit connecting air release valve discharge to the wet well.

**RE: Materials List for Lift Station, note 18 has been revised to include discharge line.**

- Show installation of flashing beacon on top of site light.

**RE: Lift Station Schedule of Work, note 5 has been revised to include an alarm light mounted on top of the new light pole.**

If you have any questions or require further information, please contact me at your convenience.

Sincerely,  
NICKLAUS ENGINEERING, INC.

A handwritten signature in black ink, appearing to read "Steve Gerber", written over a horizontal line.

Steve Gerber



# City of San Luis

## Development Services

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September 22, 2017

Steve Gerber  
Nicklaus Engineering, Inc.  
1851 W. 24<sup>th</sup> St., Suite 101  
Yuma, AZ 85364

Re: Subdivision Case No. 2015-0482/ San Luis Port Subdivision, Phase 1

City staff has reviewed the plans for San Luis Port Subdivision Phase 1 and have the following comments:

**Planning and Zoning Department:**

1. Subdivision development plan is required when the subdivision is developed in phases as per Subdivision Regulations §4.4(1)
2. If necessary, applicant must sign the Improvement Districts petitions required for a subdivision. Improvement Districts must be recorded prior to the recordation of the plat.
3. As per Subdivision Regulations §5.3(2), names, without abbreviations, of all existing and proposed streets are required.
4. Subdivision Regulations §3.3(1)- Boulevard and Parkway are not appropriate thoroughfare designations. Avenues run north- south, Streets run west-east.

**City Engineer:**

Plat – Phase 1

No Comments.

Improvement Plans

General –

1. Since the last review the City has adopted and put into practice the use of the new City of San Luis Construction Standards. Add a general note that “all construction is to be in accordance with City of San Luis Standards, including the adopted City of

Yuma Construction Standard Detail Drawings, the MAG Uniform Standard Specifications and the City of San Luis Supplement to the City of Yuma Standards and the MAG Specification, unless otherwise specifically noted on these plans." The Standards are available on the City of San Luis website.

2. Replace any reference to standards or details that refer to Yuma County or other standards that conflict with the adopted City of San Luis Standards. It is noted that it will primarily be the roadway details that need to be revised, while the water and sewer details shown on the plans are already City of Yuma details, which were for the most part adopted without revisions – though note in particular that MAG Section 742 and Standard Details 5-029 and 5-030 were revised to require the use of polymer manholes instead of t-lock lined manholes. If details are shown on the plans clearly note any modifications to or deviations from City Standards.

#### P101 and P102

1. The emergency access road shall be gated on both ends to prevent its public use.

#### WS-01 through WS-06

1. Sheet WS-01 – Is there a conflict with the water and fire line services to lots 1 and 2 and the area called out for APS transformer pads?
2. Sheet WS-01 – Move check valve to approximately station 10+75 and add a valve on each side. Also incorporate an access manhole for maintenance.
3. Sheets WS-07 to WS-09 – Add one 12-inch valve at about the midpoint of the water line.

#### LS-01 and LS-02

1. Sheet LS-01 – Item 8, Hose Bibb is called out for installation during a future phase. Please install with the current phase.
2. Sheet LS-02 – Provide the dimensions of the concrete slab to be installed under the shade structure. Slab should be large enough to allow for City personnel to stand on the while operating and maintaining electrical equipment.
3. The Engineer's Design Report, Section 12.0 – Design Summary states that a flow monitor will shut off pumps at the lift station when other pump stations on the force main are in operation. This flow monitor/shut off could not be located on the plans. Also, discuss the operation of this flow monitor/shut-off with the City to further describe its operation and to ensure the proposed control operation will work for the City.
4. The Engineer's Design Report shows the pumps in the lift station will only discharge about 230 gpm when all lift stations on the force main are in operation vs. a future buildout peak flow of about 449 gpm. While the current phase peak flow is only 74 gpm and it appears that the selected pumps will be more than adequate for this flow, it also appears that when future phases are constructed that the pumps will need to be increased in size to be able to pump the peak flow under all

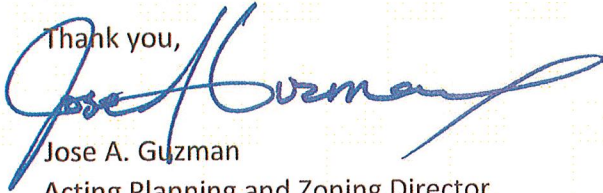
conditions. Please confirm that the electrical system (SES, MCC, generator, etc.) can accommodate larger horsepower pumps that may be needed in the future.

Sheet E01 – E05

1. See Comment 4 under LS-01 and LS-02 above regarding confirmation that the electrical system can accommodate larger horsepower pumps in the future.

Assure all previous review comments get addressed. Please be advised that the comments made here are tentative in nature. Until all documentation, information, and drawings are submitted and approved in final form, and all permits for construction are approved and issued, the City of San Luis reserves the right to make further comment or require further information or submissions. Any construction which occurs prior to issuance of proper permits is occurring in contravention of the ordinances of the City, and is occurring at the risk of the Developer.

Thank you,



Jose A. Guzman

Acting Planning and Zoning Director



Nicklaus Engineering, Inc.

8(a) ~ DBE ~ WOSB ~ SBE

• Civil • Survey • Architecture

• Environmental • Geotechnical

RECEIVED

RP

2017 OCT 10 AM 7:27

DEPT OF PLANNING & ZONING  
CITY OF SAN LUIS, AZ

October 9, 2017

City of San Luis  
Development Services  
1090 E Union Street  
San Luis, AZ 85349

Attn: Mr. Jose Guzman  
Assistant Planner

Re: San Luis Port Subdivision, Phase 1  
Subdivision Case No. 2015-0482F

Dear Mr. Guzman,

I have received your 09/22/2017 review comments for the above referenced project and have responded to them accordingly. Please refer to the itemized responses listed below:

**Planning and Zoning Department:**

1. Subdivision development plan is required when the subdivision is developed in phases as per Subdivision Regulations §4.4(1).

**RE: Please find attached a revised copy of the phasing map showing current Phase 1 and future Phase 2 along with the rest of the proposed development.**

2. If necessary, applicant must sign the Improvement District petitions required for a subdivision. Improvement Districts must be recorded prior to the recordation of the plat.

**RE: Comment acknowledged.**

3. As per Subdivision Regulation §5.3(2), names, without abbreviations, of all existing and proposed streets are required.

**RE: The plat has been revised.**

4. As per Subdivision Regulation §3.3(1) – Boulevard and Parkway are not appropriate thoroughfare designations. Avenues run north-south, Streets run west-east.

**RE: The plat has been revised.**

**City Engineer:**

Plat-Phase 1

No Comments.

Improvement Plans

General -

1. Since the last review the City has adopted and put into practice the use of the new City of San Luis Construction Standards. Add a general note that "all construction is to be in accordance with City of San Luis Standards, including the adopted City of Yuma Construction Standard Detail Drawings, the MAG Uniform Standard Specifications and the City of San Luis Supplement to the City of Yuma Standards and the MAG Specification, unless otherwise specifically noted on these plans". The Standards are available on the City of San Luis website.

**RE: Please refer to General Note 1 shown on sheet D07.**

2. Replace any reference to standards or details that refer to Yuma County or other standards that conflict with the adopted City of San Luis Standards. It is noted that it will primarily be the roadway details that need to be revised, while the water and sewer details shown on the plans are already City of Yuma details, which were for the most part adopted without revisions – through note that in particular MAG Section 742 and Standard Details 5-029 and 5-030 were revised to require the use of polymer manholes instead of t-lock lined manholes. If details are shown on the plans clearly note any modifications to or deviations from City Standards.

**RE: Yuma County Details have been revised to City of Yuma details except for special details and border curb which the City of Yuma does not have.**

**City of Yuma details 5-029 and 5-030 have been revised to call for polymer manholes.**

P01 and P02

1. The emergency access road shall be gated on both ends to prevent its public use.

**RE: Sheets P01, P04 and D07 have been revised to show a gate at both ends of the new access road.**

WS-01 through WS-06

1. Sheet WS-01: Is there a conflict with the water and fire line services to lots 1 and 2 and the area called out for APS transformer pads?

**RE: Sheet WS-01 has been revised to relocate the water and fire service lines.**

2. Sheet WS-01: Move check valve to approximately station 10+75 and add a valve on each side. Also incorporate an access manhole for maintenance.

**RE: Sheet WS-01 has been revised to relocate the check valve and add an access manhole.**

3. Sheet WS-07 to WS-09: Add one 12-inch valve at about the midpoint of the water line.

**RE: A 12-inch valve has been added to Sheet WS-08.**

LS-01 and LS-02

1. Sheet LS-01: Item 8, hose bibb is called out for installation during a future phase. Please install with the current phase.

**RE: Sheet LS-01 now calls for the installation of the hose bibb with the current phase.**

2. Sheet LS-02: Provide the dimensions of the concrete slab to be installed under the shade structure. Slab should be large enough to allow for City personnel to stand on while operating and maintaining electrical equipment.

**RE: Sheets LS-01 and LS-02 have been revised to show the concrete slab under the shade structure the same size as the shade structure.**

3. The Engineer's Design Report, Section 12.0 – Design Summary states that a flow monitor will shut off pumps at the lift station when other pump stations on the force main are in operation. This flow monitor/shut off could not be located on the plans. Also, discuss the operation of this flow monitor/shut-off with the City to further describe its operation and to ensure the proposed control operation will work for the City.

**RE: Notes 21 and 22 on Sheet LS-02 have been added to address this issue.**

4. The engineer's Design Report shows the pumps in the lift station will only discharge about 230 gpm when all lift stations on the force main are in operation vs. a future buildout peak flow of about 449 gpm. While the current phase peak flow is only 74 gpm and it appears that the selected pumps will be more than adequate for this flow, it also appears that when future phases are constructed that the pumps will need to be increased in size to be able to pump the peak flow under all conditions. Please confirm that the electrical system (SES, MCC, generator, etc.) can accommodate larger horsepower pumps that may be needed in the future.

**RE: Preliminary calculation for a worse case condition of ultimate buildout with all three lift stations pumping would require a pump capable of providing 495 GPM at 92 TDH. A preliminary pump selection is Flygt model NP-3153-274. This pump has a 23hp motor that requires 480 volts and 26 amps. The current electrical plans have been reviewed by the Electrical Engineer for concurrence with these requirements. Please refer to his response shown below.**

Sheet E01 – E05


1. See Comment 4 under LS-01 and LS-02 above regarding confirmation that the electrical system can accommodate larger horsepower pumps in the future.

**RE: The Electrical Engineer's response is as follows: "The base electrical equipment, including the SES, ATS, & distribution section, are of sufficient size to handle future upgrades up to and including the future 23hp, 26-amp replacement pumps. Although this 100-amp system is adequate for this, anything larger than the two 23hp, 26-amp pumps would require a larger (200 amp) system. The City may desire to spend a little more for the extra capacity to allow for any unplanned future additions beyond this lift station. This would be a City of San Luis decision to expend the additional design fees, APS utility costs, and construction costs to go with a larger system.**

**Note that the pump control panel components and the generator are coordinated to the existing planned 2 x 10hp pumps installation and would need to be upgraded at the time of any pump upgrades. These have to be coordinated to what is planned and not necessarily oversized to allow for future. If they were absolutely sure this would need to be upgraded in the near future, they could possibly go with an oversized generator for the short term."**

If you have any questions or require further information, please contact me at your convenience.

Sincerely,  
NICKLAUS ENGINEERING, INC.

  
\_\_\_\_\_  
Steve Gerber



# City of San Luis

## Development Services

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November 13, 2017

Steve Gerber  
Nicklaus Engineering, Inc.  
1851 W. 24<sup>th</sup> St., Suite 101  
Yuma, AZ 85364

Re: Subdivision Case No. 2015-0482/ San Luis Port Subdivision, Phase 1

City staff has reviewed the plans for San Luis Port Subdivision Phase 1 and have the following comments:

### **Planning and Zoning Department:**

1. Street suffixes must match throughout the set of plans.
2. Landscaping plans are under review by the Parks and Recreation Department; any comments can be addressed during construction.

### **City Engineer:**

1. Sheet WS-01 – Previous comment was to relocate check valve and add an access manhole. This comment was adequately addressed. It is noted that the check valve to be used shall be rated for sewer service and the type and model of the check valve shall be subject to approval of the City.
2. Sheets LS-02 – Notes 21 and 22 have been added to sheet LS-02 to address previous comments about operation of the sewer lift station. These notes call for a controls to regulate the pump station flows when the existing Co. 24<sup>th</sup> Street lift station is running. It is not clear whether such controls are needed or if as described is the best means of providing such control. The developer shall work with the City staff during construction of the lift station to modify the proposed controls as needed to fit the City's operating requirements.
3. Sheets E01-E05 – Previous comment was on sizing electrical components to be adequate to serve future pump sizes. Per the comment response, the pump control components and emergency generator will need to be upgraded when larger pumps are

installed in the future. This comment was discussed with Steve Gerber of Nicklaus Engineering and Nicklaus and the subdivision developer understand that such future upgrades will be at the expense of the developer when required. As it may be quite a few year before future phases of the subdivision are developed, at the present time they wish to only provide controls and generator adequate for the current pumps.

**Public Works:**

1. PW does not have any further comments other than to assure all previous comments get addressed.

Assure all previous review comments get addressed. Please be advised that the comments made here are tentative in nature. Until all documentation, information, and drawings are submitted and approved in final form, and all permits for construction are approved and issued, the City of San Luis reserves the right to make further comment or require further information or submissions. Any construction which occurs prior to issuance of proper permits is occurring in contravention of the ordinances of the City, and is occurring at the risk of the Developer.

Thank you,



Jose A. Guzman  
Acting Planning and Zoning Director



## AGENDA ITEM REVIEW FORM

### Special City Council Meeting

6.I.

**Meeting Date:** 11/21/2017

**Department Head:** Jose A. Guzman, Acting Director of Planning & Zoning,  
Planning & Zoning Department

**Submitted By:** Jose A. Guzman, Acting Director of Planning & Zoning,  
Planning & Zoning Department

**Action Requested:** Motion  
Ordinance - 2nd Reading

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### ITEM:

Discussion and possible action on any all matters regarding Second Reading of Ordinance No. 372. An ordinance of the Mayor and City Council of the City of San Luis, Arizona, amending the San Luis City Code, Chapter 152 Zoning Regulations Section 152.078(E) - Table No. 3 Development Standards to amend the provisions for side yard setback for R1-6 zoning district; Amending Subsections 152.091(A) and (B)(1) to clarify applicability of design and development standards for single detached residence dwelling lots created prior to March 1, 2016; repealing any conflicting provisions; and providing for severability.

**(Jose A. Guzman, Acting Director of Planning and Zoning)**

- A. Second Reading of Ordinance No. 372 by title only.  
(City Clerk will read Ordinance No. 372 by title only)
- B. Approval and adoption of Ordinance No. 372.

### SUMMARY:

City Council approved Ordinance No. 347 to alleviate the demand for bigger houses, an ordinance to set up the minimum lot size to 6,000 square feet. However, there are still many empty lots around the City that are less than 6,000 square feet making it difficult to construct a bigger house.

Ordinance No. 347 also provides that all existing single-family lots in an R-2 zone must be built to R1-6 design standards. Changing R1-6 design standards works to capture all of these lots and all new 6,000 square feet lots in the future. In order for the new 5 foot setbacks to apply to existing lots in an R-2 zone, the City Code must be amended to include the development standards under Section 152.91(A) and (B)(1).

This proposed amendment will allow the reduction of the side yard setback from 7 feet to 5 feet on lots in an R1-6 district and the existing lots in R-2 districts. However, construction with setbacks of less than 7 feet but no greater than 5 feet must be constructed with a minimum of a 2-hour fire resistive construction.

**RECOMMENDATION / SUGGESTED MOTION:**

**A. I MOVE TO APPROVE THE SECOND READING OF ORDINANCE NO. 372 BY TITLE ONLY.**

(City Clerk to read Ordinance by title only)

**B. I MOVE TO APPROVE AND ADOPT ORDINANCE NO. 372.**

Supporting information not attached to the Agenda Item Review Form:

N/A

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**Fiscal Impact**

**IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:** N/A  
**CITY/STATE/FEDERAL FUNDS:** N/A  
**TOTAL:** N/A  
**BUDGETED AMOUNT:** N/A  
**AVAILABLE AMOUNT TO TRANSFER:** N/A  
**ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:** N/A  
**FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):**  
N/A

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**Attachments**

Ordinance No. 372

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# Ordinance

OFFICE OF THE  
MAYOR  
CITY OF SAN LUIS

NO. 372

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA, AMENDING THE SAN LUIS CITY CODE CHAPTER 152 ZONING REGULATIONS SECTION 152.078(E)-TABLE NO. 3 DEVELOPMENT STANDARDS TO AMEND THE PROVISIONS FOR SIDE YARD SETBACKS FOR R1-6 ZONING DISTRICT; AMENDING SUBSECTIONS 152.091(A) AND (B)(1) TO CLARIFY APPLICABILITY OF DESIGN AND DEVELOPMENT STANDARDS FOR SINGLE DETACHED RESIDENCE DEWELLING LOTS CREATED PRIOR TO MARCH 1, 2016; REPEALING ANY CONFLICTING PROVISIONS; AND PROVIDING FOR SEVERABILITY.

BE IT ORDAINED by the Mayor and Council of the City of San Luis, Arizona as follows:

**SECTION 1:** Subsection 152.078(E) Design Standards Table 3 Development Standards for Single Family Zoning Districts is hereby amended to read as follows:

**TABLE No. 3**  
**Development Standards – Single Residence Zoning Districts**

Zoning District	Minimum Lot Size (ac./sq ft)	Minimum Lot Width (feet)	Maximum Bldg. Height (feet)	Minimum Yard Setback (feet)					Maximum Lot Coverage
				Front	Garage Entrance	Side	Street Side	Rear	
"RA-10"	10 acres	330	35(b)	50	40	30 & 30	50	50	10%
"SR-5"	5 acres	220	35(b)	40	40	30 & 30	40	40	15%
"SR-2"	2 acres	120	35(b)	30	30	30 & 30	30	40	20%
"R1-35"	35,000 sf	100	30	30	30	15 & 15	30	40	30%
"R1-20"	20,000 sf	100	30	25	20	10 & 10(c)	15	30(c)	40%
"R1-12"	12,000 sf	80(a)	30	20	18	7 & 7(c)	10	25(c)	45%
"R1-8"	8,000 sf	70(a)	30	20	18	7 & 7(c)	10	20(c)	50%
"R1-6"	6,000 sf	60(a)	30	20	18	7 & 7(c) & 5 (d)	10	10(c)	50%
"R1-5"	5,000 sf	50(a)	20	15	18	5 & 5(c)	10	10(c)	50%

- (a) Lot width on corner lots shall be increased by five feet.
- (b) Accessory agricultural buildings may be permitted additional height in accordance with regulations in §§ 152.210 through 152.226.
- (c) Increased setbacks for institutional uses allowed by C.U.P. shall be increased one foot for every two foot of building height, but in no case less than 20 feet.
- (d) 5 foot setbacks shall be permitted in a R1-6 District where the construction beyond a 7 foot setback are constructed with no less than 2 hour fire resistive construction.

**SECTION 2:** Subsections 152.091.A and 152.091.B.1 are hereby amended to clarify that both the design standards and the development standards for an "R1-6" zoning district apply to single detached residence dwelling units created prior to March 1, 2016 and shall read as follows:

**§ 152.091 "R-2" MEDIUM-HIGH DENSITY RESIDENTIAL ZONING DISTRICT.**

(A) Purpose. The purpose of this zoning district is to allow for a variety of building types, including duplex, townhouses, and apartments with varied project amenities. The "R-2" shall provide a balance of housing opportunities to serve the needs of the residents of San Luis. The intent of this district is to permit higher density urban development with a mixture of uses of a similar intensity. Dwelling units shall be a multiple residences dwelling. No detached single residence dwelling unit shall be permitted from and after March 1, 2016. For all lots created for single detached residence dwelling units prior to March 1, 2016, all such single detached dwelling units shall be developed to the design and development standards of an "R1-6" zoning district.

(B) Permitted uses - "R-2" Zoning District.

(1) Attached or detached single residence dwellings, including townhouses, provided the maximum density does not exceed ten dwelling units per acre. No single detached residence dwelling units shall be permitted effective as of March 1, 2016. For lots for single detached residence units created prior to March 1, 2016 in a multiple residence zoning district, all single detached dwelling units shall be developed to the design and development standards of an "R1-6" zoning district.

**SECTION 3:** In the event of a conflict between the provisions of this Ordinance and any other ordinance, resolution, regulation, code, or policy of the City of San Luis, the conflicting provisions are hereby repealed, superseded, and replaced, and the provisions of this Ordinance shall govern.

**SECTION 3:** If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the final decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance.

**PASSED AND ADOPTED** by the Mayor and Council of City of San Luis, Arizona, on this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Gerardo Sanchez, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Sonia Cornelio, City Clerk

\_\_\_\_\_  
Kay Marion Macuil, City Attorney



## AGENDA ITEM REVIEW FORM

### Special City Council Meeting

**6.J.**

**Meeting Date:** 11/21/2017

**Department Head:** Sonia Cornelio, City Clerk, City Clerk's Office

**Submitted By:** Kay Macuil, City Attorney, Attorney's Office

**Action Requested:** Motion  
Ordinance - 1st Reading

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### ITEM:

Discussion and possible action on any and all matters regarding First Reading of Ordinance No. 373. An ordinance of the Mayor and City Council of the City of San Luis, Arizona changing the San Luis City Code by deleting Section 30.076 on prohibiting same day passage of ordinances, by amending sections 30.77 and 30.78 to allow for one reading and same day passage of ordinances; repealing any conflicting provisions; and providing for severability. **(Kay Marion Macuil, City Attorney)**

A. Approval of First Reading of Ordinance 373 by title only  
(City Clerk to read Ordinance by title only)

### SUMMARY:

The purpose of this ordinance is to eliminate delay in passing ordinances where State law allows for it. Currently the City Code requires two (2) readings of ordinances. The first and second readings must be on different days.

This proposed ordinance requires only one reading of ordinances and allows for passage on the same day as the reading. This ordinance does not change the effective date of ordinances because state law requires a 30-day wait for an ordinance to become effective. Only in cases of emergency can an ordinance become effective immediately.

### RECOMMENDATION / SUGGESTED MOTION:

**I MOVE TO APPROVE FIRST READING OF ORDINANCE 373 BY TITLE ONLY.**

(CITY CLERK TO READ THE ORDINANCE BY TITLE ONLY)

**Supporting information not attached to the Agenda Item Review Form:**

N/A

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**Fiscal Impact**

**IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:** No  
**CITY/STATE/FEDERAL FUNDS:** N/A  
**TOTAL:** N/A  
**BUDGETED AMOUNT:** N/A  
**AVAILABLE AMOUNT TO TRANSFER:** N/A  
**ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE:** N/A  
**FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):**

There is no fiscal impact for this item.

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**Attachments**

Ordinance No. 373

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# *Ordinance*

OFFICE OF THE  
MAYOR  
CITY OF SAN LUIS

**No. 373**

**AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA CHANGING THE SAN LUIS CITY CODE BY DELETING SECTION 30.076 ON PROHIBITING SAME DAY PASSAGE OF ORDINANCES, BY AMENDING SECTIONS 30.77 AND 30.78 TO ALLOW FOR ONE READING AND SAME DAY PASSAGE OF ORDINANCES; REPEALING ANY CONFLICTING PROVISIONS; AND PROVIDING FOR SEVERABILITY.**

**BE IT ORDAINED** by the Mayor and City Council of the City of San Luis, Arizona, as follows:

**Section 1.** **Section 30.076** of the San Luis City Code titled "Same Day Passage Prohibited" is hereby repealed.

**Section 2.** **Section 30.077** of the San Luis City Code is amended to read:

## **§30.077 SINGLE READING OF ORDINANCE AND VOTE AT SAME MEETING**

- (A) All proposed ordinances shall have one reading.
- (B) The reading may be by title only if the written proposed ordinance is available to Council.
- (C) By majority vote of Council Members present, the proposed ordinance may be read in full.
- (D) The reading of the proposed ordinance and the vote on the passage of proposed ordinance shall be at the same Council Meeting.
- (F) Upon completion of the reading by title only or in full and after the main motion for passage of the proposed ordinance is seconded, Council shall vote on passage of the proposed ordinance.

**Section 3: Repeal of Conflicts.** In the event of a conflict between the provisions of this ordinance and any other ordinance, code, resolution, regulation, or policy of the City of San Luis, the conflicting provisions are hereby repealed, superseded, and replaced.

**Section 4: Severability.** If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance.

**PASSED, ADOPTED and APPROVED** by the Mayor and City Council of the City of San Luis, Yuma County, Arizona this \_\_\_\_ day of November 2017.

\_\_\_\_\_  
Gerardo Sanchez, Mayor

**ATTEST:**

\_\_\_\_\_  
Sonia Cornelio, City Clerk

**APPROVED AS TO FORM:**

*Kay Marion Macuil*  
\_\_\_\_\_  
Kay Marion Macuil, City Attorney



## AGENDA ITEM REVIEW FORM

### Special City Council Meeting

6.K.

**Meeting Date:** 11/21/2017

**Department Head:** Sonia Cornelio, City Clerk, City Clerk's Office

**Submitted By:** Sonia Cornelio, City Clerk, City Clerk's Office

**Action Requested:** Motion  
Ordinance - 1st Reading

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### ITEM:

Discussion and possible action on any and all matters regarding First Reading of Ordinance No. 374. An ordinance of the Mayor and City Council of the City of San Luis, Arizona amending Section 30.075 of the San Luis City Code by requiring prior approval of suggested orders and Section 30.078 providing that orders are effective immediately upon passage; repealing any conflicting provisions; and providing severability. **(Kay Marion Macuil, City Attorney)**

A. Approval of First Reading of Ordinance 374 by title only  
(City Clerk to read the Ordinance by title only)

### SUMMARY:

By state law, ordinances and resolutions become effective 30 days after passage by City Council. Administrative actions which are referred to frequently, are best handled by the formality of a written, numbered document but often it is preferable that the action of Council become effective immediately so as not to delay implementation.

In addition to ordinances and resolutions, the San Luis City Code provides for "orders" in Section 30.080. However, there is no mention when they become effective. Ordinance No. 374 provides that orders become effective immediately and clarifies that "orders" receive the same review by staff that ordinances and resolutions receive.

### RECOMMENDATION / SUGGESTED MOTION:

**I MOVE TO APPROVE FIRST READING OF ORDINANCE 374 BY TITLE ONLY.  
(CITY CLERK TO READ THE ORDINANCE BY TITLE)**

Supporting information not attached to the Agenda Item Review Form:

N/A

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**Fiscal Impact**

<b>IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM:</b>	No
<b>CITY/STATE/FEDERAL FUNDS:</b>	N/A
<b>TOTAL:</b>	N/A
<b>BUDGETED AMOUNT:</b>	N/A
<b>AVAILABLE AMOUNT TO TRANSFER:</b>	N/A
<b>ACCT NAME &amp; GL#/REMAINING BALANCE BEFORE PURCHASE:</b>	N/A
<b>FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):</b>	

There is no fiscal impact for this item.

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**Attachments**

Ordinance No. 374

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# *Ordinance*

OFFICE OF THE  
MAYOR  
CITY OF SAN LUIS

**No. 374**

**AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA AMENDING SECTION 30.075 OF THE SAN LUIS CITY CODE BY REQUIRING PRIOR APPROVAL OF SUGGESTED ORDERS AND SECTION 30.078 PROVIDING THAT ORDER ARE EFFECTIVE IMMEDIATELY UPON PASSAGE; REPEALING ANY CONFLICTING PROVISIONS; AND PROVIDING FOR SEVERABILITY.**

**BE IT ORDAINED** by the Mayor and City Council of the City of San Luis, Arizona, as follows:

**Section 1. Section 30.075** of the San Luis City Code is amended to read as follows:

## **§30.075 PRIOR APPROVAL**

All ordinances, resolutions, orders and contract documents shall, before presentation to the Council, have been reviewed as to form by the Attorney and shall, when there are substantive matters of administration involved, be referred to the person who is charged with the administration of the matters. The person shall have an opportunity to present his or her comments, suggestions and objections, if any, prior to the passage of the ordinance, resolution, order or acceptance of the contract.

**Section 2. Section 30.078** of the San Luis City Code is amended to read as follows:

## **§30.078 EFFECTIVE DATE OF ORDINANCES, RESOLUTIONS, FRANCHISES AND ORDERS**

- (A) No ordinance, resolution or franchise shall become operative until 30 days after its passage by the Council and approval by the Mayor, except measures necessary for the immediate preservation of the peace, health or safety of the city; approved by the affirmative vote of three-fourths of all the members elected to the Council, taken by ayes and nays.

(B) Orders shall become effective upon passage unless Council provides for a specific effective date in the order.

**Section 3: Repeal of Conflicts.** In the event of a conflict between the provisions of this ordinance and any other ordinance, code, resolution, regulation, or policy of the City of San Luis, the conflicting provisions are hereby repealed, superseded, and replaced.

**Section 4: Severability.** If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance.

**PASSED, ADOPTED and APPROVED** by the Mayor and City Council of the City of San Luis, Yuma County, Arizona this \_\_\_\_ day of November 2017.

\_\_\_\_\_  
Gerardo Sanchez, Mayor

**ATTEST:**

\_\_\_\_\_  
Sonia Cornelio, City Clerk

**APPROVED AS TO FORM:**

*Kay Marion Macuil*  
\_\_\_\_\_  
Kay Marion Macuil, City Attorney